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Date: 29 April 2025

Notice of meeting

Audit Committee

Date: Thursday, 8 May 2025

Time: 7.00 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Audit Committee

Councillors:

J. Button (Chair)

K. Howkins (Vice-Chair)

J.R. Boughtflower

J.P. Caplin

L. E. Nichols

H.R.D. Williams

P.N. Woodward

Independent Member: P.Briggs

Councillors are reminded to notify Committee Services of any Gifts and Hospitality offered to you since the last Council meeting so that these may be entered in the Gifts and Hospitality Declaration book.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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AGENDA

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|------------|---|------------------|
| 1. | Apologies and Substitutes
To receive any apologies for absence and notification of substitutions. | |
| 2. | Minutes
To confirm the minutes of the meetings held on 28 January 2025 and 25 February 2025. | 5 - 20 |
| 3. | Disclosures of Interest
To receive any disclosures of interest from Councillors in accordance with the Council's Code of Conduct for members. | |
| 4. | Committee Forward Plan
To consider the Forward Plan for future Committee business. | 21 - 24 |
| 5. | Internal Audit Charter and Internal Audit Plan 2025-26
To provide input and consider approval of the Internal Audit Charter and Internal Audit Plan 2025-26. | 25 - 62 |
| 6. | Internal Audit Progress Report
To be informed and assured of internal audit progress. | 63 - 78 |
| 7. | Action Plan to address Annual Audit Report
To consider the progress against the action plan and responses to the 2023-24 External Auditor's Annual Audit Report. | 79 - 92 |
| 8. | Action Plan to address Audit Findings Report
To be informed and assured as to the progress against the Action Plan and responses to the 2023-24 External Auditor's Audit Findings Report. | 93 - 98 |
| 9. | Consolidated Action Plan
To consider the draft Consolidated Action Plan relating to recommendations made in key external reviews of the Council and to acknowledge the progress to date. | 99 - 124 |
| 10. | Corporate Risk Management
To consider the significant strategic risks and issues highlighted in this report and present these to the Corporate Policy and Resources Committee, ensuring continued wider reporting of the Corporate Risk Register and actions across other Committees. | To Follow |

11. Counter-Fraud, Bribery and Corruption Strategy

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Committee is asked to:

1. Acknowledge the annual review of the Council's Counter Fraud, Bribery and Corruption Strategy;
2. Approve the proposed amendments to the Council's Counter Fraud, Bribery and Corruption Strategy; and
3. Recommend to the Council that the Constitution be updated with the revised Counter Fraud, Bribery and Corruption Strategy.

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**Minutes of the Audit Committee
28 January 2025**

Present:

Councillor J. Button (Chair)
Councillor K. Howkins (Vice-Chair)

Councillors:

J.R. Boughtflower	L. E. Nichols	P.N. Woodward
J.P. Caplin	H.R.D. Williams	

Independent Member: P. Briggs

In Attendance: Councillors C. Bateson and M. Gibson

1/25 Apologies and Substitutes

There were none.

2/25 Minutes

The minutes of the meetings held on 26 September 2024 and 4 December 2024 were approved as a correct record.

3/25 Disclosures of Interest

Councillor Nichols advised that he was a Director of Knowle Green Estates Ltd.

4/25 Committee Forward Plan

The Committee considered the Forward Plan for future Committee business.

Terry Collier, Deputy Chief Executive put forward the suggestion, if Committee were agreeable to schedule an Extraordinary Audit Committee in February 2025 before the deadline for the publication of audited accounts for 2023/24 on 28 February 2025. Business at this meeting would include the following items:

- Final Auditor's Annual Report on Spelthorne Borough Council 2023-24
- Detailed action plans to address recommendations and expand on management responses within the Auditor's Annual Report and the

Audit Finding's Report 23-24. It was intended for this action plan to be presented to every Audit Committee for review.

- An amendments Summary to the Spelthorne Borough Council Draft Statement of Accounts 2023-24
- Accounting policies for 2024-25 final accounts

The date of the Extraordinary Committee would need to be confirmed in consultation with external colleagues and Chair of Audit Committee.

Natalie Jerams, Deputy Head of the Southern Internal Audit Partnership relayed the message that the following items were due to be considered at the 08 May 2025 Audit Committee and 10 July 2025:

- Internal Audit Plan 2025-26
- Internal Audit Charter 2025-26
- Internal Audit Progress Report
- Internal Auditor's Annual Opinion

The Committee **resolved** to note the **Forward Plan** and agreed the proposal to schedule an Extraordinary Audit Committee in February 2025.

5/25 Internal Audit Progress Report

The Committee received a report from Natalie Jerams, Deputy Head of Southern Internal Audit Partnership (SIAP) on the Internal Audit Progress Report for December 2024 (The period covered is from April 1, 2024, to March 31, 2025). Punita Talwar, Audit Manager (SIAP) introduced this report which informed the Audit Committee of the progress in internal audit activities. The report highlighted compliance with the Accounts and Audit Regulations 2015 and updates on the audit plan progress. Due to capacity issues related to the Best Value Inspection (BVI), five reviews had been delayed to Q4. Despite deferrals on some reviews, sufficient assurance work remained to provide the annual opinion on governance, risk, and control. The report also addressed financial management, risk management, and legal compliance, emphasising a risk-based approach and key considerations for equality, diversity, and sustainability. The status of legacy internal audit recommendations was discussed, with nine outstanding overdue actions. Adjustments to the audit plan were made in consultation with the Management Audit Team (MAT), and progress will be monitored in preparation for the annual opinion due in July 2025.

The Committee queried the improvement of reviews since the previous progress report in September 2024. The Deputy Head, Southern Internal Audit Partnership confirmed that several reviews had been completed or were near completion. The Committee further queried whether any adjustments to the progress report were required in light of the recent Findings issued by Grant Thornton in their Interim Auditor's Annual Report 23-24. It was

confirmed that any necessary changes would be reviewed and implemented into the internal audit plan. Engagement with Q4 reviews was ongoing, and the plan was on track for year-end delivery, however should there be any unprecedented delays, Management Team and the Audit Committee through the Chair and Vice-Chair would be advised accordingly.

The Committee **resolved** to agree they had been informed and assured of the Internal Audit Progress Report. (August 2024).

6/25 Implementation of the Global Internal Audit Standards

Natalie Jerams, Deputy Head of Southern Internal Audit Partnership presented the report on the implementation of the Global Internal Audit Standards (GIAS), which will replace the Public Sector Internal Audit Standards from April 1, 2025. The report highlighted the key differences between the existing standards and the new GIAS, emphasising the need for compliance to ensure effective internal audit functions. The Southern Internal Audit Partnership had conducted a self-assessment and developed an action plan to align with the new standards. Engagement with senior management and the Audit Committee will continue to refine the Internal Audit Strategy and performance measures. There were no direct financial implications, but effective internal audit was crucial for risk management.

The Committee **resolved** to agree they had been informed and assured of the pending implementation of the Global Internal Audit Standards.

7/25 Interim Auditor's Annual Report 23-24

The Committee received a report from Grant Thornton on the Interim Auditor's Annual Report for the year ended 31 March 2024. This report brought together a summary of all the work undertaken for Spelthorne Borough Council during 2023-24. The core elements of the report was the issuing of an opinion on the financial statements, the commentary on value for money (VFM) arrangements and a the consideration of whether there were any issues arising during the work that required use of auditor powers. Joanne Brown, Audit Partner at Grant Thornton provided an overall summary of their Value for Money assessment of the Council's arrangements which focused on a criteria consisting of Financial Sustainability, Governance and improving Economy, Efficiency and Effectiveness. A risk assessment and Auditor judgement on arrangements was issued which highlighted significant weaknesses in arrangements identified and key recommendations were made.

The report highlighted that a qualified audit opinion on the 2023-24 financial statements was expected to be issued on conclusion of the work set out in the Audit Findings Report. The opinion will be qualified under the backstop legislation, and recent year accounts having been disclaimed under the backstop arrangements. In relation to use of auditor's powers, as the external

auditor, Grant Thornton were likely to make statutory recommendations under schedule 7 of the Local Audit and Accountability Act 2014 given the number of significant weaknesses that had been identified in this report, together with the Audit Finding's report.

The Committee queried the implications of publishing this paper as a public interest report. The representative from Grant Thornton clarified that under auditor's powers, public interest reports were initiated under separate circumstances and the preferred route in this case was to make statutory recommendations to the audited body to be considered and responded to publicly, and not to issue a public interest report.

The Committee raised concerns regarding various narratives in the report, particularly around the governance weaknesses identified regarding member behaviour and actions which were not substantiated. The representative from Grant Thornton responded by clarifying that interviews were undertaken with officers and a couple of councillors to gather evidence to present observations in the report. The narrative in some sections would be relooked and possibly adjusted in the final iteration of the Auditor's Annual Report. Other members agreed that some of the narrative provided in the governance weaknesses was a true reflection however was not entirely accurate. Members generally discussed the need for better scrutiny arrangements at the Council, and that this report should be highlighted to all Councillors and made aware of its importance.

As with the Audit Finding's report, the Council's Management Team proposed to follow the same approach by adopting a detailed action plan be presented to this Committee at all future meetings to address the key recommendations from Grant Thornton.

It was proposed by Councillor Howkins, seconded by Councillor Nichols and **resolved** to suspend Standing Order 38.3 to continue the meeting beyond three hours.

It was proposed by Councillor Boughtflower and seconded by Councillor Woodward to make an amendment to the second recommendation to approve the management responses as set out in the report, in principle, subject to seeing more detailed and refined responses at an Extraordinary Audit Committee in February 2025.

The Committee **resolved** to agree the amendment to the original motion.

The Committee **resolved** to:

1. Accept the Interim Auditor's Annual Report 23-24
2. Approve the management responses as set out in the report, in principle subject to seeing more detailed and refined responses at an Extraordinary Audit Committee in February 2025.

8/25 Audit Finding's Report 23-24

The Committee considered a paper from Grant Thornton on the Audit Findings for Spelthorne Borough Council for the year ended 31 March 2024. The report summarised the key findings and other matters arising from the statutory audit of Spelthorne Borough Council and the preparation of the Group and Council's financial statements for the year ended 31 March 2024. Certain issues were encountered as part of this process, which included the Council not having had an external audit for 5 years and the increased requirements of the audit which had evolved over that period. As sufficient and adequate evidence was not obtained to form an opinion on the 2023/24 accounts, a disclaimer of audit opinion was issued in accordance with the audit backstop legislation. Joanne Brown, Audit Partner at Grant Thornton provided a summary of the key headlines detailed within the report, the significant risks highlighted in the financial statements, the Value for Money arrangements and Independence considerations. The report also featured appendices on a communication plan to those charged with governance, an Action plan on the Audit of Financial Statements, Follow up of prior year recommendations, and other key areas of audit issues identified alongside developments and a summary of fees.

One of the key findings in the report was related to the insufficient capacity and capability within the existing council financial team to produce suitable accounts for audit with accompanying audit evidence. Spelthorne's Management Team acknowledged the pressures on the Finance Team and indicated plans to submit significant budget growth to support the team which would be subject to Council agreement. The impact of the Mole-Valley Financial Partnership was also discussed, which had not worked out as expected, however, management clarified we would decouple from this arrangement very shortly and initiate a restructure of the team. Additional training would also be offered to staff on working papers, journals, the requirements of external auditors and undertaking a matching exercise of assets and liabilities.

As a way to address recommendations and risks in the report, the Deputy Chief Executive, Terry Collier suggested the possibility of scheduling an Extraordinary Audit Committee (in agreement with committee members) to bring back detailed Action Plans, which combined together the Management Responses in both the Audit Finding's and Interim Auditor's Annual Reports 23-24. The Action Plans were intended to be presented in a way to enable the Committee to then track progress (such as with a RAG system) with the Action Plans coming back to be reviewed at every meeting of the Audit Committee. At the same Extraordinary Audit meeting, a schedule of the amendments made to the draft 2023-24 Statement of Accounts would also be compiled.

The Committee extended thanks to Grant Thornton for their thorough finding's and reinforced the point that many issues highlighted in the report would have

been detected if earlier external audits had taken place. Members raised concerns about tracking actions and the impact of Local Government Reorganisation on the finance team's work respectively. The Management Team confirmed that despite reorganisation plans, internal issues including the performance of the Finance Team will be prioritised. Committee members also expressed shock at the lack of training and resources, calling for immediate action and regular updates to Councillors on progress. The general discussion amongst members underscored the need for continuous staff development, better evidence for decision making, and transparency on issues with all members across the Council.

It was proposed by Councillor Nichols and seconded by Councillor Boughtflower to make an amendment to the second recommendation to approve the management responses as set out in the report, in principle, subject to seeing more detailed and refined responses at an Extraordinary Audit Committee in February 2025.

The Committee **resolved** to agree the amendment to the original motion.

The Committee **resolved** to:

1. Accept the Audit Findings Report 23-24
2. Approve the management responses as set out in the report, in principle subject to seeing more detailed and refined responses at an Extraordinary Audit Committee in February 2025.

9/25 2023-24 Audited Accounts for KGE

Paul Taylor, Chief Accountant presented the audited financial statements for Knowle Green Estates (KGE) for the year ending March 31, 2024. The KGE Board had approved the accounts on October 8, 2024, following an unqualified audit report. The financial statements showed a loss of £661,583, mainly due to a £499k depreciation charge, but total comprehensive income was £1,237,375, and total equity increased to £5,649,214. Overall, the audit revealed no significant findings or internal control issues.

The Committee extended their thanks to the KGE Board for their continued contributions to the company which provided key housing support to residents in the borough.

The Committee noted the substantial increase in repairs and maintenance costs and queried whether this was a one off or permanent increase in costs. Terry Collier, Deputy Chief Executive explained that this was linked to planned maintenance works required for Local Authority Housing Fund properties which had been transferred to KGE. A further round of funding was expected in due course to cover additional expenses. A more detailed response on this point would be issued to Committee members in writing.

Councill Nichols **abstained** from the vote on the recommendation for this report due to his conflict of interest as a Director of KGE.

The Committee **resolved** to note the report and in particular the unqualified audit report.

10/25 2023-24 Audited Accounts SDS

Terry Collier, Deputy Chief Executive presented the audited financial statements for Spelthorne Direct Services Ltd (SDS) for the year ending March 31, 2024. The SDS Board had approved the accounts on August 16, 2024, following an unqualified audit report. The company made a profit of £46k, with turnover increasing to £580,265. The audit revealed no significant findings or internal control issues. The report emphasizes the importance of ongoing financial oversight and confirms that SDS is financially sound. The accounts had been filed with Companies House, and there was no Corporation Tax to pay.

The Committee extended their thanks to the SDS board members for their continued contributions to the company which provided important commercial waste services in the borough.

The Committee questioned the legality for two Council officers to be appointed to the SDS Board of Directors. This was in consideration of the recommendations received in the Interim Auditor's Annual Report 23-24 on perceived conflicts of interest with a similar arrangement on a separate company board which was affiliated with the Council. The Interim Monitoring Officer explained that SDS was a smaller company and there was a smaller level of risk. It was also highlighted that both officers on the SDS Board did not come under a statutory officer position. Moreover, a Council document was also being prepared on managing conflicts of interest which was intended to address concerns going forward.

The Committee resolved to note the report, and particularly the unqualified audit report.

11/25 Corporate Risk Register (Corporate Risk Management)

Due to time constraints, this item was not discussed at the 28 January 2025 meeting and will instead be considered at a carry-over Audit Committee meeting on 25 February 2025.

Discussions recorded at the Carry-over Audit Committee, 25 February 2025:

During the Carry-over Audit Committee meeting on 25 February 2025, the Corporate Risk Register report was presented by Lee O'Neil, Deputy Chief Executive. The report highlighted significant strategic risks and issues, which were to be presented to the Corporate Policy and Resources Committee for

wider reporting and action across other Committees. Key updates to the report included Surrey being in the first wave of Local Government Reorganisation, leading to changes in risk category nine. Risk category ten had also been updated to reflect actions required to address recommendations made in Grant Thornton's external Audit reports. It was noted that previously existing risks had not been materially amended and remained the same.

Financial resilience and Commercial Assets saw an increased risk score due to longer-term sinking fund modelling. The Committee expressed concerns over the modelling explanation, suggesting issues with lease renewals and timings should be detailed in the risk register. It was agreed by officers to expand the modelling explanation and clarified that the sinking fund process was not yet complete, with further reports and external expertise being sought.

The Committee observed that recruitment and retention risks had increased sharply due to reorganisation, and members questioned the rationale behind addressing the external audit recommendations through recruitment. The Deputy Chief Executives acknowledged the challenging environment and the need for skilled staff, while emphasising the importance of various recruitment methods. Housing supply and demand risks had also increased from risk score 6 to 12, with discussions focused on the worsening market and the need for clearer housing figures. It was agreed to make these figures more prominent.

The Independent Member inquired about new additions to the register, such as external audit findings, and the anticipated changes expected before the next committee meeting. It was suggested to consolidate risk subject areas to focus on main issues. Members also proposed using PowerBI to inform members about live movement on specific risks, and the Deputy Chief Executive confirmed this intention, detailing IT trials in progress and the need to tidy the register first.

The Committee supported the proposed changes to Appendix C through slimming down the register to 16 subject areas and keeping comments current. The committee agreed to make clear to Corporate Policy and Resources Committee that the register was subject to significant modification following external audit report additions.

