

Annual Governance Statement

2021-2022



Message from the Leader of the Council and the Chief Executive

We both recognise the importance of having good management, effective processes and other appropriate controls in place to enable the Council to deliver services and achieve the best possible outcomes for the residents of Tandridge.

To ensure the organisation continues to operate as effectively as possible, the Council embraces a governance framework which ensures consistency of purpose across the many services delivered, encourages high standards of performance, conduct and a strong public service ethos.

The underlying financial environment continues to pose significant challenges for all public services. The pandemic has significantly impacted on local government finances, combined with years of reduced funding and demand pressures. The current economic climate and general inflation cost pressures exacerbated by rising gas and oil prices have resulted in sharp increases in the cost of living which is impacting us all. Local authorities are not immune, with greater cost pressures across all aspects of our operation.

Within this overall context, the role of good governance remains critical to public trust and confidence in decision making.

In times of uncertainty and significant change, it is more important than ever that we make the best possible use of the public money we are entrusted with, ensuring resources are aligned to our ambitions, policies and priorities. That is why the Council has embarked on the Future Tandridge Programme (FTP). This brings together our approach to developing a new operating model, leadership, service redesign and delivering a smaller, more strategic, agile and responsive organisation with resources targeted at resident priorities.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our governance arrangements are fit for purpose. The Audit and Scrutiny Committee, alongside the Council's Management Team (Extended Management Team) have considered and reviewed the content of the statement including the significant governance issues identified and have satisfied themselves that this Annual Governance Statement properly reflects how the Council is run and that those improvement actions that have been identified are appropriate and will be delivered.

Signed on behalf of Tandridge District Council

INSERT SIGNATURE

Leader of the Council

Date:

INSERT SIGNATURE

Chief Executive

Date:

1. Introduction

- 1.1 The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the above.
- 1.2 The Council operates in a complex and constantly evolving financial, policy and legislative environment. The role, responsibilities and funding models of local government continue to be in a period of rapid transition. The Council continues to progress the delivery of its ambitious transformation programme, **the Future Tandridge Programme**, with officers and councillors engaged in working towards the realisation of the vision.
- 1.3 The changes taking place present both opportunities and challenges. The Council must continue to engage in a broad programme of innovation and service redesign work so it can maintain services for residents which are efficient, effective and deliver value for money using available resources. This document explains the governance mechanisms in place during 2021/2022 to ensure appropriate oversight of this work.
- 1.4 This statement is also prepared with consideration to the Chartered Institute of Public Finance and Accountancy's (**CIPFA**) Delivering Good Governance In Local Government Framework (which is the most up to date guidance in this area) and the Council's Corporate Governance Code (**the Code**) which has at its heart the following core principles:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.

2. Acknowledgement of responsibility

- 2.1 The Code sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

- 2.2 The Code and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government.
- 2.3 This statement explains how it has complied with the Code, including how the effectiveness of arrangements has been monitored. It also meets the requirements of regulation 6 (1) of the Accounts and Audit (England and Wales) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.
- 2.4 The Statement also includes reference to the documents that evidence the Council's commitment to the seven principles of governance. This gives assurance the Council is committed to continuously improve the way in which it functions.
- 2.5 The Council recognises there are areas where it wishes to enhance its arrangements to ensure that it continues to do the right things, in the right way, in line with its values and to consider significant challenges.
- 2.6 The Council is currently aware of further issues that could also affect its financial position such as, but not limited to, exceptional inflationary pressures, planning appeals, appeals against housing/homeless decisions, business rates appeals, enforcement and other matters.
- 2.7 The 2020/21 Annual Governance Statement highlighted several issues, with a commitment to monitor them during the course of 2021/22. Progress against these issues has been reviewed during the year through the Council's normal systems of governance, risk and control. In most cases, this has been via updates to the Council's Risk Register, which is reported regularly to EMT, quarterly to four Committees (Strategy and Resources; Planning Policy, Housing and Community Services) with a final report to Audit and Scrutiny Committee.
- 2.8 There has undoubtedly been a significant impact on the Council during the period of the COVID-19 pandemic, however the Council has maintained all its front-line services to residents and customers throughout.

3. Corporate governance

- 3.1 Corporate governance is the term used to describe the system by which local authorities direct and control their functions and relate to their communities. The Council drafted a new Code and this was undertaken by the Council's Head of Legal and Monitoring Officer in consultation with

senior managers and the Chair and Vice Chair of the Audit and Scrutiny Committee. It was subsequently presented to Councillors at its Audit and Scrutiny Committee in March 2022. The Code reflects the arrangements that were in place during 2021/22, considering any continuing impact of Covid-19 and measures taken to resume "business as usual". The Code is consistent with the seven principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. A copy of the Code is on the Council's website.

- 3.2 The Council recognises a crucial aspect in delivering good governance is the way that it is applied. The ethos of good governance cannot be achieved by structures, rules, and procedures alone. Effectively, good governance needs to be embedded within the Council and its culture and the need for and value of, good governance must be explicit.
- 3.3 One of the key elements of the Council's governance is its Constitution. The Council's constitution records the rules and laws under which the Council operates, including the Financial Regulations. The Constitution is published on the Council's website. The Constitution was last updated and agreed at Full Council on 15th December 2022. In addition, there are a range of policies and procedures to direct and guide councillors and officers, as well as codes of conduct that set out standards of behaviour expected from councillors and officers. The Council's Financial Regulations were reviewed by Strategy and Resources Committee on 1st February 2022 and still require further changes. This will be reviewed and reported at the 30th March Committee 2023.
- 3.4 Standing Orders in the Constitution allow the Council to delegate decision making to committees, sub-committees, or officers and sets out the rules which apply to the running and operation of Council and committee meetings.
- 3.5 Another key element of the Council's governance is its Strategic Plan 2020-2021 to 2023-2024 which includes four objectives for:
 - **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
 - **Creating the homes, infrastructure and environment we need** – both now and in the future.
 - **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from.
 - **Becoming a greener, more sustainable District** – tackling climate change
- 3.6 A new Plan will be developed for 2024-2028 which will set the direction for the Council and enable the Council to track progress against corporate objectives, as well as help services and teams understand the strategy and how their work directly impacts its success. The Corporate Plan ensures every level of the organisation is aligned around a shared purpose and officers understand their role in delivering services which

meet the corporate objectives. The meetings take place monthly and are attended by service area representatives. Agendas and minutes are available for all officers.

- 3.7 The Council has active engagement with Staff Conference to discuss the Future Tandridge Programme and the impact upon staffing and service delivery and other specific service matters. The Staff Conference is a forum for informing and consulting staff, through their representatives, on employment policies, procedures and working practices. The meetings take place monthly and are attended by service area representatives. Agendas and minutes are published and available for all officers.
- 3.8 The Council has appointed the required statutory officers which includes the Head of Paid Service (Chief Executive), the Monitoring Officer (Head of Legal Services) and the Chief Finance Officer, also referred to as the Section 151 Officer. These three officers have met informally during 2021/2022 and communication has remained strong. Revised terms of reference for the Statutory Officers group have been drafted. A standing agenda item will be to discuss governance and risk issues. This further demonstrates the commitment to ensuring effective corporate governance arrangements are in place.
- 3.9 All Heads of Service are members of The Extended Management Team (EMT) who meet once a week. This includes those Heads of Service who hold a statutory officer role. EMT is responsible for identifying improvement actions and/or future planned developments in relation to key governance arrangements and continuous improvement.
- 3.10 The Council has appropriate policies and procedures relating to HR and these are available on the Council's intranet and are easily accessible.
- 3.11 The Council has an established Anti-Fraud, Bribery and Corruption Policy and a separate Whistleblowing policy. These policies set out the duties of all staff in relation to acting with honesty and integrity and the reporting suspected fraud. Both policies are published on the Council's website, along with details about how the public can report suspected fraud and corruption.
- 3.12 Independent and objective assurances are provided by Southern Internal Audit Partnership (SIAP) whose function as internal auditors, including the Chief Internal Auditor role, is designed to add value and improve the Council's operations. This in turn helps the Council accomplish its strategic ambitions by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the Council's risk management, internal control and governance processes.
- 3.13 The Council's internal audit arrangements are consistent with the CIPFA Statement on *the role of the Head of Internal Audit in public service organisations* (2019).

