

TANDRIDGE DISTRICT COUNCIL

AUDIT & SCRUTINY COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 23rd February 2023 at 7:30pm.

PRESENT: Councillors Allen (Chair), Booth, Botten, Chotai, Cooper, S.Farr (substitute in place of Gillman), North, C.White and N.White

PRESENT (Virtually): Councillor Flower

ALSO PRESENT (Virtually): Councillors C.Farr and Moore

APOLOGIES FOR ABSENCE: Councillor Gillman

244. MINUTES OF THE MEETING HELD ON 6TH DECEMBER 2022

The minutes of this meeting were confirmed and signed as a correct record.

245. EXTERNAL AUDIT - 2020/2021 ACCOUNTS UPDATE REPORT

Deloitte had provided an update report setting out the progress made since the last meeting. Michelle Hopton (Deloitte) confirmed that work regarding the audit of the collection fund had been concluded earlier in the day and there would be no 'audit qualification' for that particular aspect of the accounts. The auditors were working with officers to resolve other minor outstanding matters and it was envisaged that the final 'ISA 260' would be presented to the Committee on 4th April 2023 and that the 2020/21 accounts could be signed off shortly afterwards.

Officers explained how the challenges arising from the transition to a new revenues IT system (Northgate) had been overcome in terms of providing evidence for the auditors to gain assurance over the collection fund balance. In response to questions about 'learning points' from the audit, officers explained that:

- a future item concerning the 'Tandridge Finance Transformation' would include 'lessons learned' about the external audit of the Council's accounts
- the ISA 260 in respect of the 2020/21 accounts would document findings arising from management responses to audit lines of enquiry
- learning points would be picked up for 2022/23, although there may be recurring issues affecting the audit of the 2021/22 accounts
- the Corporate Management Team was committed to discussing any future IT system changes with the auditors to identify data retention requirements for subsequent financial audits.

RESOLVED – that the current position with regard to the Statement of Accounts 2020/21 be noted and that the determination of potential audit adjustments (set out on pages 25 and 26 of the agenda pack) be deferred, pending the outcome of on-going discussions between the auditors and senior Officers.

246. INTERNAL AUDIT PROGRESS REPORT - FEBRUARY 2023

This progress report included an analysis of live internal audit reviews; progress against the rolling work programme; and minor adjustments to the internal audit plan.

A schedule of the 51 overdue audit actions as at February 2023 was also tabled. In connection with this, the Chief Finance Officer explained that:

- 141 other actions arising from the corresponding audits had been completed
- 8 of the overdue actions for the contract management audit related to one topic (i.e. the production of a contract management guide) and could have been consolidated into a single action. For future audits, Internal Audit had agreed that actions such as this would be consolidated into a single action.

Other aspects of the discussion about overdue actions included:

- the measures aimed at strengthening procurement capacity and enhancing governance arrangements for undertaking procurements in the context of financial risk and the Council's emerging commissioning role
- the new partnership arrangement with Reigate & Banstead BC for establishing a more robust corporate approach to controlling the risk of revenues, benefits and housing fraud and that, notwithstanding this, pro-active arrangements were already in place to investigate potential fraud in key areas
- the Disabled Facilities Grants budget (the Chief Finance Officer undertook to liaise with the Head of Housing regarding measures to achieve effective disbursement)
- pursuit of an effective IT solution for disaster recovery / business continuity, including:
 - an acknowledgment that, given the reliance on the Council's small IT team to undertake the work in-house amidst other cyber security priorities, the project had taken longer than hoped, although pace had picked up during the previous quarter
 - confirmation that the Council shared two separate BT exchanges for its IT requirements.

RESOLVED – that the Internal Audit 2022/23 progress report (January 2023) be noted.

247. ANNUAL GOVERNANCE STATEMENT 2021/22

A proposed Annual Governance Statement (AGS) for 2021/22, including proposed actions to be undertaken during the coming year, was presented. Once approved, the AGS would accompany the corresponding Statement of Accounts and be published on the Council's website.