The Committee **resolved** to:

1. Consider the significant strategic risks and issues highlighted in this report and present these to the Corporate Policy and Resources Committee, ensuring continued wider reporting of the Corporate Risk Register and actions across other Committees.
2. Consider the proposed changes to the risk categories/risk subject areas outlined in Appendix C

12/25 Update on use of Regulation of Investigatory Powers Act Policy (RIPA Policy)

Linda Heron, Interim Monitoring Officer presented the update on the use of the Regulation of Investigatory Powers Act (RIPA) for the period from January 1 to December 31, 2024. She informed the Audit Committee that there were no authorisations for directed surveillance or the use of Covert Human Intelligence Sources during this period. The RIPA Policy, approved in November 2023, remained under regular review to ensure compliance with legal requirements and transparency. The Council continued to adhere to the RIPA guidelines, ensuring that any surveillance activities were conducted lawfully and with respect for individuals' rights. The next RIPA update will be provided to the Audit Committee in January 2026.

The Committee **resolved** to acknowledge that there has been no use of RIPA powers during the period 1 January to 31 December 2024.

13/25 Local Audit Strategy Consultation Response

Terry Collier, Deputy Chief Executive introduced this item which detailed plans set out in the recent letter from Jim McMahon OBE MP, Minister of State for Local Government and English Devolution, who announced the launch of a new strategy to overhaul the local audit system in England. The letter emphasised the importance of stakeholder participation in the consultation process for the proposed local audit reforms. The consultation aimed to gather professional insights and feedback on the potential delivery of local audit through a mixed market, which would combine private and public audit services. This consultation was open for six weeks, ending on January 29, 2025. The Council had prepared a draft response on the Local Audit Strategy Consultation which featured 32 questions.

The Committee agreed that the document of our draft responses to the consultation were well reasoned and noted that any additional comments can be communicated during the process.

The Committee **resolved** to note the Local Audit Strategy Consultation draft response on behalf of Spelthorne Borough Council.

14/25 Actions Arising From The Meeting

Actions recorded at the 28 January 2025 meeting:

-The Committee requested that Grant Thornton issued searchable PDF versions of the Interim Auditor's Annual Report and Audit Finding's Report 23-24

-The Committee agreed to the scheduling of an Extraordinary Audit Committee in February 2025

-The Committee requested that the Auditor's Annual Report and Audit Finding's Report be shared to all Councillors and their importance to be emphasised.

Actions recorded at the 25 February 2025 meeting:

- The Committee requested that figures on the latest housing register numbers be made more prominent in the relevant Corporate Risk Register subject areas.

**Minutes of the Audit Committee
25 February 2025**

Present:

Councillor J. Button (Chair)
Councillor K. Howkins (Vice-Chair)

Councillors:

J.R. Boughtflower	L. E. Nichols	P.N. Woodward
J.P. Caplin	H.R.D. Williams	

In Attendance: Councillors C. Bateson

15/25 Apologies and Substitutes

There were none.

16/25 Disclosures of Interest

Councillor Nichols advised that he was a Director of Knowle Green Estates Ltd.

17/25 2024-25 Accounting Policies Spelthorne Borough Council and its subsidiaries Knowle Green Estates Limited and Spelthorne Direct Services Limited

The Committee received a report from the Joint Finance Manager, Systems and Controls on the 2024-25 Accounting Policies for Spelthorne Borough Council and its subsidiaries, Knowle Green Estates and Spelthorne Direct Services Limited. The Committee was informed that these policies would be used in preparing the 2024-25 Statement of Accounts. Key changes included the new standard for operating leases, requiring lessees to recognise nearly all leases on the balance sheet. The need to review and possibly refine the policies based on audit feedback was also highlighted. The policies were to be effective immediately for the 2024-25 audit process.

The Committee initially inquired whether the change to recognise leases resulted from recommendations made by Grant Thornton during their external audit or whether this was decided independently. Emilia clarified that it was an independent decision, reflecting a widespread change in public sector

accountancy, already implemented in the private sector. The Deputy Chief Executive added that the Audit Committee would hear references to this accounting change over the next year, relating to policy guidance under the International Financial Reporting Standard 16 (IFRS16).

The Independent Member, familiar with the wider accounting changes, asked about the material impact on property portfolios and other fixed assets. It was explained that the policy changes primarily affected the Council's role as a lessee, with the only material impact being on lease funding for refuse vehicles which had a value totalling £4 million. The Committee noted the technical nature of the change, and the Joint Finance Manager mentioned the implementation of software to handle lease calculations.

The Committee expressed confusion over the changes/updates to the Accounting Policies and asked what were the main points of focus. The Deputy Chief Executive suggested a future training session on the Statement of Accounts to address these issues and encouraged members to ask questions in advance or during meetings. The representative from Grant Thornton emphasised the need to focus on where the Council had departed from the Code of Practice on Local Authority Accounting (the code) or where there were particular areas of management judgement and estimate which resulted in a different financial position. The external audit process was also a helpful indicator to provide assurance on policy compliance. The Chief Accountant clarified on this occasion the Council had not departed from the code but would highlight this in future reports if this was the case.

The Committee **resolved** to acknowledge the 2024-25 accounting policies.

18/25 To receive the final Statement of Accounts and Audit Report for 2023-24

The Committee considered a report on the final Statement of Accounts and Audit Report for 2023-24. The Committee was asked to approve the Statement of Accounts and the Letter of Representation, and to accept the External Auditors' report and disclaimer opinion. The Council had addressed issues identified in the external audit reports and implemented a plan to resolve them before and as part of the 2024-25 close down process. The Committee noted the statutory deadline to submit signed accounts by 28 February 2025. The External Auditors, Grant Thornton had issued a disclaimer opinion due to insufficient audit evidence. The Committee reviewed the draft Statement of Accounts, amendments, and the Letter of Representation. The final Statement of Accounts was to be published by 28 February 2025. It was confirmed that regular updates on progress against the plan were to be reported to the Committee.

The Committee raised concern regarding the narrative included in the Statement of Accounts and Letter of Representation and requested reassurance as to whether the Audit Chair and Section 151 Officer were in an

appropriate position to sign off both documents. The Grant Thornton Representative clarified that the documentation was in a standard text format and narrative, subject to necessary amendments made by officers. It was further noted that the backlog position and subsequent issuing of a disclaimed opinion on the financial statements was an unusual situation which had impacted Local Authorities on a national scale. The Committee suggested that the Audit Chair provided a short statement at the upcoming budget setting Council meeting to expand on how the Audit Committee had approached the last five years of financial statements in compliance with the backlog regime. It was further suggested to include references to the Action Plans in this statement to provide reassurance on how mitigation measures on addressing issues identified in the two recent external audit reports were in progress.

The Independent Member focused on the balance sheet position as stated in the initial accounts published in May 2024, querying why Long-term assets had been overstated by £20 million and how this may be a future risk. The Chief Accountant clarified that in consultation with Grant Thornton, it was agreed to draw a line under the 2023-24 accounts. However, in preparing the 2024-25 accounts, it was agreed to focus on the year but members of the finance team will also focus on points raised in 2023-24, amending the comparator figures where appropriate, and disclosing the prior year adjustments as required.

Committee members highlighted that significant work was still needed to address capacity issues within the finance team to deal effectively with future audits. This was especially relevant with the upcoming Local Government Reorganisation, noting that the 2026-27 accounts would be the last set of accounts published by Spelthorne in its current structure if reorganisation timescales were met. The Deputy Chief Executive confirmed that the focus was to rebuild as much assurance within the given timeframes.

The Committee noted that the final Value for Money Statement for 2023-24 would not be finalised until after the Best Value Inspectors report had been published. In consideration of this, the Committee inquired about the expected timeframes for when the Best Value (BVI) report would be finalised to allow Grant Thornton to finalise their 2023-24 work and to enable BDO, our previous external auditors to complete Value For Money Work to cover the years 2018-19 to 2022-23. The Deputy Chief Executive explained that the timing to complete the BVI report was in the hands of Government Ministers who had not yet indicated a completion date. The Grant Thornton representative echoed concerns around the timing uncertainties but aimed to produce statutory recommendations (resulting from the weaknesses identified in the Annual Audit Report and Audit Findings Report 2023-24) at the earliest possible juncture.

A recorded vote was requested by Councillor Boughtflower.

The Committee voted on the recommendations as follows:

For: Councillors Boughtflower, Caplin, Howkins, Nichols, Williams, Woodward, Button (6)

Against: (0)

Abstain: Councillor Howkins (1)

The Committee **resolved** to:

1. Approve the Statement of Accounts for 2023-24 and to delegate authority to the Chair of the Committee and the Chief Finance Officer to sign the letter of representation; and
2. To accept the External Auditor's report and disclaimer opinion.

Meeting adjourned at 20:20 and readjourned at 20:34.

19/25 Action Plans to address Annual Audit Report and Audit Findings Report recommendations

The Deputy Chief Executive, Terry Collier presented the action plans developed in response to the recommendations from the Annual Audit Report and the Audit Findings Report for 2023-24. The Committee was asked to approve these action plans and to include updates on progress as a standing item in future meetings. The Annual Audit and Audit Finding's Reports 2023-24 highlighted several issues that required addressing to rebuild assurance in financial and governance arrangements. The action plans aimed to improve the audit process for 2024-25 onwards and ensure better audit reports. Key measures included increasing finance team capacity, implementing a new software and providing additional training.

The Deputy Chief Executive also highlighted that following discussions with the Chair and Vice-Chair, and additional column for Committee sign-off was introduced to both plan templates to make clear that the plans were owned by the committee and could be amended as needed. The Committee raised concerns about the lack of a priority level column and that a lot of the target completion dates were in close range which may be unattainable. The Chief Accountant noted that each issue and recommendation was a priority and responded that many completion dates were similar due to interconnectivity of topics, however an ordered approach would be adopted. The representative from Grant Thornton confirmed that the action plans would be closely monitored in the next months to understand the priorities and evidence which was required as part of the audit planning process for 2024-25.

The Committee initiated discussions by considering each Key Recommendation on the Annual Audit Report 2023/2024 Action Plan individually. Much of the discussions were focused on increasing the involvement of the Financial Reporting Working Group to guide the financial report writing process to make it more effective. Concerns were raised about potential conflicts of interest with the Group Head Assets recent appointment as a Director of Knowle Green Estates. It was explained that measures were in place to mitigate any perceived conflicts of interest. Additional points included providing the sinking fund model in Excel format for better interrogation, efforts to avoid supplementary agendas, and ensuring timely notice of meetings.

The Deputy Chief Executive reinforced that the actions to address recommendations were a key priority and all feedback was noted. At the next scheduled Audit Committee, members would be presented with a set of other external review action plans in similar format as presented this evening. This would include a Public Interest Report Action Plan summary (PIR), alongside a Chartered Institute of Public Finance and Accountancy (CIPFA) and BVI action plans if feasible. The ultimate objective was to integrate all plans into one master action plan for ease of reference.

It was **proposed** by Councillor Williams, **seconded** by Councillor Boughtflower and **agreed** to suspend Standing Order 38.3 to continue the meeting beyond three hours.

The Committee **resolved** to:

- 1) Approve the Action Plan for responses to the External Auditor's Annual Audit Report for 2023-24 Recommendations
- 2) Agree to add to the Forward Plan for the Committee, as a standing item, updates on progress against the plans to be received at each meeting of the Committee

Due to time constraints, the committee were unable to consider the Action Plan responses to the External Auditor's Audit Finding's report for 2023-24 and consequently did not approve the plan. This action plan will be subject to consideration and approval at the next scheduled Audit Committee.

Meeting ended at 22:29

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Spelthorne Borough Council

Services Committees Forward Plan and Key Decisions

This Forward Plan sets out the decisions which the Service Committees expect to take over the forthcoming months, and identifies those which are **Key Decisions**.

A **Key Decision** is a decision to be taken by the Service Committee, which is either likely to result in significant expenditure or savings or to have significant effects on those living or working in an area comprising two or more wards in the Borough.

Please direct any enquiries about this Plan to CommitteeServices@spelthorne.gov.uk.

Spelthorne Borough Council

Service Committees Forward Plan and Key Decisions for 8 May 2025 to 25 September 2025

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Audit Committee 08 05 2025	Action Plan to address Annual Audit Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 08 05 2025	Action Plan to address Audit Findings Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 08 05 2025	Consolidated Action Plan	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Daniel Mouawad, Chief Executive, Lee O'Neil, Deputy Chief Executive
Audit Committee 08 05 2025	Corporate Risk Management	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 08 05 2025	Counter-Fraud, Bribery and Corruption Strategy	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 08 05 2025	Internal Audit Charter and Internal Audit Plan 2025-26	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Audit Committee 08 05 2025	Internal Audit Progress Report	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Audit Committee 10 07 2025	Action Plan to address Annual Audit Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Audit Committee 10 07 2025	Action Plan to address Audit Findings Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 10 07 2025	Consolidated Action Plan	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 10 07 2025	Corporate Risk Management	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 10 07 2025	Annual Governance Statement	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive
Audit Committee 10 07 2025	Annual Internal Audit Report and Opinion	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Audit Committee 10 07 2025	External Audit Plan	Non-Key Decision	Public	Joanne Brown, Audit Partner, Grant Thornton
Audit Committee 25 09 2025	Action Plan to address Annual Audit Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 25 09 2025	Action Plan to address Audit Findings Report	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 25 09 2025	Consolidated Action Plan	Non-Key Decision	Public	Terry Collier, Deputy Chief Executive, Linda Heron, Group Head - Corporate Governance, Monitoring Officer

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Audit Committee 25 09 2025	Corporate Risk Management	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 25 09 2025	Internal Audit External Quality Assessment	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Audit Committee 25 09 2025	Internal Audit Progress Report	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Audit Committee 25 09 2025	Internal Audit Strategy	Non-Key Decision	Public	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership

Audit Committee

08 May 2025



Title	Internal Audit Charter and Internal Audit Plan 2025-26
Purpose of the report	To provide input to and approve
Report Author	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	<ol style="list-style-type: none"> 1. Committee is asked to approve the Internal Audit Charter 2025-26 2. Committee is asked to provide input to and approve the Internal Audit Plan 2025-26
Reason for Recommendation	In accordance with constitutional requirements the Audit Committee oversees internal audit activity helping to ensure efficient and effective independent assurance arrangements are in place. The approval of the Internal Audit Charter and Internal Audit Plan is integral to this.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Global Internal Audit Standards (GIAS) require all internal audit providers to implement and maintain an 'Internal Audit Charter'. The internal audit charter is defined as 'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications' 	<ul style="list-style-type: none"> Regular review and communication of the Internal Audit Charter helps to maintain awareness across senior management and the Audit Committee. It has been updated to reflect the requirements of the new Standards. The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal

<ul style="list-style-type: none"> Each year in conformance with the GIAS Internal Audit must create a risk-based internal audit plan providing independent and objective assurance to management and the Audit Committee, in relation to the effectiveness of the framework of internal control, risk management and governance. 	<p>audit resource to provide a clear statement of assurance on risk management, internal control, and governance arrangements.</p>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> To present the Internal Audit Charter 2025/26 to the Management Team and the Audit Committee for approval in accordance with requirements of the GIAS. (See Appendix A) In producing the Internal Audit Annual Plan for 2025/26 the Chief Internal Auditor has applied a risk-based approach in line with the GIAS and focussed on areas of higher priority that align with the Council's corporate priorities and objectives. (See Appendix B) 	<ul style="list-style-type: none"> Corporate Management Team and Group Heads to note the proposed schedule for undertaking planned assurance assignments set out at Appendix B and confirm it is agreeable. The Audit Committee to approve the Internal Audit Charter and Internal Audit Plan for 2025/26 at the meeting of 8 May 2025. Progressing delivery of the Internal Audit Plan 2025/26.

1.1 The purpose of this report is to provide the Audit Committee with the Internal Audit Charter and the Internal Audit Risk-Based Plan for 2025–26.

2. Key issues

- 2.1 The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

- 2.2 From 1 April 2025, the ‘standards or guidance’ in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.
- 2.4 The Standards (6.2) require all internal audit providers to implement and maintain an ‘Internal Audit Charter’. The Internal Audit Charter is defined as ‘a formal document that includes the internal audit function’s mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications’.
- 2.5 Standard 11.3 (Communicating Results) references the possibility that a Chief Internal Auditor may be required to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. Section 10B of the Application Note makes it a mandatory requirement in the UK public sector, for the Chief Internal Auditor to prepare such an overall conclusion at least annually in support of wider governance reporting. This overall conclusion must encompass governance, risk management and control. The requirement for an overall conclusion must also inform planning carried out under GIAS Standard 9.4 (Internal Audit Plan).
- 2.6 In accordance with the Standards (9.4) there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation’s objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.
- 2.7 The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the Council’s objectives are identified, assessed and managed to a defined acceptable level.

Internal Audit Charter 2025-26

- 2.8 The Internal Audit Charter is reported to Audit Committee annually for review and approval and it has been updated to reflect the requirements of the new Standards. A copy is attached at Appendix A.

Internal Audit Plan 2025-26

- 2.9 The proposed Internal Audit Plan for 2025/26 is attached at Appendix B and has been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council's strategic outcomes. It is based on a range of inputs including review of the Council's strategic risk register, sector knowledge and discussions with the Management Team. Additionally, we have been cognisant of the independent reports commissioned and received by the Council including the recent external audit report and Best Value Inspection report.
- 2.10 Internal audit focus should be proportionate and appropriately aligned, and as such, only high and medium priority reviews identified during the planning process are incorporated within the Internal Audit Plan.
- 2.11 The Internal Audit Plan will remain fluid to ensure internal audit's ability to react to the changing needs of the Council. Any additions to the Plan must be able to clearly demonstrate a contribution to the audit conclusion on risk management, control and governance.
- 2.12 Any changes to the plan (including advisory assignments) will be transparently reported to the Management Team and the Audit Committee during the course of the year for approval as part of our regular Progress Reports.
- 2.13 The Internal Audit Charter ensures that the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit conclusion.
- 2.14 Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Audit Committee, through regular progress reports.
- 2.15 The endorsement and sponsorship of the plan at member / Management Team level will assist in providing the engagement and buy-in of staff at an operational level to ensure the outcome of audit reviews are optimised.

