

## Committee Report Checklist

**Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.**

### **Stage 1**

#### **Report checklist – responsibility of report owner**

<b>ITEM</b>	<b>Yes / No</b>	<b>Date</b>
Councillor engagement / input from Chair prior to briefing		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)		
Relevant Group Head review		
MAT+ review (to have been circulated <b>at least 5 working days before Stage 2</b> )		
This item is on the Forward Plan for the relevant committee	<b>yes</b>	<b>23.4.25</b>
	<b>Reviewed by</b>	
Risk comments	<b>LO</b>	<b>05.09.25</b>
Legal comments	<b>LH</b>	<b>22/08/25</b>
HR comments (if applicable)		

**For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.**

**Do not forward to stage 2 unless all the above have been completed.**

### **Stage 2**

#### **Report checklist – responsibility of report owner**

<b>ITEM</b>	<b>Completed by</b>	<b>Date</b>
Monitoring Officer commentary – at least <b>5 working days before MAT</b>	<b>L Heron</b>	<b>22/08/25</b>
S151 Officer commentary – at least <b>5 working days before MAT</b>	<b>Ola Owolabi</b>	<b>08/09/25</b>
Confirm final report cleared by MAT		

# Audit Committee

25 September 2025

<b>Title</b>	Annual Internal Audit Conclusion 2024-25
<b>Purpose of the report</b>	To consider and note the Annual Internal Audit Conclusion 2024-25.
<b>Report Author</b>	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Addressing Housing Need Resilience Environment Services
<b>Recommendations</b>	To consider and note the Annual Internal Audit Conclusion 2024-25.
<b>Reason for Recommendation</b>	In accordance with the Internal Audit Charter, the Audit Committee is required to consider the Annual Internal Audit Conclusion of the Chief Internal Auditor.

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"><li>In accordance with the Public Sector Internal Audit Standards (as relevant to 2024/25) the Chief Internal Auditor is required to provide an Annual Conclusion including an opinion on the framework of governance, risk management and control.</li></ul>	<ul style="list-style-type: none"><li>The Annual Internal Audit Conclusion can be used by the Council to inform their Annual Governance Statement for 2024-25. The annual audit conclusion culminates in an overall opinion on the adequacy and effectiveness of the organisations' framework of governance, risk management and control.</li></ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"><li>Consider and note the Annual Internal Audit Conclusion 2024-25.</li></ul>	<ul style="list-style-type: none"><li>For Management Team and Group Heads to review and note the Chief</li></ul>

	<p>Internal Auditor's Annual Conclusion for 2024-25.</p> <ul style="list-style-type: none"> <li>• For Audit Committee to consider and note the Annual Internal Audit Conclusion for 2024-25.</li> <li>• For the organisation to consider the report to help inform their Annual Governance Statement 2024-25.</li> </ul>
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- 1.1 The purpose of this paper is to present the Annual Internal Audit Conclusion for 2024-25 (Appendix A) in accordance with the requirements of the Public Sector Internal Audit Standards.

## 2. Key issues

- 2.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk, and
  - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 2.2 The Annual Internal Audit Conclusion for 2024-25 provides the Chief Internal Auditor's opinion on the effectiveness of the framework of governance, risk and control and summarises audit work from which that opinion is derived for the year 2024-25.
- 2.3 The Audit Committee's attention is drawn to the following points:
- Internal audit was compliant with the Public Sector Internal Audit Standards during 2024-25;
  - The revised internal audit plan for 2024-25 has been substantially delivered to draft report; however not all have been finalised; and
  - The Council's framework of governance, risk management and management control are considered to be 'Limited'.
- 2.4 It is important to acknowledge that during the year the Council received a Best Value Inspection letter from government to inform the authority that an independent inspection would be undertaken to review the Council to seek assurance that it is complying with its Best Value Duty.

- 2.5 On 8 May 2025 the Ministry of Housing, Communities & Local Government wrote to the Chief Executive of Spelthorne Borough Council to state that the Secretary of State for Housing, Communities and Local Government has made directions under section 15(5) and (6) of the Local Government Act 1999 in respect to the intervention at Spelthorne Borough Council. The directions implement an intervention package including the appointment of commissioners and the preparation and agreement of an improvement and recovery plan within six months.

### **3. Options appraisal and proposal**

- 3.1 To consider and note the Annual Internal Audit Conclusion 2024-2025.

### **4. Risk implications**

- 4.1 In delivery of the programme of audit work for 2024-25 the Chief Internal Auditor has ensured that a risk-based approach has been applied in line with audit standards and focussed on areas of higher priority that align with corporate priorities and objectives. Consideration has been given to current and emerging risks facing the Council during 2024-25.

### **5. Financial implications**

- 5.1 There are no direct financial implications arising from this report. The Annual Internal Audit Conclusion from the Southern Internal Audit Partnership provides an independent opinion on the Council's governance, risk management, and internal control arrangements. While no additional costs have been identified, failure to address the weaknesses highlighted could expose the Council to financial and reputational risks. Any actions requiring additional resources will be managed within existing budgets where possible or otherwise brought forward separately for approval.

### **6. Legal comments**

- 6.1 The Public Sector Internal Audit Standards (PSIAS) are mandatory further to the Accounts and Audit (England) Regulations 2015. The PSIAS (as relevant to 2024/25 internal audit delivery) require the Council as a public body to provide an annual opinion on the effectiveness of its risk management, control and governance arrangements.
- 6.2 This report assists the Council to demonstrate compliance with the statutory requirements.

## **Corporate implications**

### **7. S151 Officer comments**

- 7.1 There are no direct financial implications arising from this report. However, it highlights areas of limited assurance in relation to savings realisation, procurement compliance, accounts receivable and debt management, and the governance of subsidiary companies. Weaknesses in these areas increase the risk of financial loss, inefficiency, and the Council's reduced capacity to deliver planned savings within the Medium-Term Financial Plan (MTFP). The Best Value Inspection has already concluded that the Council is failing to meet best value standards in its use of resources, governance, and financial management, leading to the appointment of commissioners to oversee the improvement and recovery plan.

### **8. Monitoring Officer comments**

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

### **9. Procurement comments**

- 9.1 None

### **10. Equality and Diversity**

Equality and diversity are key considerations that feature in the assessment of risk and audit needs.

### **11. Sustainability/Climate Change Implications**

- 11.1 Sustainability is a key consideration and features in the assessment of risk and audit needs.

### **12. Other considerations**

- 12.1 None

### **13. Timetable for implementation**

- 13.1 Applicable for the period 1 April 2024 – 31 March 2025

### **14. Contact**

- 14.1 Natalie Jerams, Deputy Head of Southern Internal Audit Partnership  
natalie.jerams@hants.gov.uk

***Please submit any material questions to the Committee Chair and Officer  
Contact by two days in advance of the meeting.***

**Background papers: None.**

**Appendices:**

**Appendix A – Annual Internal Audit Conclusion 2024-25**