

## 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 6<sup>th</sup> December 2022 at 7:30pm.

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

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

**ALSO PRESENT (Virtually):** Councillor C.Farr

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

#### 188. MINUTES OF THE MEETING HELD ON 27 SEPTEMBER 2022

The minutes were confirmed and signed as a correct record.

#### 189. EXTERNAL AUDIT - 20/21 ACCOUNTS

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

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

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

##### **Collection Fund Testing**

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

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

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

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

### **Unadjusted Misstatements**

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

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

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

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

## **190. INTERNAL AUDIT PROGRESS REPORT - DECEMBER 2022**

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

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

The Committee received the following updates on outstanding management actions:

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

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

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

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

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

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

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

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

**RESOLVED** – that the Committee:

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

## **192. COMPLAINTS AND FREEDOM OF INFORMATION UPDATE**

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

The Committee were informed that there had been:

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

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

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

***RESOLVED*** – that the Committee note and accept the report.

Rising 8.40 pm