3. Options analysis and proposal

- 3.1 The Audit Committee are requested to approve the Internal Audit Charter and risk based Internal Audit Plan for 2025/26 in line with GIAS, to support the provision of independent assurance to the authority on the adequacy of internal control, governance and risk management arrangements.

4. Financial management comments

- 4.1 The Internal Audit Annual Plan includes reviews of functions and systems that are financially material and therefore represent greater risk to the authority. Issues presenting adverse financial consequences or threats to the Council's financial position apply to a range of workstreams on the Plan. At the end of the financial year the Chief Internal Auditor's conclusion is one of the inputs into the draft Annual Governance Statement which is published as part of the draft Statement of Accounts.
- 4.2 To support special investigations (relating to suspected internal fraud or irregularity) there may be a requirement to bring in subject matter experts and Investigators.

5. Risk management comments

- 5.1 In producing the Internal Audit Annual Plan for 2025/26 the Chief Internal Auditor has ensured that a risk-based approach has been applied in line with audit standards (GIAS) and focussed on areas of higher priority that align with corporate priorities and objectives. Consideration has been given to current and emerging risks (and opportunities) facing the Council during 2025/26.

6. Procurement comments

- 6.1 None

7. Legal comments

- 7.1 The Global Internal Audit Standards (GIAS) are mandatory further to the Accounts and Audit (England) Regulations 2015. The GIAS require public bodies to establish and deliver a risk-based internal audit plan and for this to be approved by the Audit Committee.

8. Other considerations

- 8.1 None

9. Equality and Diversity

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

10. Sustainability/Climate Change Implications

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

11. Timetable for implementation

11.1 Applicable for the period 1 April 2025 – 31 March 2026

12. Contact

12.1 Neil Pitman, Head of Southern Internal Audit Partnership
neil.pitman@hants.gov.uk

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

Background papers: None

Appendices:

Appendix A – Internal Audit Charter 2025-26

Appendix B – Internal Audit Plan 2025-26

**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

SPELTHORNE BOROUGH COUNCIL

Internal Audit Charter 2025/26

Prepared By: Natalie Jerams, Deputy Head of Southern Internal Audit Partnership

April 2025

1. Introduction

The [Global Internal Audit Standards](#), issued by the Institute of Internal Auditors and effective in the UK Public Sector from April 2025, guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

While the Global Internal Audit Standards apply to all internal audit functions, it is acknowledged that internal auditors in the public sector work in a political environment under governance, organisational and funding structures that differ from those of the private sector.

Consequently, internal audit practitioners working in, or for, the UK public sector are required to apply the Global Internal Audit Standards subject to the interpretations and requirements of the [Application Note: Global Internal Audit Standards in the UK public sector](#), issued by Relevant Internal Audit Standard Setters (RIASS).

In addition, relevant public sector bodies are also required to apply the Chartered Institute of Public Finance & Accountancy (CIPFA) [Code of Practice for the Governance of Internal Audit in UK Local Government](#) which provides a conduit for meeting the essential conditions for governance set out in the Global Internal Audit Standards, tailored for UK local government.

The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector. All SIAP policies and procedures have been reviewed and updated to ensure compliance with these requirements with effect from April 2025.



The Standards require all internal audit providers to implement and maintain an 'Internal Audit Charter'.

The internal audit charter is defined as *'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'*

2. Definitions

The Global Internal Audit Standards in the UK Public Sector apply the following definitions:

The Board – ‘the governing body authorised to provide the internal audit function with the appropriate authority, role, and responsibilities.’ At the Council this shall mean the Audit Committee.

Senior Management – ‘the highest level of executive management of an organisation that is ultimately accountable to the Board for executing the organisation’s strategic decisions, typically a group of persons that includes the Chief Executive Officer or Head of Organisation’. At the Council this shall mean the Management Team (MAT).

3. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

- (a) make available such documents and records; and*
- (b) supply such information and explanations*

as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.’

From 1 April 2025, the ‘standards or guidance’ in relation to internal audit are those laid down in the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.

The scope of internal audit includes both assurance and advisory services covering the entire breadth of the Council, including all activities, assets, and personnel of the organisation.

Fraud investigations may also be commissioned which will be conducted by the Southern Internal Audit Partnership’s Counter Fraud Unit.

4. Authority, Roles and Responsibilities

Authority

The Chief Internal Auditor is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed independently of management and with objectivity, enabling escalation as appropriate.

The Chief Internal Auditor reports functionally to the Audit Committee, and organisationally to the Deputy Chief Executive/S151 Officer, who is a member of the Management Team and has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

The Chief Internal Auditor has direct access to the Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Council's Monitoring Officer where matters arise relating to Chief Executive responsibility, legality and standards.

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. Audit Committee). Private meetings, without senior management present, are also offered to the Chair of the Audit Committee.

Should organisation structures change, senior management and the Audit Committee will ensure that the reporting line of the Chief Internal Auditor remains with a member of the Management Team and retains the relevant access to Members and officers as outlined above.

It is recognised that the Chief Internal Auditor supervises assurance services related to activities that are managed by the Deputy Chief Executive/S151 Officer to whom the Chief Internal Auditor reports administratively, however, this perceived impairment is mitigated through overview from the Head of Southern Internal Audit Partnership, and the alternative reporting lines detailed above.

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues (such as limitations to the scope of work or failure to agree appropriate actions in response to audit findings) are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to the relevant Group Head in the first instance and then to the Deputy Chief Executive/S151 Officer, Chief Executive and Audit Committee as deemed necessary.

The Management Team and the Audit Committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information. Such access shall be granted on demand and not subject to prior notice.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Council and other specialised services from within or outside the Council to complete internal audit services.

Role

The role of internal audit is best summarised through its definition within the Global Internal Audit Standards in the UK Public Sector, as:

'An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.'

Purpose

Internal audit strengthens the Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances the Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal audit is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within the Council lies with the Deputy Chief Executive/S151 Officer, as the authority's Chief Finance Officer (S151 Officer).

For the Council, internal audit is provided by the Southern Internal Audit Partnership. The Chief Internal Auditor (Deputy Head of Southern Internal Audit Partnership) is responsible for effectively managing the internal audit activity in accordance with the Global Internal Audit Standards in the UK Public Sector.

The Chief Internal Auditor

Has the responsibility to:

- At least annually, develop a risk-based internal audit plan engaging with the Audit Committee and Management Team and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and Management Team.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and Management Team if there are significant interim changes to the internal audit plan.

- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector (and relevant laws and/or regulations).
- Follow up on engagement findings and confirm the implementation of management actions or action plans and communicate the results of internal audit services to the Audit Committee and Management Team periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit Committee and Management Team as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure awareness of the Council's relevant policies and procedures, however should such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector, such conflicts will be resolved or documented and communicated to the Audit Committee and Management Team.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services.
- Deliver an annual conclusion that can be used by the Council to inform its annual governance statement. The annual conclusion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Discuss the annual conclusion with the Audit Committee and Management Team and submit the annual conclusion to the Audit Committee for review and approval.

The Chief Internal Auditor will liaise with the external auditors on matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work. The external auditors will have the opportunity to rely on the work of internal audit where appropriate.

A range of internal audit services are provided (Annex 1) in the delivery of the audit plan and to form the annual conclusion. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Fraud and irregularity

Internal audit will plan and evaluate their work to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Management is required to report all suspicions of theft, fraud and irregularity to the Chief Internal Auditor so that they can consider the adequacy of relevant controls, evaluate the implication of the fraud on the risk, control and governance processes and consider making recommendations as appropriate.

Internal audit will not carry out investigations unless commissioned to do so and where this is the case, the Chief Internal Auditor will ensure that investigators are appropriately trained in carrying out their responsibilities.

Where there is evidence that Council staff are committing fraud, internal audit will liaise with the Deputy Chief Executive/S151 Officer and the service area concerned.

Internal audit will consider assurance over the Council's Fraud Framework as part of the internal audit planning process.

5. Internal audit resources

The Chief Internal Auditor is professionally qualified (CMIIA, CCAB or equivalent), maintains a comprehensive understanding of the Global Internal Audit Standards in the UK Public Sector, has wide internal audit and management experience, reflecting the responsibilities that arise from the need to build and manage an effective internal audit function (incl. recruitment, training and development), liaises internally and externally with Members, senior management and other professionals, and demonstrates sound sector knowledge & experience.

The Deputy Chief Executive/S151 Officer will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations to fulfil the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources. Ongoing sufficiency of resources (financial, human and technological) will be transparently communicated by the Chief Internal Auditor to the Management Team and the Audit Committee through regular reporting as part of the approval of the internal audit plan and further throughout the year as part of the progress reports and ultimately within the annual conclusion.

Any resource implications that put the fulfilment of the internal audit mandate at risk will be reported accordingly through the afore mentioned reports.

Financial Resource

The Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

The Head of the Southern Internal Audit Partnership will manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.

Human Resource

The Head of Southern Internal Audit Partnership will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

The Chief Internal Auditor continually evaluates the competencies of individual internal auditors (regular one-to-ones, performance management and quality review processes), and encourages professional development.

The annual operational risk-based plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

The Management Team and the Audit Committee will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to Management Team and the Audit Committee.

If the Chief Internal Auditor, Management Team or the Audit Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Deputy Chief Executive/S151 Officer, accordingly.

Technological Resource

The Head of the Southern Internal Audit Partnership will ensure the internal audit function has technology to support the internal audit process and regularly evaluate the technology used to pursue opportunities to improve effectiveness and efficiency.

The implementation of new technologies is supported through effective and timely training for internal audit staff.

The impact of any technology limitations on the effective and efficient delivery of internal audit services will be communicated to Management Team and the Audit Committee.

6. Ethics and Professionalism

The Chief Internal Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Council and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the Council.
- Report organisational behaviour that is inconsistent with the Council's ethical expectations, as described in applicable policies and procedures.
- Apply the Seven Principles of Public Life alongside existing ethical frameworks.

7. Independence and objectivity

The Chief Internal Auditor retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance.

Should such circumstance arise, the Chief Internal Auditor will advise the Audit Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review.

Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- assessing specific operations for which they had responsibility within the previous year.
- performing operational duties for the Council or its affiliates.
- initiating or approving transactions external to the internal audit function.
- directing the activities of any Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit team or to assist internal auditors.

Internal auditors will:

- disclose impairments of independence or objectivity, in fact or appearance, to the Chief Internal Auditor.
- exhibit professional objectivity in gathering, evaluating, and communicating information.
- make balanced assessments of all available and relevant facts and circumstances.
- take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Induction and refresher training combined with internal audit procedures and guidance provide a systematic and disciplined approach for gathering and evaluating information to provide a balanced assessment of the activity under review.

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

In addition, to achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- operates in a framework that allows unrestricted access to Management Team and the Audit Committee.
- reports functionally to Audit Committee.
- reports in their own name.
- rotates responsibilities for audit assignments within the internal audit team.
- completes individual declarations confirming compliance with rules on independence, objectivity, conflicts of interest and acceptance of inducements, and
- ensures the planning process recognises, records and addresses potential conflicts of interest.

A register of potential conflicts of interest will be maintained with each case assessed and outcomes documented. If, despite this, independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to Management Team and the Audit Committee. The nature of the disclosure will depend upon the impairment.

Management Team will ensure that independence is safeguarded through ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference and where there are actual or potential impairments to the independence of internal audit, the Management Team will work with the Chief Internal Auditor to remove or minimise them or ensure safeguards are operating effectively.

The Audit Committee will support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence raised by the Chief Internal Auditor.

The Chief Internal Auditor will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. The Chief Internal Auditor will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate

Matters around the appointment, removal, remuneration and performance evaluation of the Chief Internal Auditor will be undertaken by the Head of the Southern Internal Audit Partnership.

The Audit Committee should provide feedback on the performance evaluation of the Chief Internal Auditor. This will be achieved through an annual survey sent to all Audit Committee members.

8. Due Professional Care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity, but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported to the Chief Internal Auditor.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained during internal audit work will not be used to effect personal gain.

9. Communication, Reporting and Oversight

Internal Audit Strategy

The Head of the Southern Internal Audit Partnership will develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the Council and aligns with the expectations of the Audit Committee, Management Team and other key stakeholders.

The internal audit strategy is a plan of action designed to achieve the audit function's long-term objective(s). The internal audit strategy includes a vision, strategic objectives, and supporting initiatives for the internal audit function to help fulfil the internal audit mandate.

Internal Audit Charter

The internal audit charter defines the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications relevant to its effective operation.

Audit Plan

The Chief Internal Auditor will develop an internal audit plan that supports the achievement of the Council's objectives.

The plan will be based on a documented assessment of the Council's strategies, objectives, and risks. Such assessment will be informed through engagement with the Audit Committee, and Management Team as well as the Chief Internal Auditors understanding of the organisation's governance, risk and control processes.

The plan will be regularly reviewed with significant changes discussed and approved with the Management Team and the Audit Committee in a timely manner.

Audit Assignments

Internal auditors will communicate with management at the commencement of each review to ensure that the scope and timing of the work is understood and agreed, and this will be documented in a Terms of Reference. Internal audit contacts agreed as part of this process will be expected to be available for discussions and to provide the information required to complete the assignment in line with the timelines agreed. Regular communication throughout the review will ensure timely awareness of any issues arising and a close of audit meeting will also be held to summarise and confirm findings.

The results of all planned audit assignments will be summarised in a formal report, including:

- the purpose and scope of the reviews
- the assurance opinion
- an executive summary
- action plans outlining issues arising and actions proposed by management to address them (including consideration of root cause and identification of key themes).

The reports will be distributed and agreed in line with the established reporting protocols for the Council.

Progress Reports

Throughout the year the Chief Internal Auditor will maintain regular communications with the Management Team and the Audit Committee on internal audit performance and other matters such as:

- revisions to the plan.
- any impairments to independence.
- significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for management that could interfere with the achievement of Council's strategic objective.
- results of assurance and advisory services.
- management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.
- performance measures, including ongoing conformance with the Global Internal Audit Standards in the UK Public Sector.
- evaluation of resourcing to meet the requirements of the internal audit mandate / plan.

Annual Conclusion

The Chief Internal Auditor shall deliver an annual conclusion that can be used by the Council to inform its annual governance statement.

The annual conclusion will conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The annual conclusion will incorporate as a minimum:

- the opinion.
- a summary of the work that supports the opinion.
- a statement on conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.
- results of the quality assurance and improvement programme.

Quality assurance and Improvement Programme

The Head of the Southern Internal Audit Partnership maintains a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes:

External Quality Assessments – to be performed at least once every five years by a qualified independent assessor or assessment team (with appropriate characteristics and sector knowledge). The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

The decision on the appointment of the external assessor and format of the external quality assessment will be communicated to the Council's Management Team and Audit Committee.

Internal Quality Assessments – self-assessments to be performed annually to review internal audits conformance with the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government along with progress towards performance objectives.

The Chief Internal Auditor will communicate annually the results of the internal quality assessment to Management Team and the Audit Committee. The results of external quality assessments will be reported when completed.

In both cases communications will include:

- The internal audit function's conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and achievement of performance objectives.
- Compliance with laws and regulations relevant to internal auditing.
- If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

In addition, an annual satisfaction survey will be conducted with key stakeholders to assess the value of the service and to seek suggestions for improvement.

The results of the survey, annual self-assessment, and external assessment will be shared with the Management Team and the Audit Committee, together with plans to address any issues arising.

Management Team

As those responsible for the leadership and direction of the Council it is imperative that the Management Team are engaged in:

- input, review, and approval of the internal audit mandate and charter (minimum annually).
- input, review, and approval of the internal audit strategy.
- input, and approval of the risk based internal audit plan (making appropriate enquiries of the Chief Internal Auditor to determine inappropriate scope and resource limitations).
- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.
- review and approval of the Chief Internal Auditors annual conclusion.
- review of the quality assurance and improvement programme, engaging with, and receiving the results of internal and external assessments, including areas of non-conformance.
- review and approval of the internal audit's performance objectives/measures.

The Audit Committee

As those responsible for the governance of the Council it is imperative that the Audit Committee are engaged in:

- input, review and approval of the internal audit mandate and charter (minimum annually).
- input, review, and approval of the internal audit strategy.
- input, and approval of the risk based internal audit plan (making appropriate enquiries of management and Chief Internal Auditor to determine inappropriate scope and resource limitations).
- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.
- review and approval of the Chief Internal Auditor's annual conclusion.
- review of the quality assurance and improvement programme, engaging, with, and receiving the results of internal and external assessments, including areas of non-conformance.
- review and approval of the internal audit's performance objectives/measures.
- participation in discussions with the Chief Internal Auditor and senior management about the "essential conditions," described in the Global Internal Audit Standards in the UK Public Sector.
- overview of significant advisory services not already included in the audit plan, prior to acceptance of the engagement.

10. Review of the internal audit mandate and charter

This mandate and charter will be reviewed annually (minimum) by the Chief Internal Auditor and reported to Management Team and the Audit Committee for approval to ensure that any changes to the Global Internal Audit Standards in the UK Public Sector, reorganisation within the organisation or other significant changes affecting the nature and scope of internal audit services are considered.

