

# **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 27<sup>th</sup> January 2022 at 7.30pm.

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

**ALSO PRESENT:** Councillors Sayer, Farr\*, Gillman\*, Jones\*, Lockwood\*, Mills\*, Moore and N.White

\* Councillors joined the meeting remotely via Zoom.

\*\* Councillors Dennis and Gray participated via Zoom in a non-voting capacity.

### **244. MINUTES OF THE MEETING HELD ON THE 2ND NOVEMBER 2021**

The minutes were confirmed and signed as a correct record.

The actions arising from the meeting on 2 November 2021 were reviewed and it was noted that:

- SIAP had provided a paper outlining the standards that they had to comply with in respect of internal audit planning and the role of the Committee in that process. This action had been resolved and the paper circulated to the Committee.
- Information relating to payments made to staff in employment cases was still outstanding and must be allocated to the relevant member of staff to complete.
- It was noted that there may be a requirement to revisit the underlying reasons for the late closure of internal audit actions. This was dependant on the outcome of agenda item 9 (minute 248).
- It was noted that the actions arising from the Grant Thornton Review were now included within the Finance Transformation Programme.
- The action relating to the provision of cost and statistical information relating to the PSAA agenda item had been resolved.
- Both outstanding actions contained in minute 171 (External Audit update) had been resolved.
- In respect of minute 172, it was noted that the external auditors can only confirm that the audit was completed in line with the Annual Governance Statement ("AGS"). They are unable to comment on the standard of the AGS itself. However, if there were shortfalls with the AGS, this would be apparent from the contents of their final report.

- In respect of minute 173, it was noted that the action to provide further information on recorded complaints and any compensation details would be included in the next report to the Committee.
- The Chair will circulate an update to the Committee in respect of minute 174 (Resident's Survey 2021).
- Changes to the method for reviewing the performance exception report had been made and would be dealt with under agenda item 12 (minute 251).

#### **ACTIONS:**

	<b>Action</b>	<b>Responsible Person</b>	<b>Deadline</b>
1.	To allocate the task of providing information (subject to possible confidentiality issues) relating to payments made to staff in employment cases.	David Ford	TBC
2.	To circulate an update on the Resident's Survey received from Giuseppina Valenza	Councillor Langton	TBC

## **245. COMMUNITY SAFETY REVIEW**

The Community Safety and Partnerships Specialist presented a report which updated Members about community safety activities in the District. The report focused on the work of the Tandridge Community Safety Partnership Board ("TCSPB"), their priorities for 2021/22 and the outcomes from the 2021 Action Plan. A summary of other notable achievements from the last year was also provided.

A presentation was also given by Inspector Karen Hughes (Surrey Police - Borough Commander) which included:

- an overview of the current Tandridge Borough policing team
- a summary of the 2021 highlights, which included:
  - successfully obtaining Safer Streets funding
  - enhanced response to Rural Crime
  - improving response to Anti-Social Behaviour
  - a review of the work of the Serious Organised Crime Joint Action Group
- a presentation of Tandridge Crime Data for 2020/2021

- A summary of the Tandridge Borough Priorities for 2022, which included:
  - protecting those most vulnerable in the community;
  - reducing Anti-Social Behaviour
  - reducing burglaries
  - reducing rural crime
  - increasing work in respect of violence against women and girls

A concern was raised that the report did not include any statistical information on how the TCSPB priorities were agreed and that it did not appear to reflect the concerns felt by residents within the District. It was explained that priorities were set using data from TCSPB partner agencies and that data is not always available to evidence the presence of Serious Organised Crime. Inspector Hughes offered to meet outside of the meeting to discuss the type of data that the Committee would find useful. It was noted that the level of resourcing in the Communities Team was significantly less than in other authorities across the County.

The discussion also commented on the creation of the Frauds and Scams Working Group which was an area of concern in the District following an increase of this offence during Covid. It was noted that this was a challenging area to police and resource. There was a need to increase awareness of the issue, particularly in areas where door knocking scams were taking place. It was noted that the Working Group would review whether any funding routes were available to the Council to enable further work in the area.

In response to a question about improved collation of community intelligence, it was noted that the Police had started engaging Communities in problem solving incidents in their area, the aim of which was to increase engagement from the public. The Police were keen to increase public confidence so incidents are reported when they happen. It was noted that Inspector Hughes would welcome more regular meetings with Councillors to try and make sure the correct messages about crime reporting is being circulated to residents.