- 3.14 The Council proactively engages with residents and businesses to maintain the Council's reputation, gain understanding and support for the organisation's vision and objectives and keep customers informed about priorities, services and campaigns.
- 3.15 Progress against the existing Council Strategic Plan priorities and budgets has been monitored by EMT using a corporate action tracker. Many of these actions have now moved into business-as-usual work. Work is underway to develop a new corporate plan to replace the existing one which was launched at the start of the pandemic. Much of that plan relates to making internal improvements following a period of management instability.
- 3.16 The Council has arrangements in place to regularly monitor financial performance, service performance, the progress of key corporate projects and to oversee the implementation of recommendations from internal audit reports. Financial monitoring and reporting was strengthened over the course of 2021/2022 following a series of reviews into the Council's arrangements for financial management, including by Grant Thornton and an independent financial expert. The action plans resulting from these reviews resulted in a strengthened Finance function and the resumption of formal quarterly finance reports to committees, in Q4 2021/2022 and into 2022/2023. As part of the changes put in place since the arrival of the Chief Executive there has been a review of performance indicators, risk and audit, as well as the re-introduction of service plans. There has also been a review of corporate projects and project management.
- 3.17 In the Council's day-to-day operations, a framework of internal controls (eg authorisation, reconciliations, separation of duties, etc.) manages the risks of fraud or error and this framework is reviewed by internal audit. The Council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud.
- 3.18 The Audit and Scrutiny Committee has continued to play a key role in obtaining the relevant assurances and in accordance with CIPFA guidance is independent of key decision makers and able to question and challenge the material before it.
- 3.19 Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved. The Council's legal services and procurement team ensure all are fit for purpose and the Council's interests are protected.
- 3.20 The Council publishes its statutory Statement of Accounts on an annual basis, in compliance with the CIPFA Code of Practice on Local Authority Accounting. Delays in the external audit process mean the Council is unable to comply with statutory timescales for 2021/2022, however it has made the relevant disclosures to this effect on its website. Good progress is being made both in respect of the outstanding external audit

of the 2020/2021 accounts and the production and publishing of the 2021/2022 accounts. The Council is far from isolated in these delays and they reflect a sector-wide crisis in audit resourcing, as well as local circumstances which led to the fundamental review of the Council's Finance function and subsequent restructure of the Finance team. Best practice, oversight and resilience is now accessed through the Joint Working Agreement for Finance with Surrey County Council. The Statement of Accounts and external audit process incorporate the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

- 3.21 The Council is subject to independent audit by Deloitte and receives an Annual Audit Letter reporting on findings. The Council supplements this work with the Southern Internal Audit Partnership and ad hoc external peer reviews. The Audit and Scrutiny Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 3.22 The Information Governance Management Team meets quarterly to discuss and monitor compliance with corporate systems of internal control, cyber security and governance issues. The group includes the IT & Projects Delivery Manager, the Council's Monitoring Officer, the FOI and Deputy FOI Officers, Support Services Manager, the Data Protection Officer, the Head of Information Governance, Head of Policy and Communications, Communications Specialist and Data Protection Officer.
- 3.23 The Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) give rights of public access to information held by public authorities, including the Broads Authority. The Council's Publication Scheme highlights the information it publishes, how it makes it available. The Council's commitment to protecting people's privacy and processing personal data in accordance with data protection legislation is set out on the Council webpage (<https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Data-protection-and-freedom-of-information>).
- 3.24 The Council has an overarching **Corporate Business Continuity Plan** which provides critical information to enable the Council to continue operating during an unplanned significant event, including loss of premises, IT/telecommunications systems and utilities; national lockdown (e.g. pandemic) and major travel disruption. The plan relates to events that impact all or most of the Council's operations and that require immediate action. Measures to respond to other identified and predictable business risks (such as significant loss of income or key staff) are covered elsewhere, including within our risk registers and individual project plans.
- 3.25 An incident response plan was triggered in March 2020 in response to the Covid-19 pandemic, and remained in place throughout 2020/21 and continued in 2021/2022. The plan included an actions log drawn from the weekly 'Surrey's Local Resilience Forum. A summary of the briefing from

the meetings was made available to all staff, members and volunteers, together with regular guidance on maintaining Covid-safe working practices.

- 3.26 The Council's Emergency Planning and Resilience Specialist oversees and monitors the Council's range of business continuity plans including **the Corporate Business Continuity Plan**. Work on this has been ongoing but there remains an absence of robust Service Area Business Continuity Plans from several areas of the Council. The September 2022 internal audit report identified the 2019 Business Continuity Incident Management Plan as being due for review. A programme of work is being looked into in 2022/23.
- 3.27 An EMT session on 28 March 2023 will be used to undertake a business continuity desktop exercise with the Emergency Planning and Resilience Specialist.

4. The Council and how it operates

- 4.1 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 2022 the composition of the Council is: Independents and OLRG Alliance	18
Liberal Democrat	11
Conservative	10
Independent Group	3

- 4.2 The Council is in No Overall Control, with a minority Independents and OLRG Alliance administration.
- 4.3 During 2021-2022 the Council had the following committees:
- Community Services
 - Housing
 - Licensing
 - Overview and Scrutiny / Audit and Scrutiny
 - Planning
 - Planning Policy
 - Standards
 - Strategy and Resources

- 4.4 Our committees each have distinct terms of reference and the public may ask questions at these meetings. Meetings that are exempt under legislative guidance¹ the public and the press are excluded.
- 4.5 Council and Committee meetings are available as [webcasts](#), and decisions are recorded and published.

5. CIPFA financial management code

- 5.1 In December 2019, CIPFA introduced its Financial Management Code (FM Code) to reflect exceptional financial circumstances faced by local authorities. Previous CIPFA work had revealed fundamental weaknesses in financial management at some councils (not in Tandridge), particularly in relation to organisations that may be unable to maintain services in the future. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Each local authority must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of councillors, the Chief Finance Officer (S151) and their professional colleagues in the Finance team.
- 5.2 Local authorities have been required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA considered the implementation date of April 2020 should indicate the commencement of a shadow year and by 31 March 2021, local authorities should be able to demonstrate they are working towards full implementation of the code. The first full year of compliance with the FM Code has therefore been 2021/2022.
- 5.3 The Council's governance arrangements for budgeting, the accounts, financial decision making and compliance with codes of practice and legislation are in accordance with the financial management standards set out in the FM Code. No significant issues or concerns have been raised by internal or external audit. However, the Council has commissioned two bespoke external reviews to address its Financial Management capability, particularly a review by Grant Thornton and a further review by an independent financial expert, focussed on the circumstances leading to a significant error in the Council's budgeting for pensions. These reviews led to several recommendations which were built into the Tandridge Finance Transformation Programme and the Future Tandridge Programme.

¹ For confidentiality of proceedings, see Tandridge District Council (2021) *Tandridge District Council Constitution*, p. 13 'No. 16'. Online available: <https://www.tandridge.gov.uk/Your-council/Councillors-and-committees/How-the-Council-is-run> [Last updated 02/2023].

6. Future Tandridge Programme

- 6.1 On 1 February 2022, the Council considered two key documents, setting context and direction for its future operation. The *2022/2023 Budget and 2023/2024 Medium-Term Financial Strategy* and a report formally initiating the *Future Tandridge Programme* combined to set out the scale of the challenge facing the authority and the mechanisms in place to address it. The Future Tandridge Programme is the key mechanism to ensure the Council lives within its financial means, but also to demonstrate it delivers value for money in the pursuit of its priorities. This is discharged through a series of evidence-based service reviews to determine an appropriate future operating model for each service.
- 6.2 During 2021/2022, as referenced elsewhere in this report, a £920k error was uncovered in the Council's approach to budgeting for pensions. The size of this error led to a series of external and internal reviews to understand what had happened, how the error had gone unnoticed, and crucially the lessons to be learned from it. In addition, a 2021/2022 line by line budget review that was sent to councillors provided reassurance the issues highlighted would not be repeated.
- 6.3 An independent review of Tandridge District Council's financial management and reporting arrangements was completed by Laura Rowley providing further assurance that, with appropriate intervention, the Council would learn from the mistakes which led to the error.
- 6.4 The outcomes from these reviews were built into the Tandridge Finance Transformation Programme (TFT) and the Future Tandridge Programme (FTP).
- 6.5 The overall aims of the FTP is to transform the operating model for Tandridge, creating a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way the Council operates.
- 6.6 The service review and redesign workstream will deliver a prioritised, consistent, and rigorous review of all services which fundamentally challenges how and why we provide services including the demand for these services, the most appropriate delivery model, performance, cost and value for money.
- 6.7 The approach and methodology is based on best practice from elsewhere, tailored to the requirements of the Council. The focus will be on identifying outcomes which support the longer-term operating model, but it will also be necessary to identify short term opportunities to deliver the budgeted savings in 2022/2023 and 2023/2024.

7. Impacts of the coronavirus pandemic on governance

- 7.1 While the coronavirus pandemic had a direct impact on the way the Council operates, this has now largely reduced. Over the period of review this has involved changes to business-as-usual arrangements and the introduction of new ways of working.
- 7.2 During the pandemic all staff, where it was appropriate to do so, worked from home and this has continued through the introduction of hybrid working. There has been a refocus upon wellbeing and resilience support for staff and the Council has undertaken extensive consultation exercises with staff on the new ways of working to help shape future arrangements.
- 7.3 The pandemic provided reassurance over our resilience, governance, and decision-making arrangements, as we have been able to maintain and deliver most of our services in this challenging environment, adapting our methods of working and decision making as necessary.
- 7.4 Legislation to allow authorities to conduct most of its meetings and take decisions in ways other than in person expired on 6 May 2021 and Full Council and Committee meetings returned to being held face-to-face. The Council recognises the benefits virtual meetings provided, particularly around accessibility for stakeholders and the public.
- 7.5 The impact of the pandemic is likely to continue to affect governance arrangements and changes to working practices are continually being assessed to ensure appropriate controls exist. It is also apparent the pandemic has had, and will continue to have, an impact upon the Council's resources, financial resilience, potential pausing of certain projects and long-term flexible working. This will remain a key governance issue as the Council recovers.
- 7.6 IT security requirements have been strengthened to reflect the increased number of staff working at home and in response to increased global IT security threats. Additional investment in the IT technical infrastructure will need to be prioritised for 2022/2023 and promptly implemented to increase resilience within the IT network. Policies and procedures also need to be adapted to respond to changing needs.
- 7.7 Some of the measures undertaken in 2021-2022:
- **Supporting vulnerable residents:** including food and fuel grants and the administration of a Household Support Fund. Financial support was provided to residents through use of Discretionary Housing Payments for those unable to meet rent liabilities. Sign posting to relevant partner agencies such as Citizens Advice and Surrey County Council.
 - **Council tax support:** administered the government's Hardship

Fund and provided further financial support initiatives (eg Hardship Payments).