Annex 1

Assurance Services

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Advisory services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

- **Data analytics:** is a process of assessing data to find trends, patterns or other insights. Internal auditors use data analytics to find and define risks, errors, and anomalies that could reveal deeper problems. The extended use of data analytics helps provide greater levels of assurance through analysis of a total population rather than traditional sampling methodologies.
- **IT Audit:** a specialist IT audit team are in place that are experienced in covering all aspects of established and emerging technologies. With IT underpinning a vast majority of how we function assurance in this area is crucial. To be able to provide a fully qualified team of IT audit specialists is a fundamental component of the audit offering.

- **Fraud and irregularity investigations:** Internal audit may provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes.
- **Value For Money:** is implicit in the vast majority of our internal audit work, however, value for money work can also be conducted through review of the optimal use of resources to achieve an intended outcome, and can be summarised as:
 - **Economy** – minimising the cost of resources used or required (inputs) – spending less
 - **Efficiency** – the relationship between the output from goods or services and the resources to produce them – spending well
 - **Effectiveness** – the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
- **Third party assurance:** the availability of objective assurance from other assurance providers will be considered in determining audit needs. Where internal audit needs to work with the internal auditors of other organisations, a practice which is expanding with the development of more organisational strategic partnerships, the roles and responsibilities of each party, as well as billing arrangements, will be clearly defined, agreed and documented prior to the commencement of work. Internal audit will also ensure awareness of and seek to place reliance on the work of other independent review bodies.

Southern Internal Audit Partnership

Assurance through excellence
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SPELTHORNE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

Introduction

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The scope of internal audit includes both assurance and advisory services covering the entire breadth of the Council, including all activities, assets, and personnel of the organisation.

The role of internal audit is that of an:

‘Independent, objective assurance and advisory service designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, the Management Team and the Audit Committee, in relation to the business activities; systems and processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risks to the achievement of the Council’s objectives are identified, assessed and managed to a defined acceptable level.

Conformance with internal auditing standards

From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector.

The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.

Prior to 1 April 2025 conformance was required to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there was a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

Despite the change in the Standards any external quality assessment undertaken under the Public Sector Internal Audit Standards remains valid for the duration of the successive five years (from the date it was undertaken). The Southern Internal Audit Partnership will be commissioning an external quality assessment against the Global Internal Audit Standards in the UK Public Sector during 2025.

Developing the internal audit plan 2025/26

In accordance with the Global Internal Audit Standards in the UK Public Sector there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation's objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.

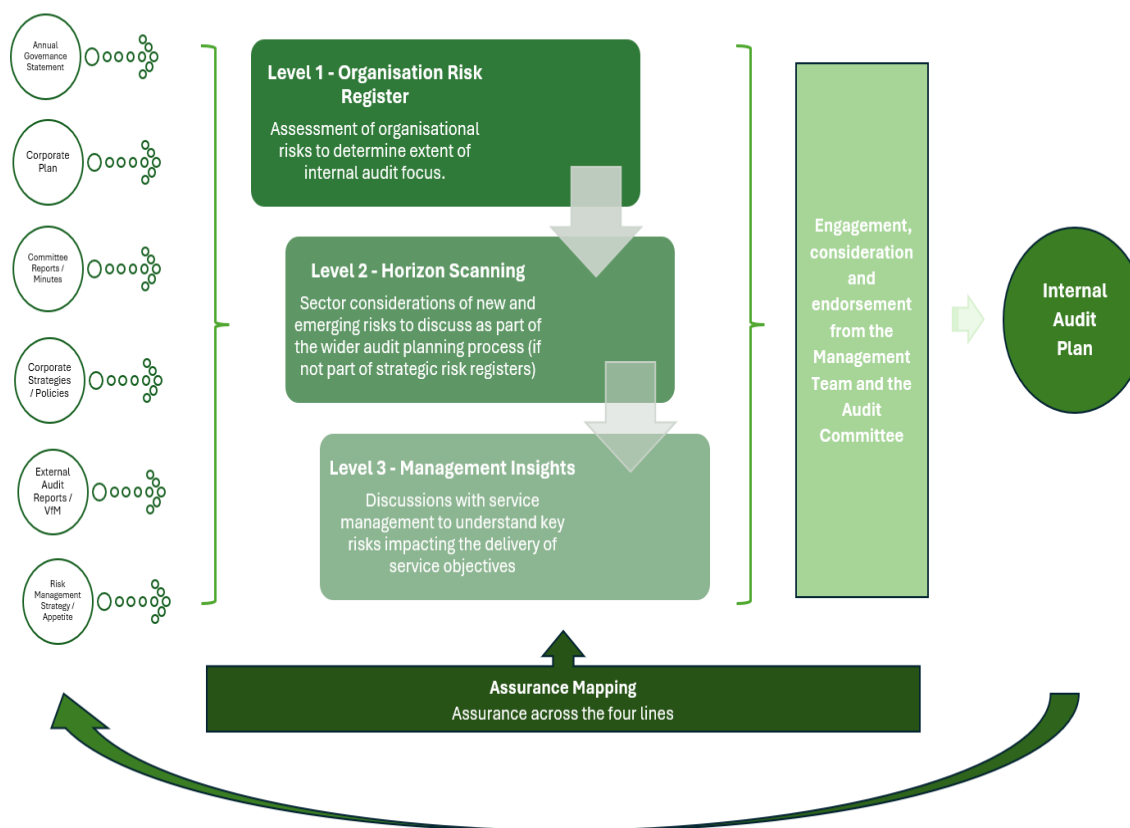
The risk-based internal audit plan is prepared based on a range of inputs (see diagram).

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, the Management Team, and Audit Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Amendments to the plan will be identified through the Chief Internal Auditor's continued contact and liaison with those responsible for the governance of the Council and reported and approved by the Management Team, and Audit Committee through regular progress reports.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

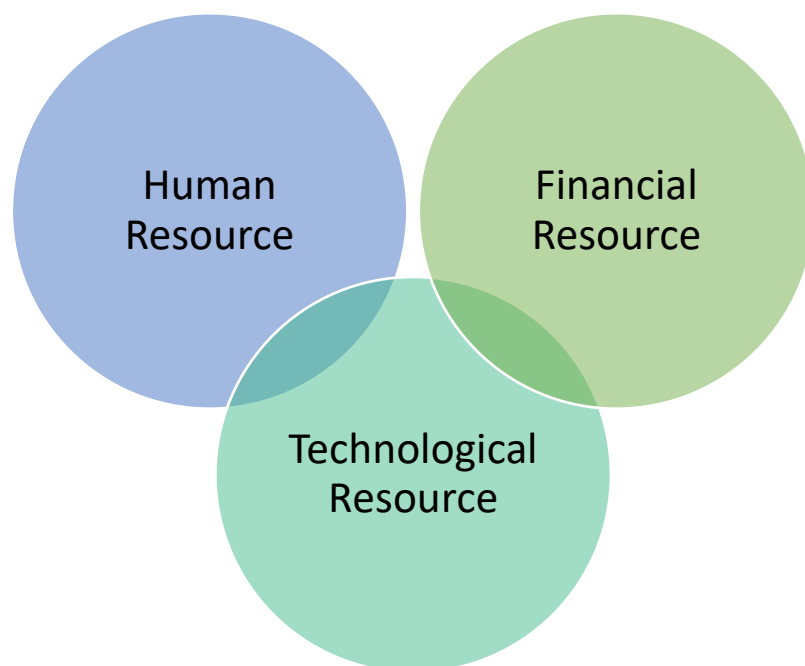
Audit Planning Framework



Internal audit resources

On development of the 2025/26 internal audit plan, as Chief Internal Auditor, I am of the opinion that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan in the fulfilment of the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources to efficiently and effectively deliver the internal audit plan.



Human Resource - the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

If the Chief Internal Auditor, Management Team or the Audit Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Deputy Chief Executive & S151 Officer, accordingly.

Financial Resource - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

Technological Resource - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

Resourcing the internal audit plan

The Global Internal Audit Standards in the UK Public Sector require a clear analysis of the resources and hours available for internal audit engagements compared to other administrative and non-audit related activities or initiatives focused on improving the internal audit function.

2025/26 Activity			Days
Risk-Based Audit /Advisory	-	Delivery of risk-based internal audit assignments designed to fulfil the audit mandate, delivery of the internal audit strategy and in support of the Council in the achievement of their objectives.	270
SIAP Audit Management	-	Time allocated for the liaison and reporting to Management Team and the Audit Committee, ongoing monitoring and update of the audit plan, implementation of management actions and ongoing quality review.	30
Total Audit Days	-	Total resource allocation for the delivery of the internal audit plan	300

*100% of the commissioned audit days are dedicated to fulfilling the audit mandate, and delivery of the internal audit strategy. Internal audit services are provided through the Southern Internal audit Partnership who undertake all administrative and non-audit related activities outside of the commissioned audit days.

A range of internal audit services are provided to deliver the internal audit plan (see Internal Audit Charter). The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Your Internal Audit Team







Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Iona Bond, Deputy Head of Southern Internal Audit Partnership (Chief Internal Auditor), supported by Joanne Barrett, Audit Manager.








Independence

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The Chief Internal Auditor is not aware of any relationships that may affect the independence and objectivity of the internal audit team.

The internal audit team retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance. Should such circumstance arise, the Chief Internal Auditor will advise the Audit Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Internal Audit Plan 2025-26

Audit Assignment	Audit Sponsor	Scope	Corporate Priority	Risk Register Reference*	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Governance							
Decision Making & Accountability	DCE/S151	Assurance over the effectiveness and transparency of the decision-making process at officer and Member level. To consider governance, transparency, accuracy and timeliness of information.			Assurance	High	Q4
Corporate Plan	DCE	Assurance over the governance arrangements in place for the review, delivery, and monitoring of the plan.			Assurance	High	Q3
Savings Proposals & Realisation	DCE & DCE/S151	Assurance over the development, governance, and delivery of the Council's savings proposals.			Assurance	High	Q2
Contract Management	DCE/S151	Review of contract management arrangements and compliance across a selection of contracts in place, with a focus on the new Leisure Centre arrangements.			Assurance	High	Q2
Governance of companies – Knowle Green Estates (KGE)	DCE/S151	To review the governance arrangements in place between the Council and KGE.			Assurance	High	Q1
Financial							
Treasury Management	DCE/S151	Cyclical review of core financial system			Assurance	High	Q3

Audit Assignment	Audit Sponsor	Scope	Corporate Priority	Risk Register Reference*	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Main Accounting	DCE/S151	Cyclical review of core financial system			Assurance	High	Q2
NNDR	DCE/S151	Cyclical review of core financial system			Assurance	High	Q2
IT							
Cyber Security Training & Awareness	DCE/S151	Assurance over controls in place to mitigate the likelihood of users causing compromise of data and/or systems through inappropriate actions.			Assurance	High	Q3
Corporate Priorities							
Homelessness	DCE/S151	Preparedness and delivery of the new Housing, Homelessness and Rough Sleeping Strategy, including impact on the cost of emergency placements.			Assurance	High	Q4
Knowle Green Estates	DCE/S151	Assurance over the discharge of KGE responsibilities on behalf of the Council.			Assurance	High	Q3
Commercial Property Management	DCE/S151	Review of the management of the commercial portfolio stock including leases, income collection, management of voids, exit strategies and sinking fund.			Assurance	High	Q1
Asset Management	DCE/S151	Assurance over the arrangements in place for acquisitions, business cases and disposals (to include regeneration sites)			Assurance	High	Q4

Audit Assignment	Audit Sponsor	Scope	Corporate Priority	Risk Register Reference*	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Budget Monitoring	DCE/S151	Assurance over the accuracy, consistency and transparency of budget monitoring.			Assurance	High	Q3
Continuous Improvement	MAT	Review the governance and accountability arrangements in place for the implementation of recommendations from various external reviews including the BVI.			Assurance	High	Q2
Contingency - Local Government Reorganisation	MAT	Time held for any potential work required to support the Local Government Reorganisation agenda.			Advisory	High	TBC
Audit Management		Liaison and reporting to Management Team and the Audit Committee, ongoing monitoring and update of the audit plan, review of the implementation of management actions and ongoing quality review.	-				

* As we have yet to conclude assurance work on the Council's risk management process we have not used the strategic risk register as a primary contributor to our planning process for 2025/26, consequently there is no cross reference detailed within the above table.









Audit Sponsor	
Daniel Mouawad Chief Executive (CE)	
Lee O'Neil Deputy Chief Executive (DCE)	Terry Collier Deputy Chief Executive & S151 Officer (DCE/S151)











It is acknowledged that the internal audit plan 2025/26 does not provide a representative spread of assurance across all the Council's priorities as outlined in the Corporate Plan 2024 – 2028, however, internal audit focus is necessarily risk based.

Contingency Reviews

The table below includes a list of engagements that would have been performed if additional resources were available.

Audit Assignment	Directorate Sponsor	Scope	Corporate Priority	Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Programme and Project Management	DCE & DCE/S151	Assurance over the effective management and delivery of key projects, including governance, decision making, delivery etc.			Assurance	High	N/A
Transformation Programme	DCE & DCE/S151	Assurance over the governance and delivery of the programme.			Assurance	High	N/A
Annual Governance Statement	DCE/S151	Assurance over the governance arrangements to compile, contribute and deliver the AGS.			Assurance	High	N/A
Partnership Working	MAT	Assurance over governance arrangements in place for partnership arrangements.			Assurance	High	N/A
Security Information & Event Management	DCE/S151	Assurance over the monitoring, assessment and addressing of security events.			Assurance	High	N/A
Council Tax	DCE/S151	Cyclical review of core financial system			Assurance	High	N/A
Affordable Housing / Housing Delivery Strategy	DCE/S151	Assurance over the strategy and delivery of affordable housing.			Assurance	High	N/A
Climate Change	DCE	Review of the Climate Change Strategy and progress against delivery.			Assurance	High	N/A

Audit Assignment	Directorate Sponsor	Scope	Corporate Priority	Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Use of Agency Staff	DCE	Assurance over the governance and effective use of agency staff across the organisation.			Assurance	High	N/A
Asset Management Statutory Checks	DCE/S151	Assurance over statutory compliance checks for properties.			Assurance	High	N/A
Procurement	DCE/S151	Assurance over compliance with Contract Standing Orders.			Assurance	Medium	N/A
Ethical Governance	DCE/S151	Assurance over the design, implementation and effectiveness of the Council's ethics-related objectives, programmes and activities.			Assurance	Medium	N/A
Capital Programme	DCE/S151	Assurance over the effective and timely delivery of the capital programme.			Assurance	Medium	N/A
CIL Disbursement	DCE	Assurance over the distribution and monitoring of CIL funds.			Assurance	Medium	N/A
DFG	DCE/S151	To provide assurance over the administration and compliance with local / legislative requirements.			Assurance	Medium	N/A
Performance Management Framework	DCE & DCE/S151	Review of the corporate performance management arrangements in place including monitoring and reporting.			Assurance	Medium	N/A

*Included to enable the Audit Committee to assess the adequacy of resources available to the internal audit function

Audit Committee

8 May 2025



Title	Internal Audit Progress Report
Purpose of the report	To inform and assure
Report Author	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	To inform and assure Audit Committee of Internal Audit progress.
Reason for Recommendation	In accordance with the Public Sector Internal Audit Standards (as relevant to 2024/25) the Chief Internal Auditor is required to provide a written status report to the Audit Committee.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> In accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to provide a written status report to present internal audit activity and key findings from work concluded in delivery of the internal audit plan. 	<ul style="list-style-type: none"> The internal audit progress report provides a mechanism through which internal audit performance, issues impacting the Chief Internal Auditors annual opinion, and progress against the audit plan can be monitored.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Consider the internal audit progress report for awareness of issues raised and to monitor the implementation of management actions raised to mitigate identified risks. 	<ul style="list-style-type: none"> To inform and assure Corporate Management Team and Group Heads of internal audit progress against the planned assurance assignments and key issues raised

	<p>for 2024/25 and confirm it is agreeable.</p> <ul style="list-style-type: none"> • To inform and assure the Audit Committee of the Internal Audit Progress at the meeting of 8 May 2025.
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- 1.1 This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan for 2024-25 and to provide an overview of the outstanding management actions.

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 In accordance with Public Sector Internal Audit Standards (as relevant to 2024/25), the Chief Internal Auditor is required to provide a written status report to the Audit Committee summarising:
- the status of 'live' internal audit reports (outstanding management actions)
 - an update on progress against the annual audit plan
 - a summary of internal audit performance, planning and resourcing issues
 - a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.
- 2.3 Due to the Best Value Inspection, the internal audit plan was more heavily weighted to Q3 and Q4 in acknowledgement of officer capacity and the avoidance of potential areas of duplication during this period.
- 2.4 Correspondence received by the Council on 22 August 2024 from the Ministry of Housing Communities & Local Government (MHCLG) indicated the anticipated completion date of the Best Value Inspection to be 29 November 2024. However, the Council was then advised that the Inspection would continue until the end of January 2025 where the inspectors would then feedback to the MHCLG and a report will follow.

- 2.5 The absence of a fully resourced inspection team not being in place until 17 October 2024 is understood to be the primary driver for the delayed completion date.
- 2.6 The Best Value Inspection has now concluded with the Council receiving a letter from the Minister on 17 March 2025 outlining the next steps for the authority. We have been advised that the Council made a response to the Minister on 28 March and is now awaiting the Minister to confirm the next actions and whether Commissioners are to be appointed.
- 2.7 We have continued to work with management to maintain a level of flexibility in our approach to deliver the internal audit plan over the remainder of the year. In doing so, some reviews require deferral (as detailed in section 8 of Appendix A), however, assuming no further deferrals are made to the plan, there remains sufficient assurance work to enable the Chief Internal Auditor to provide their annual opinion on the council's framework of governance, risk and control.
- 2.8 Appendix A provides a summary of internal audit's ongoing progress.