It was noted that Officers had received training on Community Protection Warnings and Notices, which could be used by Council Officers to tackle low level Anti-Social Behaviour within the District.

The issue of CCTV was raised and a question was asked as to the Police's views on CCTV and whether there was any funding available to help with its installation. Inspector Hughes could raise this with the PCC but it was understood that there appeared to be a move away from funding the installation of CCTV. However, there may be the possibility to obtain funding via the Safer Streets initiative in order to improve safety for women and girls in the District.

In response to a question about the best method for contacting the Police locally, it was noted that information could be shared both on social media and in the next Tandridge District Magazine.

It was noted that, in relation to knife crime, an 'intensification week' was planned during which there would be dedicated publicity campaign and amnesty bins in the District. Inspector Hughes would confirm the date of this campaign after the meeting.

Due to some concerns raised about the contents of the reports to the Committee and the flow of information from the Community Safety Partnerships Board and the Police and Crime Panel, the Chairman proposed a future meeting with relevant Officers and Councillors to discuss further. It was noted that Councillor Gillman sits on the Community Safety Partnerships Board and the Police and Crime Panel for the Police and Crime Commissioner and should be the liaison for Councillors as to the contents of the briefings.

### **ACTIONS:**

	<b>Action</b>	<b>Responsible Person</b>	<b>Deadline</b>
1.	To arrange a meeting to discuss the provision of data that evidences the TCSPB priorities and targets for 2021/22.	Councillor Langton / Inspector Hughes / Amanda Bird	TBC
2.	To explore possible funding opportunities to assist in the preventing of fraud and scams in the District.	Fraud and Scams Working Group	TBC

## **246. EXTERNAL AUDIT UPDATE - 20/21 ACCOUNTS UPDATE**

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

It was confirmed that the 2019/20 accounts had been signed and the audit opinion was ready to be sent. It was acknowledged that this had taken a long time but this was a positive step in terms of the current position of the Council's external audit.

Progress was now being made on the 2020/21 accounts. A clear plan for the audit process was being prepared from the current position of the audit up to a signing date. The plan and sign off date would be shared with Councillors once it had been agreed with the Finance Team. No provisional date for sign off would be provided now in order to avoid missed deadlines and to rebuild credibility with the Council. It was noted that Tandridge District Council was a priority audit and the intention was to sign off the 2020/21 accounts as soon as possible.

**RESOLVED** – to note the update from Deloitte and that authority be delegated to the Council's Section 151 Officer, in consultation with the Chair of the Audit & Scrutiny Committee to give final approval to those accounts.

## **247. APPOINTMENT OF EXTERNAL AUDITORS**

A report was presented which sought approval for appointing Public Sector Audit Appointments ("PSAA") to undertake the appointment of the Council's external auditor for 2023/24 to 2027/28. The report had been deferred from the 2 November 2021 committee meeting so further statistical and cost information could be provided to the Committee to assist with making the decision.

A briefing note annexed to the report confirmed that:

- during the last appointment process in 2018/19, only ten authorities had made local arrangements and opted out of the PSAA process;
- only limited comparable information was available as only two of these authorities were similar to the Council;

- the information showed that the audit base fee for the Council had reduced during the last external audit contract whilst one of the comparators had increased and the other marginally decreased.

During the debate, Members reiterated concerns that the information provided did not overcome concerns about the performance of the current external auditors and that the information did not assist with making the decision to opt in. The Committee was advised that the appointment process was complicated and resource intensive and if the Committee decided to opt out, it would be more expensive in the long term. Therefore, the Committee was advised that opting into the PSAA scheme was the correct decision.

In response to Member's questions, the Committee was advised that once auditors had been appointed under the PSAA process Local Authorities would have a chance to discuss the appointment, although it was unclear at present how this would take place.

It was also noted that the 2019/20 audit was complicated by both issues on the part of the Council and Deloitte which were further enhanced by the Covid pandemic. However, the Council was confident that the 2020/21 process will be greatly improved. The Committee noted that it had not received a written response to their recent letter of complaint. The Chair confirmed that he would raise this point with the relevant Partner at Deloitte.

Upon being put to the vote, the recommendation was carried.

In accordance with Standing Order 25(3), Councillor O'Driscoll wished it to be recorded that he abstained from voting on this item.