8. Review of compliance with the Code of Corporate Governance

- 8.1 Between January and March 2022, each member of the EMT completed a statement of assurance providing details as to the extent and quality of internal control arrangements operating within their teams during the previous year. Furthermore, they were also asked to declare any weaknesses in the governance arrangements in their service areas. It is proposed to amend the statements for 2022/2023 to include any overdue and significant internal audit actions in the senior managers' service area.
- 8.2 The Section 151 Officer has the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advises the S151 Officer should report directly to the Chief Executive and be a member of the Leadership Team, of equal status to other members. The S151 Officer at the Council is a member of EMT who reports directly to the Chief Executive.
- 8.3 The Council has appointed the Head of Legal as the statutory "Monitoring Officer" and has procedures to ensure the Monitoring Officer is aware of any issues which may have legal implications.

9. Subsidiary Company

- 9.1 The Council has three subsidiary companies Gryllus Holdings Ltd., Gryllus Property Ltd and Gryllus Housing. Gryllus Property was set up to manage a small number of out-of-district investment properties. Assurance on the proper running of the companies are provided by the Head of Legal Services and Monitoring Officer acting as company secretary, expert asset advice provided by the Asset Management Team, and expert financial advice provided by the Commercial Finance team at Surrey County Council, through the Joint Working Agreement.

10. Statutory Assurances

a. Head of Paid Service

As Chief Executive and the Head of Paid Service, I am responsible for the overall corporate and operational management of the Council. In yet another challenging year for the Council, I remain both impressed and proud of the way the organisation continues to recover from the Covid-19 crisis and deal with the significant and increasing service and economic pressures our services face, exacerbated by the growing cost of living crisis. I believe our governance arrangements are improving and are reviewed regularly to ensure they support a more agile way of

working. We have also made excellent progress in taking forward our transformation programme, the Future Tandridge Programme. This involves a series of service and cross cutting reviews designed to ensure our resources are targeted to where they will most positively impact on our residents.

Introducing a commissioning-based approach to service delivery is a key priority going forward. This will include different and more effective ways in which council services can be delivered. One way of doing this is through working more closely with our east Surrey neighbours and there will be much more of this, as well as exploring other partnership opportunities, in 2023.

As a leadership group, EMT is working more cohesively as a team. We are now looking collectively at what we need to do organisationally to make Tandridge a council people want to work for. Instilling the values and behaviours we have all agreed to throughout the organisation will be a key priority for 2023. Investing in and nurturing talent and developing managers and staff is also a priority. We are currently putting together a Leadership and Team development programme to drive this forward.

The re-establishment of the Key Officer Forum is an important step towards strengthening the organisation and creating more resilience and capacity at management level. For managers and staff, setting clearer objectives, agreeing individual development plans and looking at ways in which we can reward good performance will also be a focus for 2023, starting with the introduction of service plans and appraisals from April.

Finally, the development of a new Corporate Plan will clarify our priorities and objectives for the next three to four years. This in turn will be linked to the budget setting process and inform service planning and appraisals.

I support the areas for improvement presented in this Annual Governance Statement.

b. Chief Financial and Section 151 Officer

As Section 151 Officer, I have responsibility to ensure the proper administration of the Council's affairs. Key elements of this are to make sure the Council's budget and reserves are robust and arrangements are in place to secure value for money.

The annual Budget and Medium-Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including Council tax levels, capital funding and treasury management.

As S151 officer, I continue to assess risks to the financial stability of the Council, both externally and internally. External risks take the form of high inflation, increasing construction costs, high interest rates and volatile government funding. Internal factors include ensuring budget

holder accountability is strong, contract management and procurement arrangements are suitable and the finance function is robust and provides adequate checks and balances across the organisation.

In addition, the organisation is taking steps to ensure a business partnering approach is adopted to demonstrate the finances of the Council are directed appropriately to its priorities. This approach is set out in a Finance Business Partnering Agreement.

The projected gap between government funding and expected spend has necessitated the MTFs to be regularly reviewed and updated. Councillors have approved financial resilience measures which have stabilised the General Fund balance for this and future financial years, including a strategy to avoid the use of reserves and the adoption of a budgetary contingency as part of the annual budget process.

The 2022/2023 Budget report was taken to Council on 10 February 2022. The Budget Report is a formal report and is part of a continuum of professional advice and detailed work carried out with EMT and councillors. The Medium-Term Financial Strategy (MTFS) was approved as part of the same report and outlined how the budget would be delivered over the medium term.

I conclude the estimates for 2022/2023 were robust, the budget was lawful and levels of balances improved and would be adequate and reasonable in meeting the Council risks.

Section 11 of this report sets out more detail on the Future Tandridge Programme, particularly how this has been adopted as the key mechanism for securing value for money in the delivery of services.

c. Monitoring Officer

As the Council's Monitoring Officer, I am required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89).

I am satisfied that the Council has robust processes for decision making, however, there remains a need to ensure that a broader range of considerations as highlighted in the Council's Local Code of Corporate Governance are considered in the development of policies, projects and when making decisions.

I also have no significant concerns regarding overall Member conduct and there is now a positive relationship with Group Leaders that has helped to address any isolated issues that do arise. The Monitoring Officer also considers that the Council has an effective Standards Committee in place.

The Member Code of Conduct was reviewed during 2020/21 by the Standards Committee and updated, to address the areas of best practice identified by the committee on Standards in Public Life in its review of Local Government Ethical Standards. In particular, the Council adopted the Local Government Association's Model Code in the last municipal year. A further review will be considered by the Council early in the new municipal year.

Member Code of Conduct training has again been provided in the last year and there is considered to be good awareness of the requirements of the Code of Conduct. The Council has good procedures in place for review of both Members and Officers Register of Interests. There have been several complaints alleging a breach of the Member Code of Conduct during the past year and all of these have been dealt with in accordance with the Council's adopted procedures for handling such complaints.

d. Audit Opinion 2021/2022

Delivery of the Council's Internal Audit is carried out by Southern Internal Audit Service (SIAP) and managed by the Chief Finance Officer and Section 151 Officer. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Audit Plan, SIAP contribute to the Council's corporate governance.

SIAP operates to defined professional standards, ie the Public Sector Internal Audit Standards (PSIAS) and the Client Audit Manager reports to the Council's Strategic Director (Chief Finance Officer and Section 151 Officer) providing updates on internal audit progress and issues at regular liaison meetings.

Regular updates are presented to the Audit and Scrutiny Committee throughout the year which outline the key findings of the internal audit work undertaken during 2021/2022, including any areas of significant weakness in the internal control environment.

A list of all limited or no assurance reviews are listed in the 2021/22 annual report and opinion that was presented to the Audit & Scrutiny Committee in September 2022.

In each instance where it has been identified the control environment was not strong enough or was not complied with sufficiently to prevent risks to the organisation, SIAP has highlighted such issues through reporting to management who have developed management actions to further improve the system of control and compliance. All management actions are followed through to implementation and reported to the Audit and Scrutiny Committee.

The Head of Internal Audit provided a 'Limited' opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and the extent to which the Council can rely on it to the Audit and Scrutiny Committee in September 2022.

This Internal Audit Opinion has been considered in the development of the Annual Governance Statement.

Our external auditors (Deloitte LLP) will issue their External Audit Report ISA260 report for 2021/2022 in due course. The external audit for 2021/2022 has not commenced for the reasons set out above, particularly pressures on the external audit market. The report will be considered by the Audit and Scrutiny Committee at the next scheduled meeting in March 2023. The document will summarise their key findings in relation to their external audit of the Council for 2021/2022 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.

Our external auditors (Deloitte LLP) will issue their External Audit Report ISA260 report for 2021/2022 in due course. The external audit for 2021/2022 has not commenced for the reasons set out above, particularly pressures on the external audit market. The report will be considered by the Audit and Scrutiny Committee at the next scheduled meeting. The document will summarise their key findings in relation to their external audit of the Council for 2021/2022 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. Communications

- 11.1 The Council works hard to raise awareness and understanding among stakeholders about objectives, policies and services, as well as to improve and encourage proactive engagement between the Council and its stakeholders. In addition, the Council aims to consult widely and inclusively, listen to feedback and use it to inform policies.
- 11.2 The Council uses a range of channels to communicate with residents, businesses and customers. These include the website, e-newsletters which provide the latest information about initiatives and services, community news and events and social media.
- 11.3 Throughout the Covid-19 pandemic, the Council played an active role in promoting and signposting residents and businesses to the government's package of guidance and support measures. This has evolved into providing information to support residents and business during the cost-of-living crisis.