3. Options analysis and proposal

To inform and assure the Audit Committee of Internal Audit progress as detailed within Appendix A.

4. Financial management comments

- 4.1 The Internal Audit Progress Report includes reviews of functions and systems that are financially material and therefore represent greater risk to the authority. Issues presenting adverse financial consequences or threats to the Council's financial position apply to a range of workstreams on the plan.

5. Risk management comments

- 5.1 In producing 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 (and opportunities) facing the Council during 2024/25. Due regard has been taken of the pending Best Value Inspection to avoid unnecessary duplication.

6. Procurement comments

- 6.1 None

7. Legal comments

- 7.1 The Public Sector Internal Audit Standards (PSIAS) are mandatory further to the Accounts and Audit (England) Regulations 2015. The PSIAS require public bodies to provide a written status report to the Audit Committee.

8. Other considerations

8.1 None

9. Equality and Diversity

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

10. Sustainability/Climate Change Implications

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

11. Timetable for implementation

11.1 Applicable for the period 1 April 2024 – 31 March 2025

12. Contact

12.1 Neil Pitman, Head of Southern Internal Audit Partnership

neil.pitman@hants.gov.uk

Natalie Jerams, Deputy Head of Southern Internal Audit Partnership

natalie.jerams@hants.gov.uk

Background papers: None

Appendices:

Appendix A – Internal Audit Progress Report

Southern Internal Audit Partnership

Assurance through excellence
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SPELTHORNE BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT

Prepared by: **Natalie Jerams, Deputy Head of Partnership**

April 2025

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

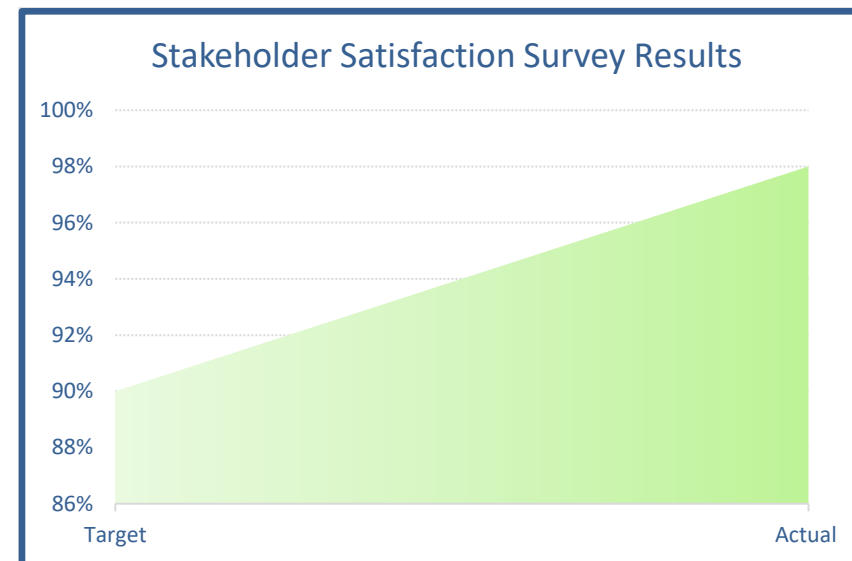
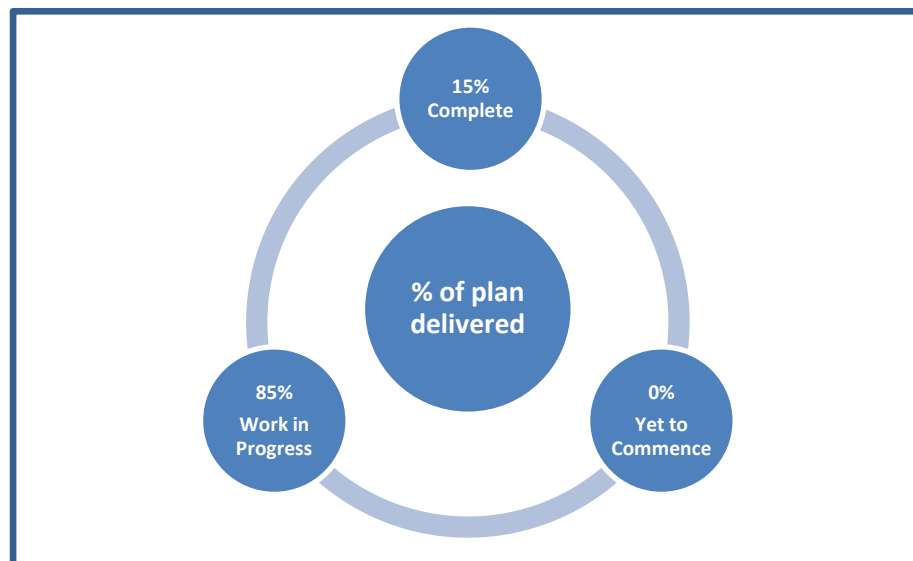
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

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

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles, and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

This section reflects the status of management actions as at 31 March 2025.

Audit Review – Pre SIAP	Report Date	Audit Sponsor	Assurance Opinion	Recommendations			Not Yet Due	Complete	Overdue		
				L	M	H			L	M	H
Disaster Recovery	Apr 24	DCE	Limited	4	3			5		2	
Commercial Assets	Jul 24	DCE/S151	Reasonable		3		1	2			
Totals				4	6	0	1	7	0	2	0

Audit Review - SIAP	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s) *	Not Yet Due	Complete	Overdue		
							L	M	H
Building Control	27.01.25	DCE	Limited	11(6)	0(0)	8(4)		1	2
Total				11(6)	0(0)	8(4)		1	2

*Total number of management actions (total number of high priority actions)

Audit Sponsor

Chief Executive (CE) Daniel Mouawad	
Deputy Chief Executive & S151 (DCE/S151) Terry Collier	Deputy Chief Executive (DCE) Lee O'Neil

5. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

There has been one new report produced concluding in a limited or no assurance opinion since the last progress report.

Building Control			
Audit Sponsor	Assurance opinion	Management Actions	
Deputy Chief Executive	Limited	<div>Low 0</div>	<div>Medium 5</div> <div>High 6</div>
Summary of key observations: <p>The purpose of this audit was to review the preparedness and compliance with the new building control regulations. The review focussed on the arrangements in place to ensure that the deliverables of the KPI's were clearly embedded, with monitoring and reporting available in compliance with the regulations.</p> <p>From April 2025, in line with the new legislation, there is a requirement to report to the Building Safety Regulator (BSR) on the new reportable elements of the KPIs. This audit has identified that there are a number of KPIs that the Council is currently unable to report on due to insufficient reporting options from the case management system or the data is not currently available. The Council is therefore unable to fully demonstrate compliance of the regulations to the BSR.</p>			

6. Planning & Resourcing

The internal audit plan for 2024-25 was approved by the Management Team (MAT) and Audit Committee in July 2024.

Due to the Best Value Inspection, the internal audit plan was more heavily weighted to Q3 and Q4 in acknowledgement of officer capacity and the avoidance of potential areas of duplication during this period. Correspondence received by the Council on 22 August 2024 from the Ministry of Housing Communities & Local Government (MHCLG) indicated the anticipated completion date of the Best Value Inspection to be 29 November 2024. However, the Council was then advised that the Inspection would continue until the end of January 2025 where the inspectors would then feedback to the MHCLG and a report will follow.

The absence of a fully resourced inspection team not being in place until 17 October 2024 is understood to be the primary driver for the delayed completion date.

The Best Value Inspection has now concluded with the Council receiving a letter from the Minister on 17 March 2025 outlining the next steps for the authority. We have been advised that the Council made a response to the Minister on 28 March and is now awaiting the Minister to confirm the next actions and whether Commissioners are to be appointed.

We have continued to work with management to maintain a level of flexibility in our approach to deliver the internal audit plan over the remainder of the year. In doing so, some reviews require deferral, however, assuming no further deferrals are made to the plan, there remains sufficient assurance work to enable the Chief Internal Auditor to provide their annual opinion on the council's framework of governance, risk and control.

Section 8 lists the adjustments to the plan to date.

Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Risk Management	DCE	✓	✓	✓				Q4 - Close of audit scheduled for 30/4/2025.
Contract Management	DCE/S151	✓	✓					Q4
Procurement	CE	✓	✓	✓				Q3 ⇒ Q4 – Close of audit scheduled for 30/4/2025.
Accounts Receivable & Debt Management	DCE/S151	✓	✓					Q4
Reinforced Autoclaved Aerated Concrete	DCE/S151	✓	✓	✓				Q3 -Close of audit TBC
Commercial Waste (SDS)	DCE	✓	✓	✓				Q3 – Close of audit held, report pending.
Building Control	DCE	✓	✓	✓	✓	✓	Limited	Q2 ⇒ Q3.
CIPFA Financial Management Code and Best Value Indicators for Use of Resources	DCE/S151	✓	✓	✓	✓			Q2
Savings Realisation	DCE/S151	✓	✓	✓				Q4
Tree Maintenance	DCE	✓	✓	✓	✓			Q2 – Draft report issued 11/4/2025.
ITIL Assurance Mapping	DCE	✓	✓	✓	✓	✓	n/a	Q2
Data Backup and Disaster Recovery	DCE	✓						Q4
Equality, Diversity & Inclusivity	DCE	✓	✓	✓	✓			Q3 – Draft report issued 11/4/2025.

8. Adjustments to the internal audit plan

The following adjustments to the plan have been made:

Removed from the Plan	Reason
Cyber Security – Training and Awareness	Following the ITIL Assurance Mapping review, a review of Data Backup and Disaster Recovery has been assessed as higher priority. Please see section 6 of the report for details.
Corporate Plan	
Council Tax	
Health and Safety	
Affordable Housing / Homelessness	
Best Value – Post Inspection	
Additions to the Plan	Reason
Data Backup and Disaster Recovery	Following the ITIL Assurance Mapping review, a review of Data Backup and Disaster Recovery has been identified.

Overdue 'High Priority' Management Actions

Building Control – Limited Assurance			
<p>Observation: The Building Safety Regulator - Operational Standards Rules monitoring arrangements sets out in KPI 1 - Building Control Functions, what they require for quarterly reportable data. Testing found that currently there are no reports that can be run to extract this information out of the IDOX Uniform system. BSR have also not yet advised the Council how they wish to receive this information, and therefore this presents further uncertainty and potential delays in preparations for the new regulations.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Revise processes and procedures (and ensure staff training takes place) to ensure that all the relevant fields are filled in to enable data to be extracted.	28.2.25	30.6.25	<p>April 2025 - Utilising Local Authority Building Control's (LABC) QMS system of flowchart and guidance for dealing with all building control matters.</p> <p>In the process of setting up IDOX training for the team to make sure relevant fields are being filled in. Flowcharts etc submitted as part of the Building Safety Regulators external audit in second half of February 2025.</p>
<p>Observation: Quarterly and annual reportable data to the Building Safety Regulator (BSR) is not currently in place due to a combination of both the IDOX Uniform system and the BSR not having yet released the portal for local authorities to upload their data for submission. The IDOX Uniform System at the time of the audit is not set up for the Building Control Team to be able to run the reports that are required in order to be able to report on the data and information that the BSR will require from April 2025. This consequently impacts compliance across a range of the KPI's that were reviewed as part of the audit testing.</p> <p>For KPI 5, the Council is unable to provide the required elements of having a Quality Management Scheme in place, although this is currently with the LABC to confirm next steps in supporting this compliance area.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Obtain confirmation from LABC that we are signed up to their Quality Management Scheme (QMS). Made a request in November 2024.	28.2.25	30.06.25	<p>April 2025 - This is still outstanding. Discussions are ongoing.</p> <p>Understand that LABC may need to undertake an audit before they will allow us to sign up to their QMS.</p>

Annex 2

Overdue 'Medium and Low' Recommendations

Audit Review – Pre SIAP	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Medium	Low		
Disaster Recovery	Apr 2024	Limited	1		31.07.24	31.3.25 30.04.25
			1		31.08.24	31.03.25 TBC
Total			2	0		

Overdue 'Medium and Low' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Building Control	27.01.2025	Limited	Medium	28.02.2025	31.05.2025

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Audit Committee



Date of meeting: 8 May 2025

Title	Progress against the Action Plan to address the Annual Audit Report 2023-24 key and improvement recommendations.
Purpose of the report	To provide assurance to the Committee that the Actions are making suitable progress.
Report Author	Terry Collier Chief Finance Officer, and Linda Heron, Monitoring Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	All
Recommendations	Committee is asked to: <ul style="list-style-type: none"> Consider the progress against the action plan (Appendix A) and responses to the 2023-24 External Auditor's Annual Audit Report.
Reason for Recommendation	The Council accepts the need to address the issues identified in the two external audit reports and to do so promptly.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Audit Committee at its meeting on 25th February 2025 received from Grant Thornton, its external auditors, two reports relating to 2023-24, namely: <ul style="list-style-type: none"> Annual Audit Report (incorporating interim Value for Money conclusions) Audit Findings Report (focused on Statement Accounts and underlying processes). 	<ul style="list-style-type: none"> A number of issues were identified, which need to be addressed, in order to rebuild assurance in financial and governance arrangements To ensure that suitable progress is being made to address improvements required relating to financial processes, governance, risk management and value for money.

This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Continue to address the recommendations Significantly improve the Annual Audit Report for 2024-25 Progress the Action Plans to provide the Committee with reassurance as the actions being undertaken and to enable oversight of progress 	<ul style="list-style-type: none"> Continue to implement the agreed Action Plan Review progress against the Action Plans at each meeting of the Audit Committee Ensure that the Corporate Risk Register is updated to reflect the agreed Action Plans

1.1 This report seeks to provide members of the Committee with progress updates against the Action Plans to address the Annual Audit Report Key and Improvements recommendations agreed by the Audit Committee in February 2025.

1.2 The External Auditors make recommendations to improve the governance, risk and accounting control processes in place. It is important to monitor the implementation of these recommendations that will improve the financial reporting control environment and provide assurance of delivery.

2. Key issues

2.1 Local authorities are required to have their accounts independently audited annually by external auditors and to receive an annual audit opinion on the effectiveness and efficiency of their arrangements for securing Value for Money.

2.2 The Action Plans cover all the recommendations made in the Auditor's report, and reflect the initial management responses/action, a responsible officer, along with target completion date.

2.3 Progress against target dates will continue to be monitored and reported back to the future meetings of this Committee. A key measure of progress will be the external audit reports for 2024-25, and there has been significant progress made within expected target date across the plan.

2.4 The record of activity against these actions is attached as Appendix A. Update reports on the progress of the remaining actions and the financial reporting improvement plan overall will be provided to the future Audit Committee meetings throughout the year.

3. Options analysis and proposal

3.1 Option 1 – Consider the attached Actions Plan progress updates and agree to continue to receive progress reports at each Committee meeting throughout the year.

3.2 Option 2 – suggest amendments to the attached Action Plan progress updates and agree to continue to receive progress reports at future Committee meetings.

3.3 Option 3 – do not accept the action plans progress updates.

4. Financial management comments

- 4.1 The Annual Audit Report has a significant focus on financial issues. The Action Plans seek to address the recommendations made.

5. Risk management comments

- 5.1 The Annual Audit Report identifies a number of key corporate risks. One of the Key Recommendations relates to reviewing the Corporate Risk Register and aligning it to focus on the risks identified in the report by the auditors. Officers have done an initial review to identify how the Corporate Risk Register could be re-configured, which has now been addressed.

6. Procurement comments

- 6.1 One of the Key Recommendations in the Annual Audit Report relates to Procurement and is addressed in the Action Plan.

7. Legal comments

- 7.1 Pursuant to Section 151 of the Local Government Act 1972 the Council is under a general duty to make arrangements for the proper administration of their financial affairs.
- 7.2 Section 3 of the Local Audit and Accountability Act 2014 requires the Council to keep adequate accounting records and to prepare a statement of accounts in respect of each financial year. The Accounts and Audit Regulations 2015 contain various requirements in relation to the Council's statement of accounts which the Council must comply with.
- 7.3 Audit Committee oversees the Council's financial reporting process, and more particularly it is within the Committee's remit to "Seek assurances that action is being taken on risk related issues identified by auditors and inspectors". This report seeks to provide such assurances in relation to the matters previously raised within the external auditor's Annual Audit Report.

8. Other considerations

- 8.1 The content of the Audit Findings Action Plan is also contained within the overall Consolidated Action Plan encompassing: Public Interest Report, CIPFA Capital Assurance Report, LGA Peer Review follow up and the Grant Thornton Annual Audit Report for 2023-24 and Audit Findings 2023-34 and the Best Value Inspection report. The Consolidated Action Plan is later on the Agenda of this meeting.
- 8.2 Behind the Action Plan is a Gantt chart to visually show the timing of anticipated actions.

9. Equality and Diversity

- 9.1 Good governance underpins ability to make decisions to address appropriately. The Equality, Diversity & Inclusion (EDI) policy is in place and a full strategy to be developed. However, all projects should have undertaken an equality diversity and inclusion impact assessment to ensure the project meets EDI requirements this is monitored in the implementation of a project. Sustainability/Climate Change Implications
- 9.2 Good governance underpins ability to make decisions to address the challenges of sustainability and climate change.

10. Timetable for implementation

- 10.1 The Action Plan for the Annual Audit Report will continue to be presented at every meeting of the Audit Committee.