**COUNCIL DECISION**  
(subject to ratification by Council)

**RECOMMENDED** – that the Committee accepts PSAA's invitation to opt into the sector-led option for the appointment of external auditors for five financial years from 1 April 2023.

**ACTION:**

	Action	Responsible Person	Deadline
1.	To speak to the Partner in Charge at Deloitte regarding a written response to the Committee's complaint.	Councillor Langton	TBC

## 248. INTERNAL AUDIT PROGRESS REPORT - JANUARY 2022

Natalie Jerams presented a report which provided an overview of:

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

The subsequent discussion on these reports included reference to the following issues:

- It was noted that some overdue internal actions were now included within the wider transformation programmes currently ongoing at the Council and have therefore been superseded.
- A comparison of overdue items from August 2021 to January 2022 appears to indicate that the closure of internal audit actions had worsened. However, as the audit continues, new actions had been added and closed which may have distorted the position.
- The underlying reasons for the delay in closing internal audit actions had been built into both the Finance Transformation Programme and the Future Tandridge Programme. Consequently, the root causes for delays in the closure of internal audit items should be addressed.
- An update on the 2020/21 Annual Governance Statement and Code of Governance, which has received a limited assurance opinion, would be brought to the next committee meeting on 22 March 2022 for discussion.
- An update was given on the outstanding Health and Safety management actions. It was confirmed that the current action plan to address these issues was nearing completion.
- Due to its technical nature, a third party partner would be assisting with the production of the Disaster Recovery Plan. Work on this would continue once the data site had been completed and signed off.
- It was strongly recommended that Agresso be maintained as the Council's general ledger system.
- Any current 'No Assurance' reports would be included in the 2022/23 internal audit plan.

It was also noted that Internal Audit's Annual Report would come to the July 2022 Audit & Scrutiny committee meeting.

**RESOLVED** – that the Internal Audit Progress Report be noted.

**ACTIONS:**

	Action	Responsible Person	Deadline
1.	To update the Internal Audit Actions spreadsheet to reflect the same order as SIAP's and include forecast completion dates and task owners.	Melanie Thompson	TBC

## **249. FINANCE TRANSFORMATION PROJECT**

The Committee received a verbal update on the progress of the Finance Transformation Project (“FTP”). It was noted that the outstanding internal audit actions, such as Accounts Receivable and Exchequer Services, referred to in agenda item 9 (minute 248) were now part of the FTP.

It was confirmed that the Grant Thornton (“GT”) recommendations previously reported to the Committee were also included in the FTP. In addition, the recent 2021/22 line by line accounts review that had been sent to Members provided reassurance that the issues highlighted by GT had not been repeated. An independent review of Tandridge District Council’s financial management and reporting arrangements had also been completed by Laura Rowley. Her report had been included in the papers for the Strategy and Resources agenda for 1 February 2022. The Committee was assured that the Council felt that a stable financial foundation was now in place upon which the FTP would be built on.

It was agreed that a short report would be brought to the next committee meeting which would include a summary of the details that would be discussed at the Strategy and Resources Committee.

## **250. PROJECT MANAGEMENT REVIEW**

The Committee considered a report which provided an overview of project management at the Council through recent governance change and what steps were being taken to improve the running of future projects.

Improvements introduced in the last 12 months included:

- the introduction of a Project Management Group;
- the reintroduction of Committee Project Boards;
- a review of governance arrangements; and
- the updating of a project management handbook for Officers.

It was noted that work was ongoing in order to achieve a consistent approach across all Council projects.

The Committee asked for information to be provided on the level of project management training within the Council. It was agreed that the information would be provided after the meeting. It was noted by the Chief Executive that a skills audit needed to be undertaken as part of the Tandridge Future Programme to make sure staff are properly equipped to undertake their roles.

In response to the Committee’s concern that the excerpts from the Internal Action Tracker and Corporate Improvement Plan set out in Appendix A to the report did not contain dates for completion, it was confirmed that the documents were now part of the Future Tandridge Programme and would be reviewed as part of this project. It was noted that end dates were required in order to be able to allocate resources effectively and to allow Members to monitor progress.

In response to a request from the Committee, Officers agreed to circulate a list of current ongoing projects and to provide a copy of the completed Project Management Handbook to Committee once it had been signed off by the Project Management Group.

Councillor Langton requested an addition to the recommendation which asked for a project management plan be provided by the next committee meeting. The addition was seconded by Councillor O'Driscoll.