11.4 A residents' survey is carried out every two years to ask residents for their views of the Council, its services and their local area. The last survey was carried out in 2021 and one is planned for 2023. The 2021 results were presented to the Audit & Scrutiny Committee on 2 November 2021.

12. IT Strategy

12.1 The Council developed and approved an IT & Digital Strategy in June 2021. The overarching goal of the strategy is to improve service outcomes as well as reduce costs and to do this by making it easier for residents, partners and businesses to engage and transact with the Council.

12.2 The ambition is to provide efficient, cost-effective services 24/7 to a growing majority of the residents.

12.3 The digital aspirations were underpinned by three critical ambitions:

- Accelerating channel shift
- ICT modernisation and resilience
- Working smarter

12.4 It is proposed over the coming year to present a business case to develop the digital offering to residents and businesses. A review of the ICT estate will also be carried out, to provide insight on the best use of current technology and the benefits and cost of cloud migration. This work will be a key project within the Future Tandridge Programme.

13. Partnership

13.1 The Council continues to utilise partnership arrangements with other public bodies to deliver services. The Council, therefore, remains committed to meeting the challenge of ensuring that the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.

13.2 The Council has the following partnerships in place:-

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 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. The Joint Partnership Board, on which the councils are represented by Councillors and Officers, meets at least three times a year to approve the partnership’s budget, 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.

Wellbeing Prescription

The Wellbeing Prescription team has been supporting both Tandridge and Reigate and Banstead residents since 2015. The team is commissioned by NHS Surrey Heartlands ICS to support residents in East Surrey to improve their health and Wellbeing. The Strategy & Resources Committee approved a one-year extension to the current contract till March 2024. During the year a new model will be developed across East Surrey ready for a new commissioned contract in 2024.

14. Planning

- 14.1 During 2021/22, the Council received 1,219 valid planning applications and determined a total of 1,164 during this period. 98% of these decisions (1141) were delegated to officers and 2% determined by the Planning Committee (23). 83.5% (953) were granted - this is comparable with the overall average for England – and 188 refused.
- 14.2 During 2021/22, 86 appeals were decided by the Planning Inspectorate, 65% (56) were dismissed during the same period, 33% (28) were allowed and 2% (2) had a split decision.
- 14.3 During 2021/22, of the 86 appeals, 79 were planning appeals where 66% (52) were dismissed, 33% (26) were allowed and 1% (1) had a split decision.

- 14.4 During 2021/22, of the 86 appeals, 7 were planning enforcement appeals where 57% (4) were dismissed, 29% (2) were allowed and 14% (1) had a split decision.
- 14.5 During 2021/22 the Council issued 15 enforcement notices during this period. A total of 365 enforcement cases were opened and 391 were closed during this period. Officers issued 12 Enforcement Notices, 2 Breach of Condition, 1 Stop Notice.

15. Conclusion

- 15.1 The Council recognises the longer-term impact of the pandemic, alongside the current economic climate and general inflation cost pressures will continue to bring with it substantial risks to the Council and these will be monitored by the respective committees and EMT, with the Audit and Scrutiny Committee seeking assurance all possible mitigations are in place through its monitoring of this priority risk.
- 15.2 Satisfactory governance exists but improvements are required to ensure it is fully embedded and integrated across all areas of the Council. To achieve this, the main challenges facing the Council appear in the **Appendix** below with energy focused on achieving a balanced budget and delivering the Future Tandridge Programme.
- 15.3 It is proposed, over the coming year, to take the steps set out in the Appendix to further enhance the Council's governance arrangements. The Council is satisfied these steps will address the need for improvements that were identified in the review of effectiveness and the Head of Legal and Monitoring Officer will monitor their implementation and operation during the year and as part of the next annual review.

Appendix

Rationale for the statements *tbc* assurance opinion

Definition	Description
Adequate	There are sound policies and processes in place, which are working effectively across services that provide for good governance arrangements and support compliance with requirements of this CIPFA Principle and the achievement of the Council's aims and objectives. There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the council's overall governance framework.
Areas for further development and improvement	While there are policies and processes in place, there are some areas which remain a challenge for the Council or require further improvement, which may impact the effectiveness of elements of the Council's governance arrangements, compliance with this principle and achievement of the Council's aims and objectives. The Council has in place an action plan to address challenges and improvement matters.
Identified priority / urgent areas for improvement	The Council has significant challenges in relation to the policies and processes which may impact the effectiveness of elements of the Council's governance arrangements, compliance with this principle and achievement of the Council's aims and objectives. We have implemented plans for corrective actions to manage these risks.

Core CIPFA Governance Principle	Overall assessment	What's working well	Where we can improve
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>		<ul style="list-style-type: none"> • Following election to office in May each year, the Council has a full induction and training programme, including the Members Code of Conduct. Dependent on the roles allocated to councillors additional tailored training is provided. The Council's Monitoring Officer, together with Democratic Services, have joint overall responsibility for councillors' induction and support services for councillors. • Councillors are required to declare interests. This and their attendance record and declarations at meetings are recorded on their individual page on the Council's website. Councillors receive an annual reminder from Democratic Services about the need to review and update their register of interests and that it is a legal requirement to declare and register all disclosable pecuniary interests - under the Localism Act 2011, failure to register any disclosable interests within 28 days is potentially a criminal offence. • The Code of Conduct for Members and Co-opted Members makes specific reference to the need to adhere to seven principles of public life (the Nolan principles). In April 2021 Full Council adopted the New Local Government Association (LGA) Model Code following consideration of the LGA version by the Council's Standards Committee in March 2021. 	<ul style="list-style-type: none"> • The Council continues to build resilience to provide further assurance over its ability to deliver services within available funding and build a track record of managing within tight financial constraints. (s151 Officer) • Whistleblowing Policy to be revised and updated in September 2023. (Head of Transformation and Business Support). The Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration. • Anti-Fraud, Bribery and Corruption Policy to be reviewed and updated in April 2023. This will reflect best practice guidance such as national Fighting Fraud and Corruption Locally Strategy. (Head of Legal) • Anti-slavery requirements are built within the commissioning, procurement and contract management process. Our standard contract terms include clauses that specify the supplier's contractual obligation concerning Modern Slavery. The Council publishes a statement setting out the actions that are being undertaken to understand all potential modern slavery risks related to its business and actively ensure that there

- Our Constitution, including Contract Standing Orders were reviewed and updated during the financial year to ensure they remained legislatively compliant and reflect the organisation's operating arrangements. Changes were approved by Council at its meeting in April 2022.
- All formal meetings of the Council, ie committees, require declarations of interest from councillors of those committees as a standing item and meetings are minuted/recorded. There is also a councillor complaint form which is overseen and administered by the Council's Monitoring Officer function.
- All managers with financial budget responsibilities have been provided with a financial business partner to enable them to discharge their responsibility and ensure that all expenditure is evidenced, validated and justified.
- Effective management and coordination of multiple grants and funding streams in order to provide the required local outbreak management response during the COVID-19-19 pandemic.
- Updated annually Contract Standing Orders and a Procurement Board meets monthly which approves the appropriate procurement route for all significant expenditure.
- **Anti-Fraud, Bribery and Corruption Policy**

is no slavery or human trafficking in its own business and supply chains. On a voluntary basis, the Council should sign off a Modern Slavery Statement and complete the task in July 2023. (Deputy Chief Executive).

- Services are required to have regular team meetings, and one to ones with line managers and these are in addition to an annual performance setting discussion that inform key priorities and outcomes for the year (appraisals). Appraisals are to be introduced in April 2023 (Head of Transformation and Business Support)
- The Council is committed to maintaining good ethical governance, and its Local Code of Governance reflects the Seven Principles of Public Life in local government. To help enhance this process Officers have started to review its local Code and promote any changes. This will continue into 2022/2023. (Head of Legal)

		<ul style="list-style-type: none"> • The Council has appropriate whistle blowing policies and procedures in place which are reviewed annually and updated where required. Staff are aware of the Whistleblowing policy through the Council’s intranet. • Staff continue to participate in Check-ins with their line managers focused on health and wellbeing, as well as broader performance themes. 	
<p>B. Ensuring openness and comprehensive stakeholder engagement</p>		<ul style="list-style-type: none"> • Council meetings and committees are routinely held in public unless there are good reasons for not doing so on the grounds of confidentiality/disclosure of exempt information which are provided for in statutory provisions. • Council meetings and committees are open to participation and available to view online. A calendar of dates of all upcoming Council and all committee meetings is available on the Council website. • Regular staff briefings from the Chief Executive to all council employees on Council issues and the senior management team’s (EMT) response to them. • The Council has a designated Officer as IT Security Officer. This is now incorporated in the role of the IT & Project Delivery Manager. 	<ul style="list-style-type: none"> • Part 2 reports to be made available to all Councillors on the Mod Gov extranet. There may be some exceptions to this, at the discretion of the Monitoring Officer. (Head of Legal) • Decisions relating to Part 2 items to be set out in the public minutes and reported to Full Council. On the rare occasions when this is not appropriate, councillors will be advised how to access the relevant decisions via the Mod Gov extranet. (Head of Legal) • Identify a designated Officer as IT Security Officer. (Head of Transformation and Business Support) • EMT members to ensure relevant pages in their service areas are maintained and update on the Council’s website (EMT)