11. Contact

- Terry Collier Chief Finance Officer – t.collier@spelthorne.gov.uk ,
- Daniel Mouawad, Chief Executive - dcm.cex@spelthorne.gov.uk
- Lee O'Neil - Deputy Chief Executive - l.o'neil@spelthorne.gov.uk
- Linda Heron – Monitoring Officer – l.heron@spelthorne.gov.uk
- Ola Owolabi , Deputy Chief Finance Officer- O.Owolabi@spelthorne.gov.uk.

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

Background papers:

Annual Audit Report 2023-24

Appendices:

Appendix A – Progress update regarding Action Plan for Audit Findings Recommendations

Appendix B – Summary of Key and Improvement Recommendations contained within the 2023-24 Annual Audit Report

APPENDIX A:
See Appendix B for summary of Key
Recommendations (KRs) and Improvement
Recommendations (IRs)

Annual Audit Findings Action Plan extracted from Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025				
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee	RAG status
KR 1.4	Model to be demonstrated to all councillors especially members of CPRC and CASC with opportunities for scenarios to be explored user functional brief to be produced In light of feedback from councillors model to be refined and reported back to CPRC 24/3/25	OO/CH/Cllr Nichols (chair of CASC)	01-Apr-25	Started	There is an ongoing discussion with Group Head for Assets about Argus software and demonstration		
	CPRC 10th February to agree to add Transformation to terms of reference of Regeneration Board to enable councillors to steer and have oversight of transformation programme alongside Reorganisation.	LH/Cllr Sexton (chair of CPRC)	10-Feb-25	Completed			
KR 1.5	Board to agree prioritisation of transformation and efficiency streams.	Reorganisation and Transformation Board	09-Apr-25	Yet to start	To be agreed. Seeking Cllr leads for workstreams		
IR 1	To continue to undertake quarterly KPI reporting but to provide reports to Committees with benchmarking	SM	26-Feb-25	Ongoing	Q3 KPIs presented to CPRC 23/3/25. New set of 32 KPIs agreed for 25-26. Reports to include benchmarking against nearest neighbour group.		
IR 1	Benchmarking to continue with near neighbours through the quarterly reporting on a suite of KPIs to Surrey Chief Executive meetings.	SM	01-Apr-25	Ongoing	Q3 KPIs presented to CPRC 23/3/25. New set of 32 KPIs agreed for 25-26. Reports to include benchmarking against nearest neighbour group.		
IR 1	The Council proposes to use the CFO insights tool going forward and Local Government Data Explorer.	TC/OO	15-Apr-25	Ongoing	Currently raising the order re the CFO Insights		
	Benchmarking to be embedded into Service Planning process	SM	01-Sep-25	Yet to start	Service planning will commence in early summer and will include clear links to corporate plan, KPIs and benchmarking		
	Report progress to Audit Committee	OO	08-May-25	Yet to start	An update is scheduled to be presented to the Committee on 8th May re the Action Plan approved by Audit Committee 25/2/25.		
KR 1.1	Finance Team to pro-actively plan ahead using Forward Plan to ensure draft financial reports are produced ahead of Committee deadlines, to allow time for reviewers to consider reports, and for drafts to be circulated to group heads and internal stakeholders sufficiently early.	TC, OO	30-Jan-25	Ongoing	Mole Valley partnership has been ended - Finance Team restructure being implemented. Processes under review.		
KR 1.1	Officers to work with Members Financial Reporting Group to develop reports. Councillors on the Group to have an initial discussion to agree what councillors are looking for from reports	TC/Cllr Nichols (chair of CASC)		Ongoing	Officers to send out suggested dates for FRWG meeting.		

APPENDIX A:
See Appendix B for summary of Key
Recommendations (KRs) and Improvement
Recommendations (IRs)

Annual Audit Findings Action Plan extracted from Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025				
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee	RAG status
KR 1.1	Additional supporting narrative to be provided in future for budget growth bids (with narrative provided for all growth items above an agreed materiality level).	OO	01-Jul-25	Yet to start	This will commence following the 2024/25 closure of accounts processes, it is expected to start from July 2025		
	The Centros system has been successfully implemented in terms of the upgrade from Integra. Councillors now have access to the whole system to review. The next step, is to implement Business Intelligence, Dashboards and improved communications. This was delayed, because of the Mole Valley Partnership and due to the need to switch resources to deal with the BVI process	OO, JH	30-Jan-25	Ongoing	The implementation of a Business Intelligence, Dashboards to improve communications is continue to be considered for development.		
IR 4							
BVI 11 - Audit Committee structure							
IR 3	Undertake Self Assessment of Audit Committee governance and remit, using CIPFA checklist	LO/TC	10-Jul-25	Yet to start			
KR 4	KGE Task and Finish Group to consider Council representation on KGE Board and make recommendations to CPRC	LH	24-Mar-25	Started	KGE Task and Finish Group recommended appointment of Group Head Assets to KGE Board but MO continues to serve as company secretary		
	KGE Task and Finish Group will also consider whether senior officers can continue to hold key roles in KGE (e.g. the Monitoring Officers as company secretary) and any governance arrangements that need to be put in place						
KR 4	CPRC Task and Finish Group to evaluate options for future shape of KGE (continue as limited company, become RSL, transfer onto Council Balance Sheet etc)	LH	24-Mar-25	Started	KGE Task and Finish Group recommended that KGE should remain as limited company for the time being in view of local government reorganisation proposals		
KR 3	Suggested initial revisions to align Risk Register with key risks identified in Annual Audit Report and Audit Findings to be presented to Audit Committee 25th Feb 2025.	LO'N	25-Feb-25	Completed			
	Risk Register to be refreshed and outstanding completion dates to be highlighted and addressed.	LO'N	03-Feb-25	Started			
KR 2.2	Officers/Audit Committee to discuss with SIAP potential for inclusion in 2025-26 Audit Plan follow up audit of Committee System	LH/Cllr Button (chair of audit)		Started	Flagged to SIAP		

APPENDIX A:
See Appendix B for summary of Key
Recommendations (KRs) and Improvement
Recommendations (IRs)

Annual Audit Findings Action Plan extracted from Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025				
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee	RAG status
KR 2.2	Officers / Audit Committee to discuss with SIAP potential for commissioning external review of governance and decision making	LH/Cllr Button (chair of audit)		Started	Flagged to SIAP		
KR 2.2	Officers / Audit Committee to discuss whether a dedicated Scrutiny Committee should be established	LH/Cllr Button (chair of audit)		Started	To be addressed and considered by Committee System Working Group		
	Address quality of report writing and enhance scrutiny	LH/Cllr Button (chair of audit)		Started	See below		
	Increase transparency of decision making – monitor the number of exempt reports	KW		Ongoing			
	LGA Facilitated workshop	DCM/Cllr Sexton (chair of CPRC)		Yet to start			
KR 2.1	Refresher training for report authors to be run.	LH	30-Apr-25	Started	Committee Services exploring training options and seeking quotes		
KR 2.1	Report template to be reviewed to simplify and streamline where possible	LH/KW	30-Apr-25	Yet to start			
KR 2.1	Enforce timetable for circulation of draft reports to ensure that all stakeholders review and provide input	LH/KW		Ongoing			
KR 5	New system will be used to provide quarterly KPI reports to CPRC related to corporate priorities and provide a narrative to set the context of the KPIs. This revised approach ensures KPIs are linked to service plans and the Corporate Plan.	SM	01-Apr-25	Started	New reporting system being finalised to go live at end of Q1 25/26 ready for reporting at end of Q1		
KR 5	KPIs for services are available and key corporate ones will be reported to Committee but service KPIs can be used to monitor service performance and reported to MAT or the relevant service Committee.	SM	01-Apr-25	Completed	Review of Service and corporate KPIs completed and revised corporate KPIs agreed and revised ones will be reported to CPRC after end of Q1 and ongoing at end of each quarter		
KR 6	Action Plans addressing External Auditors Annual Audit Report and Audit Findings recommendations to be produced and presented to February 25th Audit Committee for approval.	TC		Completed			
KR 6	Progress against action plan will then be reported to every meeting of Audit Committee.	CH		Completed			
KR 6	Action plan for Public Interest Report to be refreshed and put in new format and reported to May Audit Committee.	TC	08-May-25	Started			
KR 6	Action Plan for CIPFA Review to be produced and presented to May Audit Committee for review						
IR 2	All draft strategies to be scrutinised for financial implications which will be required to be articulated. Interdependencies of financial implications of different strategies to be considered	TC		Yet to start			
IR 5	Draft annual audit plan to be considered by Audit Committee ahead of start of 2025-26 financial year	LH, TC/Cllr Button (chair of audit)	31-Mar-25	Started	To be agreed at May 2025 Audit Committee		

APPENDIX A:
See Appendix B for summary of Key
Recommendations (KRs) and Improvement
Recommendations (IRs)

Annual Audit Findings Action Plan extracted from Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025				
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee	RAG status
IR 6	All proposals for partnership moving forwards will clearly set out financial and non-financial deliverables. These will be reported to Councillors Collaborative Working Group, and included in Project Initiation Documents. The progress against deliverables will be monitored by the relevant Partnership Project Board. (should be recognised that in the context of Reorganisation likely to be fewer newer proposals going forwards as focus will be switching to achieving unitary authorities)	LO'N		Yet to start	No current service level partnerships proposed/in development. Primary focus on Local Government Reorganisation.		
KR 1.3	New Executive Director to be proposed to KGE Board 19/2/25 who will lead on producing refreshed Business Plan	CH	19-Feb-25	Completed			
KR 1.3	Refreshed medium term business plan to be produced for consideration and approval by KGE Board and CPRC. A draft business plan has been produced for input and refinement by the KGE Board, target completion end of April 2025	CH/Cllr Nichols (chair of CASC)	02-Feb-25	Started			
KR 1.2	Development Delivery Programme approved by Council; marketing underway to deliver outcomes for Ashford Victory Place, Ashford Multi-Storey and Thameside House, whilst seeking to maximise affordable housing outcomes. BIG will monitor progress of achieving outcomes on residential/regeneration sites.	CH/Cllr Williams (chair of BIG)		Completed			
KR 1.2	KGE acquisitions will remain limited to LAHF opportunities. The new business plan for KGE will focus on a new direction of travel with a smaller portfolio of sub 200 properties.	CH		Completed			
Other							
KR 7	Procurement Board to be activated and Terms of Reference approved.	LH, AC	28-Feb-25	Started			
KR 7	Procurement metrics and protocol for reporting to members to be agreed.	LH, AC	28-Feb-25	Started			
KR 7	New systems to be implemented in time for implementation of Procurement Act 2023	LH, AC	28-Feb-25	Completed			

APPENDIX A:
See Appendix B for summary of Key
Recommendations (KRs) and Improvement
Recommendations (IRs)

Annual Audit Findings Action Plan extracted from Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025				
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee	RAG status

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APPENDIX B

Summary of Key Recommendations (KRs) and Improvement Recommendations made in the Annual Audit Report 2023-24

Key Recommendations

KR 1 Financial Sustainability

- ***KR1.1** Accurate and consistent financial reporting/root causes of budget growth to be identified*
- ***KR 1.2** Urgently review options for suspended housing projects and assess impacts on KGE. Review viability of KGE and sinking fund model to ensure that it accurately takes account of the financial impacts of its decisions with regard to suspended housing projects.*
- ***KR 1.3** Robust plans to address medium term budget gaps – urgently reinstate transformation programme*
- ***KR 1.4** a sustainable business plan for KGE is approved*
- ***KR1.5** a sustainable plan for sinking funds reserve[s] is approved which is a complete model, drawing in expertise as required to give confidence in the underlying assumptions in the model*
- ***KR1.6** robust plans are drawn up to address the medium term budget gaps and reinstate its transformation programme as a matter of urgency*

KR 2 Decision Making including Challenge and Transparency

- ***KR2.1** The Council should ensure that the Financial Reporting Working Group is appropriately resourced to enable it quickly to provide guidance and training to officers in report writing*
- ***KR2.2** The Council should consider whether a follow-up audit of the implementation of the Committee system should be undertaken and in particular to consider the effectiveness of scrutiny and timeliness of decision making*

KR 3 Strategic Risk Register

The Council should review its Strategic Risk Register to consider risks arising from previous external scrutiny reports as well as procurement and ensure that risks and mitigations reflect the latest position. In addition the Council should ensure that realistic timescales are set for implementing actions and

ensure that those dates only exceeded by exception and adequate explanations for delays are recorded. CASC Forward Plan should also be updated to include reviews of the Investment Assets Risk Register.

KR 4 Assess governance and oversight of KGE

The Council needs to urgently assess the governance and oversight of KGE Ltd in order to avoid conflicts of interest and to conform to best practice. We note a review took place and from January 2025 the Council s151 no longer act as a KGE Chair. The decision has only just been taken so we need to review the arrangements in practice for all roles within our 2024/25 Audit to ensure that good governance has been established.

KR5 – Performance Monitoring

The Council should ensure that corporate performance monitoring of its strategic priorities is undertaken and reported to CPRC or Full Council on a quarterly basis. Directorate and service performance monitoring should support and be linked to the Council's strategic priorities. A robust performance management framework should clearly set out the approach required.

KR6- Failure to secure improvements

The Council needs to implement a system of review and monitoring of all action plans arising from external reviews. Appropriate updates should be provided to Audit Committee on a quarterly basis.

KR7- Failure to deliver improvement/efficiency improvements when managing significant outsourced contracts

The Council should ensure that the necessary changes to procurement and contract management arrangements are put in place to ensure that efficiencies and economies are maximised. The Council should ensure that suitable performance metrics including regulation/rule breaches are introduced with reporting through to Audit Committee on a quarterly basis.

Improvement Recommendations

IR1 – *The Council should ensure that it effectively utilises benchmarking to identify how its costs compare to other Councils*

IR2 – *The Council should ensure that the financial implications of financial strategies are clearly set out when the strategies are being approved.*

IR3 – *The Council should take a self-assessment of its Audit Committee arrangements within the CIPFA guidance*

IR4 – *The Council should further review the implementation of the Centros financial system to ensure that all the anticipated benefits are being maximised and if not identify the root cause for this to enable improvements to be made for future budget setting and the use of the system by members and officers.*

IR5 – *The Council should closely monitor progress against the Internal Audit Plan 2024/25 and ensure that the service continues to comply with PSIAS standards.*

IR6 – *The Council should ensure that the financial and non-financial performance of its partnering arrangements with key partners are monitored to ensure that arrangements continue to achieve value for money. The Council should also ensure that impacts on partnering arrangements are considered when making financial decisions.*

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Audit Committee



Date of meeting: 8 May 2025

Title	Progress against the Action Plan to address the Audit Findings Report 2023-24 recommendations.
Purpose of the report	To provide assurance to the Committee that the Actions are making suitable progress.
Report Author	Terry Collier Chief Finance Officer and Ola Owolabi, Interim Deputy Chief Finance Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	All
Recommendations	<p>Committee is asked to:</p> <ul style="list-style-type: none"> To be informed and assured as to the progress against the Action Plan (Appendix A) and responses to the 2023-24 External Auditor's Audit Findings Report.
Reason for Recommendation	The Council accepts the need to address the issues identified in the two external audit reports and to do so promptly.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Audit Committee at its meeting on 25th February 2025 received from Grant Thornton, its external auditors, two reports relating to 2023-24, namely: <ul style="list-style-type: none"> Annual Audit Report (incorporating interim Value for Money conclusions) Audit Findings Report (focused on Statement Accounts and underlying processes). 	<ul style="list-style-type: none"> A number of issues were identified, which need to be addressed, in order to rebuild assurance in financial and governance arrangements To enable a smoother audit process for 2024-25 and to receive improved reports for 2024-25

This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Continue to address the recommendations Significantly improve the Annual Audit Findings report for 2024-25 Agree Action Plans to provide the Committee with reassurance as the actions being undertaken and to enable oversight of progress 	<ul style="list-style-type: none"> Continue the implementation of the agreed the Action Plan Adding the Action Plans to the Forward Plan Regularly Review progress against the Action Plans at each meeting of the Audit Committee Ensure that the Corporate Risk Register is updated to reflect the agreed Action Plans

1.1 This report seeks to provide members of the Committee with progress updates against the Action Plans to address the Annual Audit Report and Audit Findings Report recommendations agreed by the Audit Committee in February 2025.

1.2 The External Auditors make recommendations to improve the governance, risk and accounting control processes in place. It is important to monitor the implementation of these recommendations that will improve the financial reporting control environment and provides assurance of delivery.

2. Key issues

2.1 Local authorities are required to have their accounts independently audited annually by external auditors and to receive an annual audit opinion on the effectiveness and efficiency of their arrangements for securing Value for Money.

2.2 The Action Plan cover all the recommendations made in the Auditor's report, and reflect the initial management responses/action, a responsible officer, along with target completion date.

2.3 Progress against target dates will continue to be monitored and reported back to the future meetings of this Committee. A key measure of progress will be the external audit reports for 2024-25, and there has been significant progress made within expected target date across the plan.

2.4 The record of activity against these actions is attached as Appendix A. To summarise majority of these actions were completed by the target date, while other actions are on track for completion. Update reports on the progress of the remaining actions and the financial reporting improvement plan overall will be provided to the future Audit Committee meetings throughout the year.

2.5 Since the Action Plan was previously considered by the Audit Committee, the partnership with Mole Valley has been brought to an end, a new full time interim Chief Accountant/Deputy Chief Finance Officer has been appointed, three members of the finance team have moved on, a significant amount of refresher training around journals and working papers has been undertaken and regular more frequent dialogue with Grant Thornton has been established by the Interim Deputy Chief Finance Officer.

3. Options analysis and proposal

- 3.1 Option 1 – Note the attached Actions Plans progress updates and agree to continue to receive progress reports at each Committee meeting throughout the year.
- 3.2 Option 2 – suggest amendments to the attached Action Plan progress updates and agree to continue to receive progress reports at future Committee meetings.
- 3.3 Option 3 – do not accept the action plans progress updates.