**RESOLVED** – that:

- A. the Committee notes and agrees the report and that updates be brought to all future Audit & Scrutiny meetings, either written or verbal, until such time that the Committee is satisfied that project management has improved at the Council; and
- B. a project management plan, with a list of priority actions, to be provided at the next Audit & Scrutiny Committee, with each item specified with project owners and dates.

**ACTIONS:**

	Action	Responsible Person	Deadline
1.	To provide details of how many Officers are trained in, or hold qualifications in Project Management.	Alison Boote	TBC
2.	To provide the Committee with a copy of the Project Management handbook once it had been signed off and approved.	Yvonne Morland	TBC
3.	To provide the Committee with a list of all current ongoing projects.	Yvonne Morland	TBC
4.	A project management plan to be produced as per the recommendation above.	To be confirmed	08.03.22

## 251. PERFORMANCE EXCEPTIONS REPORT

The Committee received an exceptions report 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 report presentation made reference to the following issues:

- KPI CS 5 had been discussed by the Community Services Committee as it no longer reflected the performance of the Joint Environmental Health Team. It was noted that the KPI would be reported annually in the future.
- The Planning Policy Committee had discussed the challenges associated with producing quality and timely performance data. It was noted that the current regime and some of the key risks identified on the Planning Policy Risk Register were being addressed as part of the Planning Transformation Project.
- The number of people in urgent need on the housing register continues to be high despite the council house building programme that is in place.
- The time taken to re-let Local Authority sheltered housing property was delayed over the past year due to issues related to Covid.
- Customer Services were continuing to be impacted by the number of calls received from residents. Ongoing efforts are being made to direct residents to the website where possible.
- Responding to Freedom of Information requests was still a concern however ongoing work on policy training and systems was in place to improve the Council's performance in this area. A review was being undertaken of FOI requests to minimise spurious, repeated and dubious requests.
- It was noted that the Future Tandridge Programme would seek to address long standing resource and capacity issues and redesigning the delivery of services.

Three key risk areas from the report were highlighted by the Chair for further scrutiny by the Committee:

### Planning Transformation and Capacity (4.11 in the report)

This is a title to represent several risks under the Planning Policy Committee. The Committee felt the suggested actions put in place by the Planning Policy Committee to deal with ongoing issues in the Planning Department were adequate but a concern remained regarding the defending of planning appeals and associated applications for costs. It was suggested that the Council, in partnership with other Local Authorities, could recruit expertise to counter advice from statutory consultees where it is felt that the advice received is not complete or satisfactory. It was noted that there were insufficient costs in the budget to defend such cases and this should be reviewed.

The Chair was of the view that because the current budget may be insufficient to address an eventuality, as soon as should one arise, the likely cost implications must immediately be flagged up giving time to identify a possible funding source.

Inability to make savings as identified in the Medium Term Financial Strategy and to balance the Council budget (4.9 in the report)

It was noted that all policy committees were in the process of agreeing their separate budgets for the next year.

The Chair felt that actions were in place to make sure that the Council makes the required savings and no further action needed to be taken by the Committee. This was subject to the proviso that if any proposed savings were rejected, the relevant Committee would have to find a replacement saving from within its own budget.

A concern was raised about a recent suggestion to use reserves rather than finding budget savings. It was suggested that this practice should not be considered in the future.

Inability to maintain high standards for delivery of statutory services (4.13 of the report)

It was assessed that the Future Tandridge Programme comprised elements that were addressing this risk and no further action could be taken at this time. It was noted that staff sickness levels should be reviewed at a future committee meeting as they constituted to over 1750 lost working days and the matter was long overdue to be resolved.

Following a request by the Committee, an update had been provided on the Council's current debt management position. It was noted that the Council could consider selling its debt to a third party in order to release an immediate fund of money. However, this would require careful consideration. It was confirmed that debt collection agencies are already used by the Council for Council Tax and Business Rates recovery. A question was asked about repeat debt offenders and whether steps are being taken to prevent such situations occurring. It was agreed that this could be happening and this was likely to be discussed in the debt report that was on the Strategy & Resources Committee agenda for 1 February 2022.

**RESOLVED** – that the Committee accepts the report.

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

The Chair asked the Committee to consider how it should review the progress of the Future Tandridge Programme at the next meeting.

Rising 10.38 pm