		<ul style="list-style-type: none"> • The Council has a number of ways it makes residents and businesses aware of initiatives, projects and services. • The Council has Staff Conference meetings which involves staff representatives from several services in the Council meeting on a quarterly basis with the Chief Executive and other members of EMT. 	<ul style="list-style-type: none"> • Build on the forward plan that has been put in place March 2022 to include delegated decision reporting. In particular, it is proposed a list of any delegated decisions are circulated to councillors and added to the website. (Head of Legal)
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>		<ul style="list-style-type: none"> • The Strategic Plan sets out strategic priorities and an overall strategic direction to 2024 and demonstrates how the Council will use its resources to deliver these. • Since its launch in January 2015, Wellbeing Prescription has steadily expanded and is now offered to patients registered to all 18 East Surrey ICP GP surgeries, including all Tandridge GP surgeries. It provides a forum in which key leaders from the local health and care system work together to improve the health and wellbeing of the local population. • On the 13 February 2020 Full Council resolved to declare a climate emergency. An Action Plan is our roadmap to delivering greater sustainability. 	<ul style="list-style-type: none"> • Work is underway to develop a new Corporate Plan for 2024-2028. (Head of Policy and Communications) • The Council has not adopted a Local Plan. Delays relating to Covid-19 and clarity from government about housing numbers has meant little progress has been made on the strategic approach of the plan. The Planning Policy Working Group has been set up and meets regularly to discuss the options available. (Interim Chief Head of Planning) • Work on the Climate Change action plan has been limited due to lack of resources in this area. As part of the restructure for the Policy and Communications Team a new post will be created with the aim of progressing some of this work. (Head of Policy and Communications)
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p>		<ul style="list-style-type: none"> • The Medium Term Financial Strategy details how we have planned all our resources, both financial and staffing to deliver against our priorities. Our performance framework has been developed to strengthen performance and the achievement of key objectives 	<ul style="list-style-type: none"> • The Council has faced significant financial challenges (increased costs, significantly reduced income and challenging savings targets) throughout 2021/2022. While the outturn position was underspent for 2021/2022, and contingencies carried over for 2022/2023, Covid-19 these

		<p>and outcomes. Performance is regularly and publicly reported through committee meetings.</p> <ul style="list-style-type: none"> • The decision-making process is objective and there is rigorous analysis of options and associated risks. To support this, there is a corporate and operational risk register. • The Monitoring and S151 Officers are consulted on all decision-making reports and they are able to provide their professional opinion on the matter being reported and actions / decisions to be taken. • The Council's Forward Plans set out clearly the forthcoming business that will be taken to the relevant committees and by key officers. This includes dates of meetings. The Council conforms to all legislation and best practice in publishing plans in advance of meetings etc. 	<p>challenges will continue to have an impact on the Council's finances over the next three years and will be critical to the medium-term financial planning (s151 Officer)</p> <ul style="list-style-type: none"> • Performance indicators and the risk registers are being reviewed as part of the re-introduction of service planning. (Head of Policy and Communications) • Reports have to be cleared by Monitoring and S151 Officers before publication. The volume of reports can sometimes allow little time for review. To seek to improve lead times. (Head of Legal) • The Procurement team will need to consider the changes brought about by the proposed procurement Reform Bill and Green Paper – 'Transforming Public Procurement' and changes to the Public Procurement thresholds. (s151 Officer)
<p>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>		<ul style="list-style-type: none"> • The Council has adopted specific codes of conduct for councillors involved in planning or licensing decision-making and these councillors receive additional training in these areas as a pre-condition of their participation. • There is an induction programme in place for new staff, which is a combination of e-learning and face-to-face activities. Key information and policies are highlighted to them. 	<ul style="list-style-type: none"> • Completion of the nine mandatory training for new recruits is high whereas officers who are required to update their training is low, although it has been improving over the last 12 months. EMT to monitor compliance with the process and address areas of non-compliance with their own staff. (EMT) • Work to improve the staff induction programme is planned for 2023, along with training for the leadership team and other managers. (Head of Transformation and Business Support)

		<ul style="list-style-type: none"> • The Council's approach to leadership engagement has also been strengthened through the further embedding of the Senior Leadership Group and the Executive Leadership Team. These two groups had new terms of reference in 2022 and have changed their names to Extended Management Team and Management Team. Both meet regularly and work to a structured plan. • The Council's transformation programme called Future Tandridge Programme, which is led by Chief Executive, is focussed on ensuring the Council is more agile, leaner, and strategic to achieve the best outcomes with limited resources. 	<ul style="list-style-type: none"> • The Corporate Business Continuity Plan should be updated annually to ensure that it continues to meet the Council's needs. It therefore needs to be fully endorsed and actively promoted by EMT. Each EMT Member should regularly update their own service area business continuity plans, review them and check if their arrangements are still fit for purpose, up to date. This review is overdue. Also all members of EMT need to be trained, and exercised, on an annual basis to ensure that they are fully aware of how to implement the plan. The first test is scheduled for EMT on 28th March 2023 (EMT). • As per the recommendation response from the 2022 internal audit, business continuity plans and processes will be reviewed as the FTP emerges. The new structure will identify responsibilities in the newly defined service areas and therefore new Service Area Business Continuity Plans will be developed post transformation. During this interim period however, existing plans will still need to be kept up to date and exercised (EMT).
<p>F. Managing risks and performance through robust internal control and strong public financial management</p>		<ul style="list-style-type: none"> • The Council adopted a new Risk Management Strategy in July 2021, which was part of a risk management assessment led by Internal Audit. Improvements to the Strategy and internal processes have been implemented ahead of its annual review in July 2022. 	<ul style="list-style-type: none"> • The Council's approach to risk and maintenance of risk registers is under review. (Head of Policy and Communications) • Our annual audit opinion, as provided by Internal Audit, is 'Limited'. However the majority of the improvements identified in the 2021-2022 audit year have been

		<ul style="list-style-type: none"> • A transformation of our Planning (development management) service has been completed, and the team now has adequate resourcing in place. • Most tenants are paying their rents in accordance with agreed payment schedules. • It was agreed by the Investment Sub-Committee that no further investment property acquisitions that are purely to generate net yield were to be purchased. • A Debt Recovery Policy, aimed at improving the administration of income due to the Council, was approved by Strategy and Resources in February 2022. The objective was to maximise the recovery of income and minimise the amount of aged debt that needs to be written-off, improving the Council's cashflow and total income raised. 	<p>completed. Hence the AMBER traffic light rating. (s151 Officer)</p> <ul style="list-style-type: none"> • The Tandridge Finance Transformation Programme is complete and was reported to Audit & Scrutiny Committee on 5 July 2022 with key improvements delivered in the structure and resourcing of finance, engagement with budget holders, training and proper scrutiny of budget development. A continuing improvement programme for Finance is under way and will report back to Audit & Scrutiny Committee. (s151 Officer). • Covid-19 has placed even greater financial pressure on local authorities during 2020/2021 and 2021/2022. The volatility and significant financial, fiscal and economic risk makes forecasting and planning difficult. Financial resilience and sustainability is a significant risk for the future. A refresh of the MTFs occurs annually, which includes a review of all reserves. The budget for the Housing Revenue Account and its 30-year business plan is considered annually at the Housing Committee, supported by independent Housing Finance experts. (s151 Officer)
<p>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>		<ul style="list-style-type: none"> • The Council has a published constitution setting out how decisions are taken and how the public can get involved in decision making, including access to information and petitions. The Constitution was last agreed by Full Council in December 2022. 	<ul style="list-style-type: none"> • In order to effectively assess service level risk and ensure this is considered within the wider corporate risk framework, a broader programme of risk management training in 2022-23 will be delivered. This programme will specifically address those Officers

- The Council seeks to write and communicate reports and other information for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- The Council webcasts its Council and committee meetings to ensure maximum transparency. As a result of the Covid-19 pandemic the Council introduced virtual meetings and continues to webcast all Council and committee meetings.
- The Council website is used to publish news and information to ensure transparency of its actions.
- The Council's Constitution sets out the terms of reference of all Committees to ensure information is presented to the appropriate Committees. Access to Information rules set out how the Council maintains good public access to information and reports.
- The Council established its Code of Corporate Governance and it was presented to the Audit and Scrutiny Committee in 22nd March 2022.

outside of EMT. (Head of Policy and Communications)

- Each service area to regularly review their service area data and retention. In particular, to ensure a reduction in the number of emails stored as unstructured data in outlook accounts. (Head of Legal/Head of Transformation and Business Support).
- Review to improve efficiency and effectiveness in the handling of freedom of information requests. This is being looked into and it is anticipated that the exercise will be completed in April 2023. (Head of Legal)

ACTION PLAN - PROGRESS ON ACTIONS IDENTIFIED IN THE 2020-2021 STATEMENT

Key:

- CIP Ref – Corporate Improvement Plan reference number
- 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 Ref	Action Description	ELT Lead	Due Date	Notes
3	Explore use of 360 degree staff appraisal tools / Review staff 'check-in' process.	Reallocated task to Head of Transformation and Business Support	31/01/2022	<p>ONGOING</p> <p>Mandatory face to face appraisal training workshops will be taking place in February 2023 for all employees who have line management responsibilities</p> <p>The training is being provided by an external trainer and workshops will last for approximately 3 hours.</p> <p>To go live at the beginning of April 2023.</p>
4	Consider best approach to replacing the Executive Head of Corporate Resources who left the Council in August 2021.	CE	COMPLETED	Instead of replacing an Executive Head of Corporate Resources the Council has appointed a Deputy

	<i>Dependent on Strategy & Resources Committee and CE reviewing Impower's report.</i>			Chief Executive. The Deputy will be joining the Council at the end of February 2023. The post of Executive Head of Corporate Resources has been deleted.
5	Recruit interim Head of Human Resources.		COMPLETED	An interim Head of Human Resources was appointed. However, she resigned after a few months and a consultant was subsequently appointed. The HR Team are going through a service review under the Future Tandridge Programme. The need for further recruitment is being considered within the service review.
6	Produce business case to ensure there is sufficient capacity in Planning following the release of the PAS report.	CPO	COMPLETED	
7	Deliver Tandridge Financial Transformation (TFT). <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 Councillors 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>	CFO	COMPLETED	
9	Ensure compliance with mandatory fraud awareness training	CFO/ Specialist Service Manager	31/03/2022	ONGOING Training for both the Revs and Bens and Housing staff is to be completed under the MOU with RBBC. Discussions are ongoing regarding the MOU. This has been raised as a priority. Anticipated to be completed May- July 2023.

10	Adopt a Code of Governance, bringing together in one place all elements of the Council's governance system.	HofL	COMPLETED	
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	COMPLETED	
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 (Reallocated task to Head of Transformation and Business Support)	30/03/2022	ONGOING The Council is in the process of appointing a new Health and Safety Officer. This post will be shared with Elmbridge Borough Council. It is anticipated that someone will be in post May/ June 2023.
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	ONGOING A Strategic Plan has been replaced by a new "Corporate Plan". Workshops with Members are due to commence in March 2023.
32	Implement Customer First Audit Management Actions.	CE, HofL	Completed and audit closed	



Local Code of Corporate Governance

Document History

Version	Date	Author	Change description	Review & approved by
1	28/01/2021	Improvement Adviser	First draft.	Noted by Audit & Scrutiny Committee
2		Head of Legal & Programme Management Officer	Second draft.	

Next review date: March 2023

Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a council's arrangements for effective

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

Tandridge District Council (**The Council**) is responsible for ensuring a sound system of governance; that its business is conducted in accordance with the law and proper standards; that public money is safeguarded, properly accounted for and used; and that it exercises its functions efficiently and effectively. Councillors and Officers are responsible for putting in place proper arrangements for the Council's governance and the stewardship of its resources, and for regularly reviewing those arrangements.

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place. The Council has developed and adopted a local Code of Corporate Governance which brings together in one document all the governance and accountability arrangements the Council currently has in place.

Principles of good corporate governance

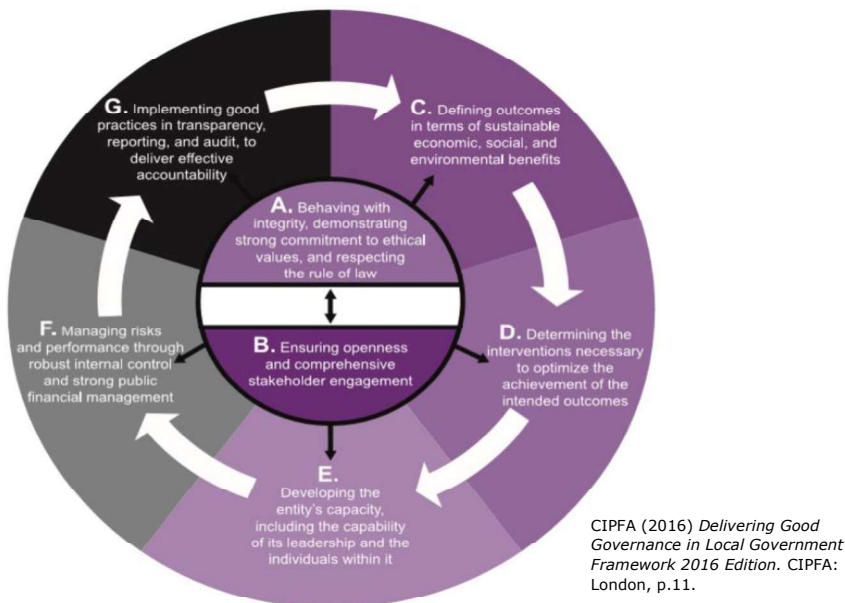
This document is based upon the CIPFA/SOLACE Framework: Delivering good governance in local government.¹ The aim of the principles is that the local authority achieves its intended outcomes while acting in the public interest at all times. The principles are as follows:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

¹ CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London.

- B.** Ensuring openness and comprehensive stakeholder engagement;
- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D.** Determining the interventions necessary to optimize the achievement of the intended outcomes;
- E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F.** Managing risks and performance through robust internal control and strong public financial management; and
- G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The diagram below describes how the Council achieves the seven principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.



Putting the principles into practice at the Council

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure transparency and accountability. Some of these processes are required by law, while others have been adopted at the Council's discretion. Much of the Council's approach to addressing the principles of good governance is contained within it. More specific details of the way that the Council applies the principles in practice are set out in the table below.

Monitoring and reporting

Regulation 6 of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. Where monitoring reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit and Scrutiny Committee for consideration and will form part of the Council's annual Statement of Accounts.

The Annual Governance Statement is published with the Council's accounts, on the Council website. Progress updates on implementation of actions arising from the Annual Governance Statements are provided to Audit and Scrutiny Committee during the year.

Certification

We hereby certify our commitment to this Local Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the council's Governance arrangements to ensure continuous improvement of the Council's systems.

INSERT SIGNATURE

INSERT SIGNATURE

Leader of the council

Date:

Chief Executive

Date:

Applying the principles of good governance²

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

What this means in practice:

The Council is accountable not only for how much it spends, but also how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of the law.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will behave with integrity.	<ul style="list-style-type: none"> Ensures members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated. Leads by example, ensuring members take the lead in establishing specific standard operating principles and 	<ul style="list-style-type: none"> A Code of Conduct for Members to ensure high standards of conduct are maintained. The code also applies to Members of Committees and co-opted Members. Established a procedure for dealing with breaches of the Member Code of Conduct. Registers of Members' interests are published on the Council website. Members must declare gifts or hospitality with an estimated value of at least £50. Records of gifts and hospitality and standard form have been established and will be published on the Council website.

² The table below contains content modified from: CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London.

	<p>values (building on the Seven Principles for Public Life) for the Combined Authority and the Local Enterprise Partnership and its staff and that they are communicated and understood.</p> <ul style="list-style-type: none"> Utilise the operating principles and values above as a framework for decision making and other actions. Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. 	<ul style="list-style-type: none"> Officers must declare any gifts or hospitality received. Standard decision-making reporting format and processes in place to ensure that all those responsible for taking decision have the necessary information on which to so do Members' declaration of interests is a standing item on all agendas. Minutes show declarations of interest were sought, and the appropriate declarations made. A complaint and Whistleblowing Policies have been updated. Induction programmes for new staff incorporate the required standard of behaviour expected will be developed. <p>Key documents include: Constitution, Member Code of Conduct, Declarations of Interest forms, Whistleblowing Policy, Complaints Policy.</p> <p>In Progress: Staff Code of Conduct.</p>
<p>We will demonstrate strong commitment to ethical values.</p>	<ul style="list-style-type: none"> The Anti-Fraud, Bribery and Corruption Policy is there to discourage inappropriate activities and to encourage the reporting of any instances found. Members are required to declare any conflicts of interest annually and at Committee and Full Council meetings. Employees are required to notify their line manager of any conflicts of interest. 	<ul style="list-style-type: none"> Anti-Fraud, Bribery and Corruption Policy was revised during 2020/21 and an assessment of fraud and risk would be reported to the Audit and Scrutiny Committee twice a year. Ensuring that external providers of services on behalf of the organisation (through tenders /contracts) are required to act with integrity and in compliance with ethical standards expected by the organisation. All Committees and working groups have clear terms of reference. Annual reports are published regarding audit activities and governance arrangements. <p>Key documents include: Constitution, Annual Governance Statement, Register of Interests, Anti-Fraud and Corruption Policy.</p>