4. Financial management comments

- 4.1 The Audit Findings Report is focused on the financial Statement of Accounts and underlying financial processes, and a large element of the Annual Audit Report is also finance focused. The Action Plan addresses the recommendations made.

5. Risk management comments

- 5.1 The Annual Audit Report identifies a number of key corporate risks. One of the Key Recommendations relates to reviewing the Corporate Risk Register and aligning it to focus on the risks identified in the report by the auditors. Officers have done an initial review to identify how the Corporate Risk Register could be re-configured, which has now been addressed.

6. Procurement comments

- 6.1 One of the Key Recommendations in the Annual Audit Report relates to Procurement and is addressed in the Action Plan.

7. Legal comments

- 7.1 Pursuant to Section 151 of the Local Government Act 1972 the Council is under a general duty to make arrangements for the proper administration of their financial affairs.
- 7.2 Section 3 of the Local Audit and Accountability Act 2014 requires the Council to keep adequate accounting records and to prepare a statement of accounts in respect of each financial year. The Accounts and Audit Regulations 2015 contain various requirements in relation to the Council's statement of accounts which the Council must comply with.
- 7.3 Audit Committee oversees the Council's financial reporting process, and more particularly it is within the Committee's remit to "Seek assurances that action is being taken on risk related issues identified by auditors and inspectors". This report seeks to provide such assurances in relation to the matters previously raised within the external auditor's Annual Audit Report.

8. Other considerations

- 8.1 The content of the Audit Findings Action Plan is also contained within the overall Consolidated Action Plan encompassing: Public Interest Report, CIPFA Capital Assurance Report, LGA Peer Review follow up and the Grant Thornton Annual Audit Report for 2023-24 and Audit Findings 2023-34. The Consolidated Action Plan is later on the Agenda of this meeting.
- 8.2 There is a Gantt chart behind the items of the Action Plan to show anticipated timelines. The Gantt chart has not been shown to make the actions easier to view.

9. Equality and Diversity

- 9.1 Good governance underpins ability to make decisions to address appropriately. The Equality, Diversity & Inclusion (EDI) policy is in place and a full strategy to be developed, However, all projects should have undertaken an equality diversity and inclusion impact assessment to ensure the project meets EDI requirements this is monitored in the implementation of a project. Sustainability/Climate Change Implications.

10. Sustainability/Climate Change Implications

- 10.1 Good governance underpins ability to make decisions to address the challenges of sustainability and climate change.

11. Timetable for implementation

- 11.1 The Action Plan for the Audit Findings report will continue to be presented to the Audit Committee at every meeting of the Committee to provide oversight of progress.

12. Contact

- Terry Collier, Chief Finance Officer – t.collier@spelthorne.gov.uk ,
- Ola Owolabi, Interim Deputy Chief Finance Officer - O.Owolabi@spelthorne.gov.uk.

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

Background papers:

Annual Audit Report 2023-24
Audit Findings Report 2023-24

Appendix:

Appendix A – Progress update regarding Action Plan for Audit Findings Recommendations

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Audit Committee [CPRC 12th]



Date of meeting: 8th May 2025

Title	Consolidated Action Plan to Address External Reviews' Recommendations
Purpose of the report	To provide assurance to the Committee that the Actions relating to the various external reviews are making suitable progress and to inform discussions with Commissioners.
Report Author	Terry Collier, Chief Finance Officer, and Linda Heron, Monitoring Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	All
Recommendations	<p>Committee is asked to:</p> <ul style="list-style-type: none"> Consider the draft Consolidated Action Plan relating to recommendations made in key external reviews of the Council and to acknowledge the progress to date.
Reason for Recommendation	<p>The Council accepts the need to ensure that all the recommendations in the following reports are fully addressed:</p> <ul style="list-style-type: none"> Public Interest Report 2022- Action Plan agreed by Audit Committee July 2023 and reviewed by July 2024 Chartered Institute of Public Finance and Accounting (CIPFA) Capital Assurance Report 2023 Local Government Association (LGA) Corporate Peer Challenge Follow Up Review 2023, previously reported to Corporate Policy and Resources Committee Grant Thornton Annual Audit Report 2023-24, Action Plan agreed at last Audit Committee Grant Thornton Audit Findings Report 2023-24, considered by last Audit Committee Best Value Inspection Report 2025

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • Audit Committee has previously requested that monitoring of actions relating to the various external reviews should be pulled together for the Committee • The Best Value Inspection Report recommends that the Council should develop a comprehensive improvement and recovery plan, integrating recommendations from KPMG, CIPFA, the LGA, and the external auditor as per their January 2025 reports, with quarterly progress reports to both the Audit Committee and the Corporate Policy and Resources Committee, alongside an annual report to full Council. 	<ul style="list-style-type: none"> • The various external reviews have identified a range of issues which the Council needs to ensure are fully addressed and that the Actions are appropriately tracked. • To ensure that suitable progress is being made to address improvements required relating to financial processes, governance, risk management and value for money.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Pull the recommendations from individual reviews into a Consolidated Action Plan • Use the Consolidated Action Plan as a basis for a conversation with the Commissioners to agree by end of September 2025 an Improvement and Recovery Action Plan • To provide regular updates to both this Committee and Corporate Policy and Resources Committee (CPRC) • To provide an annual report on progress to Council 	<ul style="list-style-type: none"> • Continue to implement the Actions set out in the Consolidated Action Plan • To report the Consolidated Action Plan to CPRC • To use the Consolidated Action Plan to inform conversations with the Commissioners with the aim of progressing towards an agreed Improvement and Recovery Action Plan by 30th September 2025.

- 1.1 This report seeks to share with the Committee a draft consolidated Action Plan tracking progress against recommendations arising from the following external reviews of the Council:
- Public Interest Report 2022- action plan previously agreed by Audit Committee July 2023 and reviewed July 2024
 - Chartered Institute of Public Finance and Accounting (CIPFA) Capital Assurance Report 2023
 - Local Government Association (LGA) Corporate Peer Challenge Follow Up Review 2023- previously reported to Corporate Policy and Resources Committee
 - Grant Thornton Annual Audit Report 2023-24 – Action Plan considered and approved by Audit Committee February 2025
 - Grant Thornton Audit Findings Report 2023-24- Action Plan considered by Audit Committee February 2025
 - Best Value Inspection Report 2025
- 1.2 These recommendations are designed to improve the governance, risk management, value for money and financial accounting control arrangements in place. It is important to monitor the implementation of these recommendations to ensure that the improvements are delivered.
- 2. Key issues**
- 2.1 Recommendation 9 of the Best Value Inspection (BVI) Report published at the end of February 2025 on the Council states **“Improvement and recovery plan:** The Council should develop a comprehensive improvement and recovery plan, integrating recommendations from KPMG, CIPFA, the LGA, and the external auditor as per their January 2025 reports, with quarterly progress reports to both the Audit Committee and the Corporate Policy and Resources Committee, alongside an annual report to full Council.” Under the Directions associated with the appointment of the Commissioners the Council is required within six months to agree the Improvement and Recovery Plan.
- 2.2 There is a considerable overlap between the recommendations of the various reviews, hence why it is agreed that it would be useful to pull together the recommendations into a single consolidated action plan summary. The direction of travel and speed of implementation will be influenced by conversations with the Commissioners as and when they are appointed.
- 2.3 As a first step towards the single Improvement and Recovery Plan required by the BVI process, officers have consolidated into a single Consolidated Action Plan the various recommendations from the relevant external reviews. The Action Plan is intended to identify the lead responsible individuals at both a Councillor and officer level, and to identify target timescales. It is anticipated that this initial Consolidated Action Plan will in time be superseded by a more developed Programme governance framework but will aid initial discussions with the Commissioners.
- 2.4 The draft Consolidated Action Plan has been discussed at the Reorganisation and Transformation Board.
- 2.5 Progress against target dates will continue to be monitored and reported back to the future meetings of both this Committee and CPRC. A key measure of progress will be quarterly reports to the Commissioners the external audit

reports for 2024-25 and 2025-26.

- 2.6 The draft Consolidated Action Plan is attached as Appendix A. Update reports on the progress of the remaining actions and the financial reporting improvement plan overall will be provided to the future Audit and CPR Committee meetings throughout the year, with an annual report to Council

3. Options analysis and proposal

- 3.1 Option 1 – Consider the draft Consolidated Action Plan and to acknowledge the progress to date.
- 3.2 Option 2 – suggest amendments to the attached Consolidated Action Plan and acknowledge the progress to date.
- 3.3 Option 3 – do not accept the Consolidated Action Plan.

4. Financial management comments

- 4.1 A considerable number of the actions within the Plan have a significant focus on financial issues. The Action Plans seek to address the recommendations made.

5. Risk management comments

- 5.1 The various external reviews identify a number of key corporate risks. The Corporate Risk Register is being updated to align and focus it on the risks identified in the reviews' report. Officers have done an initial review to identify how the Corporate Risk Register could be re-configured, which is in the process of being amended.

6. Procurement comments

- 6.1 A number of the reviews recommendations focus on procurement efficiency.

7. Legal comments

- 7.1 Pursuant to Section 151 of the Local Government Act 1972 the Council is under a general duty to make arrangements for the proper administration of their financial affairs.
- 7.2 The Council has a statutory requirement to engage fully with the Commissioners and ensure that the BVI Recommendations are delivered.
- 7.3 Section 3 of the Local Audit and Accountability Act 2014 requires the Council to keep adequate accounting records and to prepare a statement of accounts in respect of each financial year. The Accounts and Audit Regulations 2015 contain various requirements in relation to the Council's statement of accounts which the Council must comply with.
- 7.4 Audit Committee oversees the Council's financial reporting process, and more particularly it is within the Committee's remit to "Seek assurances that action is being taken on risk related issues identified by auditors and inspectors". This report seeks to provide such assurances in relation to the matters previously raised within the external auditor's Annual Audit Report.

8. Other considerations

- 9. None.

10. Equality and Diversity

10.1 Good governance underpins the ability to make decisions to address appropriately. The Equality, Diversity & Inclusion (EDI) policy is in place and a full strategy to be developed, However, all projects should have undertaken an equality diversity and inclusion impact assessment to ensure the project meets EDI requirements this is monitored in the implementation of a project. Sustainability/Climate Change Implications

10.2 Good governance underpins ability to make decisions to address the challenges of sustainability and climate change.

11. Timetable for implementation

11.1 Action Plans continue to be on the Audit Committee Forward Plan as standing item

12. Contact

- Daniel Mouawad – Sponsor of the overall programme; dcm.cex@spelthorne.gov.uk
- Terry Collier – t.collier@spelthorne.gov.uk ,
- Lee O’Neil, Deputy Chief Executive - l.o'neil@spelthorne.gov.uk
- Linda Heron, Monitoring Officer – l.heron@spelthorne.gov.uk

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

Background papers:

KPMG Public Interest Report 2022

Local Government Association Corporate Peer Challenge Review Follow Up report

CIPFA Capital Assurance Report

Annual Audit Report 2023-24

Audit Findings Report 2023-24

Best Value Inspection Report 2025

Appendices:

Appendix A – Consolidation Action Plan for Improvement and Recovery Action Plan

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APPENDIX A

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025			
Code	Task/Milestone description	Lead	Start Date	Task status	Progress update	Sign-off actions by Audit Committee
BVI 1 - Commissioner-led intervention						
CR 1	BVI Action Plan as an integrated improvement and recovery plan	DCM/Cllr Sexton (chair of CPRC)	02-Apr-25	Started	Consolidated Improvement & Recovery Plan discussed at MAT, to be presented to Recovery & Transformation Board 9 April	
	Audit Committee submission		08-May-25	Started		
	CPRC submission		12-May-25	Started		
	Quarterly updates to Commissioner		08-May-25	Yet to start		
	Next quarterly update to Commissioner		10-Aug-25	Yet to start		
	Subsequent quarterly update to Commissioner		01-Nov-25	Yet to start		
CR1, CR	Draw on the CIPFA, PIR, GT Action Plans going to Audit Committee	TC/Cllr Button (chair of audit)	01-Apr-25	Started	Draft consolidated plan produced, being shared with Administration	
BVI 2 - Comprehensive commercial strategy						
	Develop a comprehensive commercial strategy,	CH/Cllr Nichols (chair of CASC)		Yet to start		
	A Disposals strategy will be developed and Exit strategies for each asset, developed with input from external property advisors	CH/Cllr Nichols (chair of CASC)	02-Apr-25	Started	CH & SB discussing on 2nd April	
	Update and refine Sinking Funding model	TC.OO		Started	Sinking Fund was refreshed during 2024-25 and reported to Jan 2025 CPRC. Further work ongoing with independent experts to review model.	
	Transfer Sinking Funds model from Excel Platform to Argus, to improve resilience, and ability to stress test	CH, OO and Cllr Nichols		Started	Demonstration of basis functionality of Argus to CASC meeting on 31/3/25	
BVI 3 - Review and strengthen asset management						
	Work with the Commissioners to review the Assets function	CH/Cllr Nichols (chair of CASC)/Cllr Williams (chair of BIG)	05-Jun-25	Yet to start		
	Continue to engage with and instruct external expertise, where we do not have the internal expertise available, this will include whole portfolio reviews by external consultants to ensure best value	CH/Cllr Nichols (chair of CASC), Cllr Williams (chair of BIG)	ongoing	Ongoing		
PIR 1	Assets to continue working with Legal colleagues to identify when external / independent legal advice is required.	Instructing Officer in Assets and Legal		Completed	PIR Action Plan approved by July 2023 Audit Committee and Reviewed July 2024. Ongoing	

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
PIR 2	Report Author to ensure Legal input and commentary is included within Committee Reports	Instructing Officer in Assets or appointed Legal officer		Completed	PIR Action Plan approved by July 23 Audit Committee and reviewed July 24. Ongoing, all draft reports required to be circulated a week ahead of MAT and to ensure Legal input
PIR 3	Assets to identify when external/independent consultant advice is required.	Instructing Officer and CH/Cllr Nichols (chair of CASC)		Ongoing	Ongoing on a needs basis where do not have internal expertise, for example red book valuations.
PIR 4	On-going annual reviews, updates and reporting.	CH/Cllr Nichols (chair of CASC)		Started	
CR10	A robust procurement exercise was completed in December 2024 which resulted in a change of valuers for the Council's investment assets	CH/Cllr Nichols (chair of CASC)		Completed	Knight Frank appointed, and have produced valuations for 2024-25 Accounts
BVI 4 - Review of the Council's Minimum Revenue Provision					
	Review MRP and ensure complying with statutory regulations	TC, OO	01-Mar-25	Completed	Arlingclose produced report on Council's MRP approach - confirmed approach is in line with the guidance.. Report to be discussed with external auditors as part of 24-25 Audit.
	Confirm GT views as part of 24-25 audit process	TC, OO	04-Apr-25	Started	GT have undertaken interim audit work for 2024/25. Officers are having regular catch-up meetings with GT re progress so far, the most recent meeting took place on 4th April.
BVI 5 -Revised Medium-Term Financial strategy					
	Align interest and MRP savings arising from application of capital receipts from asset disposals	TC, OO		Started	Initial modelling of interest savings and MRP removed, arising from applying £25m receipts from sale of Summit and AVP has been produced
	Update Outline Budget/MFTP to reflect Improvement and Recovery Plan and new Transformation Strategy	TC, OO	01-Jul-25	Yet to start	This will commence following the 2024/25 closure of accounts processes, it is expected to start from July 2025
	Prepare Plan to produce robust MFTP and revenue budget projections	TC, OO	01-Jun-25	Yet to start	
	Review and update Discretionary/Mandatory Analysis	MAT plus	26-Mar-25	Started	Current discretionary/mandate split circulated to Group Heads for review and amendments.
CR 4, CR	Sinking funds: User specification to be drafted and agreed with Chair of CASC	OO, Cllr Nichols (chair of CASC)	23-Mar-25	Started	First draft produced and sent to CASC Chair. Projects team to input Business Process Modelling element
CR 4, CR	With agreement of CASC chair agree external experts to provide further review of Sinking Fund.	OO, Cllr Nichols (chair of CASC)	01-Apr-25	Started	On-going discussion with CASC Chair.