The AGS referred to the Council's Strategic Plan for 2020/21 to 2023/24 which included the following four corporate objectives:

- (i) *building a better Council – making the Council financially sustainable and providing residents with the best possible services*
- (ii) *creating the homes, infrastructure and environment we need – both now and in the future.*
- (iii) *supporting economic recovery in Tandridge – from lockdown to growth that everyone benefits from.*
- (iv) *becoming a greener, more sustainable District – tackling climate change.*

During the debate, a view was expressed that the Council was failing to meet objectives (ii) and (iv) above. The following points were raised in response:

- the process for developing a new corporate plan for 2024-2028 was about to commence, including a Member workshop on 6th March, and other work to culminate in the setting of fresh corporate objectives
- regarding work to tackle climate change (in light of the Council’s declaration of a climate change emergency in February 2019):
 - Tandridge was part of a Surrey-wide consortium seeking funding for the procurement of electric vehicle charging infrastructure
 - there was no dedicated staffing or financial resource for co-ordinating actions in respect of the Council’s declaration of a climate change emergency, although the restructure of the Policy & Communications Team would include a new post to help co-ordinate such corporate activities
- the Chair proposed that:
 - Councillor Gillman liaise with the Chair of the Housing Committee about performance against corporate objective (ii) above (in respect of “*creating the homes we need ...*”) and report back to this (Audit & Scrutiny) Committee; and
 - matters concerning the bullet point above regarding work to tackle climate change (in the context of the Council’s declaration of a climate change emergency and the current strategic objective to become a greener, more sustainable District etc) be reported to the Strategy & Resources Committee.

RESOLVED – that:

- A. the AGS at Appendix A to the report be approved for inclusion in the draft annual financial report for 2021/22; and
- B. the issues arising and proposed actions identified in the 2021/22 AGS be noted and that progress against the actions be brought back to the Committee as part of a monitoring report.

248. FUTURE TANDRIDGE PROGRAMME UPDATE - FEBRUARY 2023

The Committee considered a report concerning the governance and risk management arrangements for the Future Tandrige Programme (FTP). This confirmed that focus had now moved to ensuring the delivery of planned savings for 2023/24. As part of this phase, delivery plans had been developed by all service workstreams with key milestones, resource requirements and associated risks.

The report was accompanied by an FTP highlight summary as at December 2022; an FTP risk register; and a savings delivery assessment. In terms of governance arrangements, the report confirmed the roles of:

- the Member Reference Group which oversees the FTP
- the Strategy & Resources Committee, with overall Member-level responsibility for the FTP
- the other policy committees, tasked with making relevant decisions for the services within their remit
- the Programme Delivery Board, accountable for the delivery of the FTP
- Heads of Service, with direct responsibility for the development of business cases; the identification of savings and other benefits; the development of delivery plans; and identification of key risks and mitigations.

The Chair reflected the concerns of Councillor Gillman that, notwithstanding his appreciation of the quality of the report, risk scores should only be lowered once valid mitigating actions had been implemented. Officers were continuing to discuss the approach with Councillor Gillman.

It was confirmed that work was ongoing to recruit an Organisational Development Lead to (among other things) develop a People Plan, including an approach to retention and recruitment.

RESOLVED – that:

- A. the direction of travel for the FTP, the savings identified for delivery in 2023/24 and the associated update set out in the 2023/24 budget and Medium-Term Financial Strategy report to the Strategy & Resources Committee on the 31st January 2023 be noted; and
- B. the approach to risk management being applied and the current programme level risks identified in Appendix B to the report be noted.

249. COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS UPDATE

The Committee received a report which summarised the Council's complaints policy and presented breakdowns of the 30 complaints and 158 Fols received during the quarter to December 2022. The report also provided information about the three complaints considered by the Local Government Ombudsman during the quarter and a compensation payment made in respect of an erroneous Council Tax bill.

The high proportion of planning complaints (14) reflected the failed upgrade to the new planning IT system which had caused a backlog of applications and processing delays. The report advised that the main difficulties had been resolved and that the planning team was working hard to reduce the backlog.

The Chair clarified that complaints from Members were dealt with by the Monitoring Officer and did not feature in the quarterly analysis submitted to the Committee. It was also explained that most FoI requests were processed within the statutory 20 working days.

RESOLVED – that the report be accepted and noted.

Rising 8.55 pm