		<p>In Progress: Annual Officer appraisals to be reviewed and include awareness and contribution to ethical values and priorities, development of new Corporate Values framework.</p>
<p>We will respect the rule of the law.</p>	<ul style="list-style-type: none"> • Ensures Members and Officers demonstrate a strong commitment and adheres to relevant laws and regulations. • Creates the environment to ensure that the statutory Officers, Chief Officers and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements, optimising full powers available to the benefit of communities, citizens and other stakeholders. • Deals with breaches of legal and regulatory provisions promptly and effectively. 	<ul style="list-style-type: none"> • The Council has in place a Monitoring Officer who works with Members and Officers to ensure that the law is adhered to. • The S151 Officer is designated the Chief Finance Officer and is responsible for ensuring a balanced budget. • Internal Audit will report regularly on activity and outcomes to the Audit & Scrutiny Committee based on assurances gained and issues identified where appropriate. • The Council maintains a record of complaints made to the Local Government Ombudsman as well as self-referring to the Information Commissioner where information data breaches occur, and actions taken to improve processes. • Legal and finance advice is given in reports for all decisions to be taken by Members. <p>Key documents include: Constitution includes Financial Regulations and Contract Standing Orders, Service agreement with SIAP to provide Internal Auditor Services, Service agreement with External Audit.</p>
<p>Principle B - Ensuring openness and comprehensive stakeholder engagement</p> <p>What this means in practice:</p> <p>The Council is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens, and service users, as well as institutional stakeholders.</p> <p>The Council supports the above principle by:</p>		

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
Openness.	<ul style="list-style-type: none"> • Supports an open culture through demonstrating, documenting and communicating the Council's commitment to openness. • Makes decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Where a decision is considered confidential, reasons for this are provided. • Provides clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Uses formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action. 	<p>This is evidenced and supported by:</p> <ul style="list-style-type: none"> • The Council is committed to openness and holds meetings in public wherever it can. A schedule of Council meetings is available on the Council's website. • The agendas, reports and minutes of meetings are published on the Council's website. All reports contain details of options considered and the advice provided by Officers regarding legal and financial implications. The minutes include the reasons behind the decisions made. • The Council's website provides a range of information that is freely available to the public under its publication scheme. It includes: organisational structures; senior officer pay; information on recycling and rubbish; spending and financial information; decision-making, including schedules of Council meetings and supporting papers. • Bringing regular budget monitoring reports to our policy committees. • Having a Strategic Plan that illustrates where the Council is directing its resources. • The Committee forward plan of all decisions to be taken is published each month. https://tandridge.moderngov.co.uk/mgListPlans.aspx?RPID=186&RD=0&bcr=1 <p>Key documents include: Constitution, committee meeting timetable, agenda and minutes, video recordings, Strategic Plan, annual budget reports.</p> <p>In progress: review of the Strategic Plan.</p>

<p>We will engage comprehensively with institutional stakeholders.</p>	<ul style="list-style-type: none"> • Wherever we seek the views of our community, we endeavour to provide feedback on the information received and how we have used this to shape the Council's decisions. • Ensure regular performance / contract management / partnership meetings are scheduled with key partners; e.g. for shared services (environmental health), key contractors (Biffa) and policy development (Surrey County Council). 	<ul style="list-style-type: none"> • The Council's annual resident's survey. A report on the results is taken to our Audit and Scrutiny Committee. • Council's Procurement Strategy, which ensures suppliers are chosen according to the Council's requirements and deliver value to residents. <p>Key documents include: Formal partnership contracts / service level agreements / memorandums of understanding in place, which include performance monitoring requirements.</p>
<p>We will engage stakeholders effectively, including citizens and service users.</p>	<ul style="list-style-type: none"> • Ensures communication methods are effective and that members and officers are clear about their roles with regard to community engagement. • Encourages, collects and evaluates the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implements effective feedback mechanisms in order to demonstrate how their views have been taken into account. 	<ul style="list-style-type: none"> • Annual resident's survey. • Customer services team in place to triage resident enquiries (phone and online) and complaints. • Organisational case management system in place to process and respond to external enquiries.

- Balances feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

What this means in practice:

The long-term nature and impact of many of the Council’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will define outcomes	<ul style="list-style-type: none"> • Maintains a statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions. • Identifies the intended impact on, or changes for, stakeholders including citizens and service users, both in the short and long term. • Delivers defined outcomes on a sustainable basis within the 	<ul style="list-style-type: none"> • The Council is in the process of establishing a clear vision of what it wants to achieve for the District and this will be set out in the Strategic Plan. This Plan will be informed by an analysis of the needs of the District and through consultation. • Effective budget reporting processes ensures sustainability is effectively managed. • Performance monitoring reports are taken to each policy committee. <p>Key documentation includes: Strategic Plan, Budget Monitoring Reports to Committees, Risk Management Strategy, quarterly performance and risk committee reports.</p> <p>In progress: review of the Strategic Plan, service plans.</p>

	<p>resources that will be available.</p> <ul style="list-style-type: none"> • Identifies and manages risks to the achievement of outcomes. • Manages service user's expectations effectively with regard to determining priorities and making the best use of the resources available. 	
<p>We will provide sustainable economic, social and environmental Benefits.</p>	<ul style="list-style-type: none"> • Considers economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. • Takes a longer-term view regarding decision making, taking account of risk and acting transparently where there are potential conflicts between intended outcomes and short-term factors such as the political cycle or financial constraints. • Determines the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, to ensure appropriate trade-offs. 	<ul style="list-style-type: none"> • The declaration of a climate change emergency and the drive to embed carbon reduction across the organisation. There is a climate change implications section in each committee report, and an associated climate change impacts document to assist report authors. Further the Council has a Councillor – Officer climate change working group in place. • The council hosts a District Health and Wellbeing Board and provides a NHS funded social prescribing service. • Social value is incorporated into procurement activities. <p>Key documentation includes: Climate Change action plan, draft carbon footprint report, Procurement Strategy.</p>

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

What this means in practice:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs to ensure that it's defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will determine interventions.	<ul style="list-style-type: none"> Ensuring Members receive objective and rigorous analysis of a variety of options in reports indicating how intended outcomes would be achieved and associated risks. 	<ul style="list-style-type: none"> Reports for member decisions include options appraisals. Reports for member decisions include information about consultation with residents, businesses and other stakeholders where appropriate. Delivery of Strategic Plan objectives is monitored and managed at operational level through directorate team meetings, with programme boards for the largest areas of activity. Internal audit reports are used to form governance improvement actions. Use of programme and project management techniques. Budget setting and monitoring processes in place. <p>Key documents include: Corporate and policy committee risk registers, Internal Audit action plan, medium term financial plan, Strategic Plan, draft Programme & Project Management (PPM) Handbook.</p> <p>In progress: finalise and approve the PPM Handbook.</p>

<p>We will plan interventions.</p>	<ul style="list-style-type: none"> • Ensures that those making decisions, whether for the authority or any partnerships, are provided with information that is fit for purpose, relevant and timely. • Ensures that proper professional advice on matters that have legal or financial implications is available, recorded and used appropriately. 	<ul style="list-style-type: none"> • Financial reporting processes which include budget setting processes and budget monitoring are clearly defined to highlight budget pressures where intervention may be required. • Committee reports requiring legal and financial authorisation prior to issue. • Financial and legal representation at committee meetings. • Establishing appropriate key performance indicators (KPIs) and risks which are reported back to Members so that they can see how the performance of services is measured. <p>Key documents include: Committee Reports and minutes.</p>
<p>We will optimise achievement of intended outcomes.</p>	<ul style="list-style-type: none"> • Ensures that risk management is embedded into the culture of the Council, with Members and managers at all levels. • Ensures that effective arrangements for whistleblowing are in place and accessible to Officers and all those contracting with or appointed by the authority. 	<ul style="list-style-type: none"> • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • The annual budget is prepared for scrutiny and approval by Members and published in line with agreed priorities and the medium term financial strategy. • A whistleblowing policy which is accessible to all, detailing key officers and processes. <p>Key documents include: Whistleblowing policy, Risk Management Strategy, risk registers.</p>

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

What this means in practice:

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. It must ensure that it has both the

capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that it's management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual Officers. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
<p>We will develop the entity's capacity.</p>	<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. • Recognising the benefits of partnerships and collaborative working where added value can be achieved. 	<ul style="list-style-type: none"> • Departmental management meetings in place where issues can be escalated by service managers. • Member Development Programme. • Internal Audit in place as a third line of defence regarding officer skills and training. • Compliance with mandatory staff training is monitored by HR. • EAP and occupational health services support for staff health and wellbeing. • Roles of Councillors and Officers are set out in the Council's constitution and in officer job descriptions • Regular service performance and county benchmarking in place. <p>Key documents include: Staffing structure, Partnership and Service Level Agreements, job descriptions, constitution, quarterly performance reports, Internal Audit reports.</p> <p>In progress: Officer appraisal and development framework, service reviews being undertaken to assess potential for further partnership working.</p>

<p>We will develop the capability of the entity's leadership and other individuals.</p>	<ul style="list-style-type: none"> • Ensure the Chief Executive is responsible and accountable to the Council for all aspects of operational management • Ensure the Section 151 Officer is responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. • Appoint a professionally qualified and experienced Section 151 Officer who will lead the promotion and delivery of good financial management, safeguarding public money and ensuring appropriate, economic, efficient and effective use of funds; together with professional accountability for finance staff throughout the Council. • Having a framework in place that specifies the types of decisions that are delegate and those reserved for the collective decision making of the governing body. 	<ul style="list-style-type: none"> • The Council has established an organisational structure and is in the process of reviewing and recruiting to that structure. The aim is to have a lean organisation to achieve its objectives most effectively and efficiently. • Member induction programme. • Officer training budget. <p>Key documents include: Staffing structure, HR policies, scheme of delegation and contract standing orders (CSOs).</p> <p>In Progress: Future Tandridge programme, Officer appraisal and development framework.</p>
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Principle F - Managing risks and performance through robust internal control and strong public financial management

What this means in practice:

The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the achievement of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will manage risk.	<ul style="list-style-type: none"> • The Audit and Scrutiny Committee has overall responsibility for the Council's governance and risk management arrangements. • Ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job. • Ensure our arrangements for financial and internal control 	<ul style="list-style-type: none"> • Multi-level risks registers, i.e. corporate, committee and service-level. • Performance and risk management processes and reporting in place. • Financial regulations and budget reporting and monitoring. • The annual Internal Audit plan which is informed by corporate risks. • Procurement strategy and contract procedure rules. • Information Governance Board and Data Protection Officer in post. • The s151 Officer is appropriately qualified, experienced and complies with the CIPFA statement on the role of the Chief Financial Officer in Local Government.

	<p>and management of risk are formally addressed within the annual governance reports.</p> <ul style="list-style-type: none"> • Ensure that quarterly performance risk reports are produced for each policy Committee and used to hold senior Officers to account. 	<p>Key documents include: Risk management strategy, risk registers, Medium Term Financial Strategy.</p>
<p>We will manage performance.</p>	<ul style="list-style-type: none"> • Monitors service delivery effectively including planning, specification, execution and independent post implementation review. • Makes decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook. • The Chief Finance Officer is the authority's S151 and is responsible for ensuring that effective financial management is in place. • The Council has an established approach to financial governance involving Members, senior Officers. 	<ul style="list-style-type: none"> • Quarterly performance and risk reports taken to each policy committee. • Performance and risk are standard agenda items for departmental leadership meetings. • Corporate performance report taken to the executive team monthly, and quarterly benchmarking reports. <p>Key documents include: quarterly performance and risk reports.</p> <p>In progress: service plans for each team.</p>

<p>We will have robust internal control.</p>	<ul style="list-style-type: none"> • Evaluating and monitoring risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. 	<ul style="list-style-type: none"> • Internal Audit arrangements in place and conducted by Southern Internal Audit Partnership (SIAP). • Annual audit plan and quarterly audit progress reports taken to Audit & Scrutiny Committee. • Assurance statement issued to all service managers as part of the preparation for the Annual Governance Statement. This is viewed in parallel with this document (the local code of corporate governance). • Performance, risk and audit action monitoring conducted monthly (at a minimum). • Anti-Fraud and Corruption Policy in place, and fraud risks managed via operational risk registers. <p>Key documents include: internal audit committee reports, Annual Governance Statement, Local Code of Corporate Governance, Anti-Fraud and Corruption Policy.</p>
<p>We will manage data.</p>	<ul style="list-style-type: none"> • The Council has a Data Protection Officer and policy in place to ensure that personal data is held securely and managed appropriately. • The Data Protection Officer has set up Data Champions within each department and they meet quarterly. 	<ul style="list-style-type: none"> • Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the appropriate form of privacy notices. • Information Sharing Agreements are in place to document the sharing of information with other organisations. • Data verification and validation processes are integrated within systems and processes. • Procedures are in place for reporting data breaches which are recorded and reviewed to identify any remedial process actions required. • Details of data breaches will be reported to senior management with self-referral to the ICO if considered appropriate. • Information governance management team is in place and meet quarterly.

		<ul style="list-style-type: none"> • Data protection impact assessments conducted as necessary. <p>Key documents include: Data Protection Policy, Data Quality Policy, Information Governance Management Policy, Information Security Policy, IT Acceptable Use Policy, PCI-DSS Payment Card Industry – Data Security Standard Policy, Record of Processing Activities, Records Management Policy.</p> <p>In progress: Mandatory Officer training, review/update of Record of Processing Activities, staff data champions.</p>
<p>We will implement strong public financial management.</p>	<ul style="list-style-type: none"> • Ensures financial management supports both long term achievement of outcomes and short-term financial and operational performance. • Ensures well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. 	<ul style="list-style-type: none"> • The S151 Officer is appropriately qualified, experienced and complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government. • The S151 Officer prepares and advises the Council on its Medium Term Financial Strategy and the budget. • Regular budget monitoring reports are provided to Members and Officers. • Financial Regulations provide a framework for the day to day management of the Council’s financial transactions. <p>Key documents include: Financial Regulations, Budget monitoring reports.</p> <p>In progress Medium Term Financial Strategy</p>
<p>Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <p>What this means in practice:</p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p> <p>The Council supports the above principle by:</p>		

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will implement good practice in transparency	<ul style="list-style-type: none"> • Produces reports for the public and other stakeholders in an understandable style appropriate to the intended audience, ensuring that they are easy to access and interrogate. • Strikes a balance between providing the right amount of information to satisfy transparency but can be understood by users to encourage public scrutiny. 	<ul style="list-style-type: none"> • Committee reports are written in a standard template and are informed by the Council's style and tone writing guide. • Compliance with the local government transparency code, with information published on the Council website in a timely manner. <p>Key documents include: See footnote for links to openly published information.³</p> <p>In progress: Freedom of information requests and responses to be published on the Council's website.</p>
We will implement good practices in reporting	<ul style="list-style-type: none"> • Put in place effective transparent and accessible arrangements for dealing with complaints. • Maintain effective arrangements for determining the remuneration of senior Officers and publish an Annual Pay Policy statement in accordance with the requirements of the Localism Act 2011. 	<ul style="list-style-type: none"> • A quarterly complaints report is taken to Audit & Scrutiny Committee • Pay policy and information published on the Council's website. <p>Key documents include: Complaints Policy, Pay Policy Statement.</p>

³ For further information see the following Council webpages: Transparency and open data - <https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Transparency-and-open-data>; Publication scheme - <https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Transparency-and-open-data/Publication-scheme>.







<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> • Ensures that recommendations for corrective action made by Internal Audit are acted upon. • Encourages peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • Obtains assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. • Ensures that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • Internal Audit provide assurances throughout the year on the key systems of internal control and produce an annual opinion report which is published and considered by Audit and Scrutiny Committee. • All observations noted in Internal Audit reports are addressed by the creation of associated management actions that will address risk issues. These are monitored at committee quarterly. • Peer review conducted for the Development Management service. • Annual Governance Statement includes an action plan. • The External Auditor provides assurance on the Council’s financial statements. • Procurement strategy, contract standing orders and partnership contracts, memorandums and agreements are used for each formal partnership. <p>Key documents include: Internal Audit annual opinion report, Annual Governance Statement.</p>
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Responsibilities

Corporate governance and good governance are everyone's responsibility. There are however a number of specific responsibilities in relation to the implementation, monitoring and review of the Code and the production of the Annual Governance Statement, as outlined below:

Leader of the Council	Championing and role modelling good governance, in the spirit of the Code.
Head of Paid Service (Chief Executive)	Championing and role modelling good governance, in the spirit of the Code.
Head of Legal Services & Monitoring Officer	Overseeing the implementation and monitoring of the Code. Reviewing the operation of the Code and advising on any changes that may be necessary to maintain it and ensure its effectiveness in practice. Undertaking an annual review of the Code to provide assurance on the extent of compliance with it, and reporting on the extent of that assurance in the Annual Governance Statement.
Chief Financial and Section 151 Officer	Leading the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
Head of Internal Audit (Southern Internal Audit Partnership)	Reporting to the Audit and Scrutiny Committee on audit activities during the year, with particular emphasis on the systems of internal control and arrangements for corporate governance.

Governance structure

<p>The Council</p> 	<ul style="list-style-type: none"> • Consists of 42 councillors. • Approves the constitution. • Appoints committees and sub-committees. • Sets council tax. • Set budget framework
<p>Policy Committees</p> 	<ul style="list-style-type: none"> • Main decision-making function of the council. • Comprises four committees who have responsibilities for particular areas. • Subject to political oversight of the council. • Membership is politically balanced.
<p>Audit & Scrutiny Committee</p> 	<ul style="list-style-type: none"> • Provides assurance to the council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. • Approves the Local Code of Governance, Annual Governance Statement and the Statement of Accounts. • Review and scrutinise decisions and performance of the Council and audit arrangements.
<p>Other regulatory committees</p> 	<ul style="list-style-type: none"> • Licensing: deals with all aspects of local licensing for which the council is responsible. • Planning: makes decisions on certain planning applications and deals with other development control issues such as enforcement. • Standards committee: promoting and maintaining high standards of conduct by Councillors and co-opted Councillors.
<p>Management Team</p> 	<ul style="list-style-type: none"> • Implements the policy and budgetary framework set by the council, and provides advice to policy committees and the council on the development of future policy and budgetary issues. • Oversees the delivery of the council's Strategic Plan and implementation of policy. • Operationalised by leading and attending: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.
<p>Extended Management Team</p> 	<ul style="list-style-type: none"> • Responsible for developing, maintaining and implementing the council's governance, risk, performance and control framework. • Contribute to the effective corporate management and governance of the council. • Operationalised by attending and contributing to: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.

Governance Assurance Channels