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
KR 1.4	Consider moving Sinking Funds model from Excel onto to Argus (the Assets modelling tool) which will facilitate easier modelling and to be fed directly from rental data	OO/ CH/ Cllr Nichols (chair of CASC)	31-Mar-25	Started	Demonstration of basis functionality of Argus to CASC meeting on 31/3/25
	Model to be demonstrated to all councillors especially members of CPRC and CASC with opportunities for scenarios to be explored user functional brief to be produced In light of feedback from councillors model to be refined and reported back to CPRC 24/3/25	OO/CH/Cllr Nichols (chair of CASC)	01-Apr-25	Started	There is an ongoing discussion with Group Head for Assets about Argus software and demonstration
	Appoint an external consultant to further develop the existing Exit Strategies, focusing on shorter term alternative use values as a fall back should income drop that it isn't sufficient to meet funding requirements.	CH/Cllr Nichols (chair of CASC)	01-Apr-25	Started	We have contacted JLL to obtain a quotation to carry out the work and they are reviewing our exit strategies to price. We will appoint off a framework.
CR 4					
BVI 6 - Debt reduction strategy					
CR 5	Produce a debt reduction Strategy, highlighting opportunity to use PWLB discounts available to magnify impact of capital receipts.	TC, OO	26-Feb-25	Started	Finance have modelled impact of applying Summit Centre and AVP capital receipts, using PWLB discounts
	Completion of sales approved by Council of Summit Centre £20m	CH/Cllr Willaims (chair of BIG)	18-Mar-25	Started	ECM on 18th March approved sale. Counterparty starting intrusive surveys - will take six weeks. Completion expected before end of June
	Completion of sales of Ashford Victory Place (£5.2m)	CH/Cllr Williams (chair of BIG)	18-Mar-25		ECM on 18th March approved sale.
	Finance working up options as which permutations of loans if repaid will generate maximum Revenue Budget savings and proceed to complete the disposal	OO	26-Feb-25	Started	Please see response in row 51
	Obtain Planning for Ashford MSCP	CH/Cllr Williams (chair of BIG)	02-Apr-25	Completed	Planning Committee approval obtained 2nd April 2025.
	Sale/Joint Venture - Ashford MSCP	CH/Cllr Williams (chair of BIG)	07-Apr-25	Yet to start	Follows on from Planning approval
	Complete sale of Thameside unencumbered	CH/Cllr Williams (chair of BIG)	13-Mar-25	Started	BIG approved unencumbered sale. Marketing has commenced
	Complete sale of Revelstoke	CH/Cllr Williams (chair of BIG)	03-Apr-25	Started	
CR 3	Planning deadline for Arora for Waterfront	CH/Cllr Williams (chair of BIG)	07-Feb-25	Started	
	Treasury Management Strategy approved by Council 27th February 2025 for 2025-26. Assumes no additional borrowing in 2025-26	TC/Cllr Sexton (chair of CPRC)	27-Feb-25	Completed	

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
CR 5	Work and surveys being undertaken to progress initial options BP exiting December 2028 when they are likely to surrender Southwest Corner	CH/Cllr Nichols (chair of CASC)	01-Nov-24	Ongoing	
BVI 7 - Transformation strategy development					
	Transformation Programme options to be presented to Transformation Board	SM	09.04.25	Started	Outline Transformation Programme agreed by CPRC 09.12.24. Initial options to be discussed at R&T Board 09.04.25. Seeking Job Specifications from other Councils where there has been intervention
	Procure additional expertise once skills gap analysis has been done and detailed programme signed off	SM	02.04.25	Started	
	Produce comprehensive Transformation Strategy	SM	02.04.25	Started	
KR 1.5	CPRC 10th February to agree to add Transformation to terms of reference of Regeneration Board to enable councillors to steer and have oversight of transformation programme alongside Reorganisation.	LH/Cllr Sexton (chair of CPRC)	10-Feb-25	Completed	
KR 1.5	Board to agree prioritisation of transformation and efficiency streams.	Reorganisation and Transformation Board	09-Apr-25	Yet to start	To be agreed. Seeking Cllr leads for workstreams
IR 1	To continue to undertake quarterly KPI reporting but to provide reports to Committees with benchmarking	SM	26-Feb-25	Ongoing	Q3 KPIs presented to CPRC 23/3/25. New set of 32 KPIs agreed for 25-26. Reports to include benchmarking against nearest neighbour group.
IR 1	Benchmarking to continue with near neighbours through the quarterly reporting on a suite of KPIs to Surrey Chief Executive meetings.	SM	01-Apr-25	Ongoing	Q3 KPIs presented to CPRC 23/3/25. New set of 32 KPIs agreed for 25-26. Reports to include benchmarking against nearest neighbour group.
IR 1	The Council proposes to use the CFO insights tool going forward and Local Government Data Explorer.	TC/OO	15-Apr-25	Ongoing	Currently raising the order re the CFO Insights
	Benchmarking to be embedded into Service Planning process	SM	01-Sep-25	Yet to start	Service planning will commence in early summer and will include clear links to corporate plan, KPIs and benchmarking
BVI 8 - Review and strengthen finance function					
	Review and Strengthen Finance Function	OO	17-Mar-25	Started	Interim Chief Accountant started 17th March and has drafted initial review of Finance structure
CR 6	Council in Budget for 2025-26 approved £166k growth to invest in enhancing capacity of Finance team	OO	27-Feb-25	Completed	
CR 6	Agree revised Finance Team structure	TC,OO,		Yet to start	Please see response in row 77
	Appoint to Capital and Treasury Management Accountant Post	TC, OO	17-Mar-25	Completed	Interim Technical and Capital Accountant commencing April
CR 6	Capital/Technical Accountant post to be filled	TC, OO	17-Mar-25	Completed	As above

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
CR 6	Appoint to Head of Financial Accounting role	TC,OO		Yet to start	Please see response in row 77
	New Financial Accountant role to be filled	TC, OO	04-Apr-25	Yet to start	Please see response in row 77
	Implement Fixed Asset Register CIPFA software	OO	01-Mar-25	Started	Procurement exercise completed, CIPFA software selected, work currently underway checking and reconciling FAR data
	Monitor deliver against GT Audit Findings Action Plan	OO	25-Feb-25	Started	Action Plan approved by Audit Committee 25/2/25. Ongoing implementation and monitoring as part of close of 24-25 accounts
CR 6	Report progress to Audit Committee	OO	08-May-25	Yet to start	An update is scheduled to be presented to the Committee on 8th May re the Action Plan approved by Audit Committee 25/2/25.
	Audit Findings Report 2023-24 Action Plan presented to Audit Committee and to be implemented with progress updates to every Audit Committee.	TC/OO	08-May-25	Started	An update is scheduled to be presented to the Committee on 8th May re the Action Plan approved by Audit Committee 25/2/25.
	July committee	TC/OO	10-Jul-25	Yet to start	
	September committee	TC/OO	11-Sep-25	Yet to start	
CR 6	November committee	TC/OO	13-Nov-25	Yet to start	
	Develop a plan to develop more robust processes around risk management and roll out across the organisation	LO'N	03-Feb-25	Started	Have commenced reviewing policies and processes. Corp Risk Register review/consolidation in progress. Committee report template to be modified. Exploring training options for managers.
	The Council will produce an Action Plan to address the finding of the BVI report and its recommendations	DCM/Cllr Sexton (chair of CPRC)	17-Mar-25	Started	Draft Integrated Action Plan is being developed. To be agreed by Leadership/Committee/Council (22 May)
	In order to ensure more independent assessment of the Self Assessment SIAP was asked to review and make improvement recommendations. Recommendation will include drawing more clearly from self assessments improvement actions to be addressed	TC / Cllr Button (chair of audit)		Started	SIAP currently completing internal audit and then officers will put recommendations into effect to feed into future self assessments presented to Audit Committee.
CR 6	With hindsight it is recognised that Mole Valley partnership diverted resources and resulted in a dip in performance of the Spelthorne team. The partnership was brought to an end on 28/2/25	TC	28-Feb-25	Completed	

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
CR 11	Rolling 5 year cashflow is maintained and reviewed every week – currently indicating positive cashflow until summer 2025. Model to be continued to monitored. With disposals this is likely to improve. Finance Team to pro-actively plan ahead using Forward Plan to ensure draft financial reports are produced ahead of Committee deadlines, to allow time for reviewers to consider reports, and for drafts to be circulated to group heads and internal stakeholders sufficiently early.	Treasury Management team - TC	01-Apr-25	Ongoing	Weekly ongoing reviewed is in place.
KR 1.1		TC, OO	30-Jan-25	Ongoing	Mole Valley partnership has been ended - Finance Team restructure being implemented. Processes under review.
KR 1.1	Officers to work with Members Financial Reporting Group to develop reports. Councillors on the Group to have an initial discussion to agree what councillors are looking for from reports	TC/Cllr Nichols (chair of CASC)		Ongoing	Officers to send out suggested dates for FRWG meeting.
KR 1.1	Additional supporting narrative to be provided in future for budget growth bids (with narrative provided for all growth items above an agreed materiality level).	OO	01-Jul-25	Yet to start	This will commence following the 2024/25 closure of accounts processes, it is expected to start from July 2025
IR 4	The Centros system has been successfully implemented in terms of the upgrade from Integra. Councillors now have access to the whole system to review. The next step, is to implement Business Intelligence, Dashboards and improved communications. This was delayed, because of the Mole Valley Partnership and due to the need to switch resources to deal with the BVI process	OO, JH	30-Jan-25	Ongoing	The implementation of a Business Intelligence, Dashboards to improve communications is continue to be considered for development.
PRR 8, 10	Ensure induction training is easily understandable and sufficiently focused on the role of Cllrs and Committees in budget setting, annual financial cycle, financial audit, investment portfolio and Knowle Green Estates and Spelthorne Direct Services.	KW		Started	Standards Committee approved the re-constitution of the Member Dev Steering Group to consider member training - first meeting to be convened
PRR 8, 10	Review and refine training as required over time.	KW		Started	All member training to be reviewed after ACM 2025 with a new municipal year Member Development Training Programme
PRR 8, 10	Ensure all reports clearly spell out financial consequences of a course of action.	TC/OO		Ongoing	Officers will continue to adhere to the Council Committee Report Template, which contain a checklist and guidance that any report on new proposals should explain the full financial implications, following consultation with the CFO (S151 Officer) . Unless full Council or CPRC has agreed otherwise, Service Managers must plan to contain the financial implications of any proposals within their cash limit.

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
PRR 8, 10	Refine financial reports so that they are more visual and user friendly.	TC/OO		Ongoing	Financial Services will continue to put in place an effective financial reporting by ensuring that the report is aimed at the needs of the user and is focused, open and honest, clear and understandable and interesting and engaging visually.
PRR 8, 10	Future training on finance is due to be discussed with the FRWG	TC/OO		Yet to start	Officers to send out suggested dates for FRWG meeting.
PRR 8,10	Run a local government finance basics course for Councillors and consideration will also be given to offering similar training to managers.	TC/OO		Yet to start	To be discussed at next FRWG meeting.
BVI 9 - Improvement and recovery plan					
	LGA Peer Review Action Plan refresh	LO'N	07-Apr-25	Yet to start	Last update approved by CPRC 15 April 2024, with agreement to update annually.
	PIR – Action Plan Refresh	CH/Cllr Nichols (chair of CASC)		Completed	
	BVI – Action Plan	DCM/Cllr Sexton (chair of CPRC)		Started	
	Initial draft Improvement and Recovery Plan to go to May Audit Committee	SM	08-May-25	Started	Draft if approved 9 April 2025 will be amended but likely to be a draft to audit Committee as have 6 months to complete under BVI recommendations
	Improvement and Recovery Plan to go to May CPRC Committee	SM	12-May-25	Started	As above
	Recruit within one month of directions commencing, for a permanent appointment to lead the improvement work within the authority and to lead against the directions	DCM/Cllr Sexton (chair of CPRC)	30-Apr-25	Yet to start	
	Prepare and agree an improvement and recovery plan to the satisfaction of the Commissioners, agree milestones	MAT	30-Sep-25	Yet to start	
	Provide monitoring reports to Commissioners (every Quarter)	MAT	15-Dec-25	Yet to start	
BVI10 - Revised Corporate Plan					
	Revised Corporate Plan	LO'N	20-Jan-25	Started	Work to review Action Plan progressing. Admin Group Leaders considering actions to continue with/cease. Revised Corp Plan will then be discussed/developed.
	A plan to reconfigure the Authority's services commensurate with the Authority's available financial resources.	MAT Plus		Started	Worked already commenced on identifying service cost reduction options as part of Transformation Programme; to be discussed with Members.
PRR 1,2,	Local Government Association (LGA) were invited to come in at the outset after the May 2023 elections to help facilitate a number of sessions to get broad consensus on agreed vision and priorities.	DCM/Cllr Sexton (chair of CPRC)		Started	Initial work completed. Now looking to get LGA in again to facilitate Group Administration / Senior managers Away Day to collectively focus on priorities in light of LGR.

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	Input Project Start Date:		01/Apr/2025			
PRR 1,2,	LGA to look at whether there is a broad Councillor consensus around a member led Council - where members and Officers work together as a team.	DCM/Cllr Sexton (chair of CPRC)		Completed	Completed with Team Spelthorne Pledge signed April 2024.	
PRR 1,2,	Undertake a 'Strategy Day' for all Group Leader's (GL) with the LGA to find common ground that all GL's can sign up to (which can then be fed back by GLs to their groups).	DCM/Cllr Sexton (chair of CPRC)		Started	Tentative date set - 29 April 2025	
PRR 1,2,	Use Induction Training Programme to set out the CARES priorities and PROVIDES values in the current Corporate Plan as a basis for the 'Strategy Day'	Committee Services		Completed		
PRR 1,2,	Agree at the first Council meeting after the May 2023 elections to continue with the CARES priorities for at least another year, to provide continuity and a basis for agreeing and setting a new strategy.	LO'N		Completed		
PRR 1,2,	New Corporate Plan needs to cover a longer period than four-years and needs to capture short, medium and long-term plans/priorities.	LO'N		Completed		
PRR 1,2,	Undertake a prioritisation exercise and determine what needs to give to generate capacity headroom for any new actions.	MAT	20-Jan-25	Started	Work ongoing with Admin Group Leaders on revised prioritisation of CP Action Plan	45677
PRR 1,2,	Be clearer on celebrating our achievements	JM		Started		
PRR 1,2,	The challenging budget position the Council faces for 2024/25 makes the need to prioritise resources all the more important and this is likely to be a theme that Councillors and Officers will need to return to throughout the next few months in setting the budget and launching the Corporate Plan.	DCM/Cllr Sexton (chair of CPRC)		Completed		
PRR 1,2,	Reporting progress with actions firmly focused on delivering the emerging Corporate Plan, we will be reporting our successes and other wider achievements to residents and businesses building on our recent nominations for a number of national awards.	SM/JM	15-Jul-24	Ongoing	Cllrs have access to Action Tracker and progress has been reported to CPRC.	45488
BVI 11 - Audit Committee structure						
	A plan to strengthen the Authority's financial and commercial functions, and to secure improvements in risk management, governance and the internal audit function, with the guidance and to the satisfaction of the Commissioners	DCM/Cllr Sexton (chair of CPRC)		Yet to start		

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	Input Project Start Date:		01/Apr/2025		
CR 8, IR 3	Recruitment of second Independent Lay Member of Audit	LH	17-Mar-25	Started	Recruitment process underway
	Increase number of Audit Committee meetings to 6 (due for approval by Council on 24 April)	LH	24-May-25	Completed	Council has agreed to increase frequency to 6 meetings per annum
IR 3	Undertake Self Assessment of Audit Committee governance and remit, using CIPFA checklist	LO/TC	10-Jul-25	Yet to start	
	Address Risk Management recommendations from GT's Annual Audit Report 2023-24	LO	03-Feb-25	Started	Corporate Risk Register and other processes currently under review
	Improve frequency of reporting to the Audit Committee	TC		Completed	Council has agreed to increase frequency to 6 meetings per annum
CR 8	New Monitoring Officer confirmed		27-Feb-25	Completed	
CR 8	Greater emphasis on ensuring as much of reports are put in Part 1 as possible.	LH		Ongoing	
CR 8, CR 9	In January 2025 the CFO stepped down from being a director on KGE Board			Completed	
CR 8	KGE Board to consider making one of the NEDs the Chair of the Board to provide some additional independence.	KGE Board	19-Mar-25	Completed	Board elected Anne Fillis as Chair at its meeting on 19th March
	CPRC set up KGE Task and Finish Group, agreed to recommend Head of Assets to CPRC as new Council officer representative on the KGE Board. Task and Finish Group has reviewed new draft business plan for KGE and evaluated options for KGE including setting up as HRA, setting up as RP and concluded that in context of LGR to continue as is for time being. Task Group to complete process of reviewing governance and to review and refresh Shareholder Agreement	Task and Finish Group / CPRC	12-May-25	Started	
CR 9	KGE Task and Finish Group to consider Council representation on KGE Board and make recommendations to CPRC				
	KGE Task and Finish Group will also consider whether senior officers can continue to hold key roles in KGE (e.g. the Monitoring Officers as company secretary) and any governance arrangements that need to be put in place	LH	24-Mar-25	Started	KGE Task and Finish Group recommended appointment of Group Head Assets to KGE Board but MO continues to serve as company secretary
KR 4	CPRC Task and Finish Group to evaluate options for future shape of KGE (continue as limited company, become RSL, transfer onto Council Balance Sheet etc)	LH	24-Mar-25	Started	KGE Task and Finish Group recommended that KGE should remain as limited company for the time being in view of local government reorganisation proposals
KR 4	Conflicts of Interest policy being developed – now with GLs for final comments prior to publication	LH	10-Apr-25	Started	Comments received from Cllr Nichols; chased the rest of GLs
CR 9	On-going reviews, updates and reporting to ensure all key lease changes and risks are accurately recorded and assumptions fully align.	TC,OO,CH/Cllr Nichols (chair of CASC)	23-Jul-23	Ongoing	
PIR 5					

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	Input Project Start Date:	01/Apr/2025			
KR 3	Suggested initial revisions to align Risk Register with key risks identified in Annual Audit Report and Audit Findings to be presented to Audit Committee 25th Feb 2025.	LO'N	25-Feb-25	Completed	
KR 3	Risk Register to be refreshed and outstanding completion dates to be highlighted and addressed.	LO'N	03-Feb-25	Started	See line 137
BVI 12 - Culture and relationship building					
	A plan to overhaul the governance arrangements within the Authority with regards to decision-making, capacity and skills, aiming to increase transparency, scrutiny and effectiveness of the committee system to ensure that collective responsibility is taken for the Authority's decision-making	LH / Cllr Sexton		Yet to start	
	SIAP audit of Committee System	LH	08-May-25	Yet to start	SIAP considering whether this can be incorporated in audit programme for 2025-26
CR 7	Performance of SIAP to be kept under review by Audit Committee.	TC, Cllr Button (chair of audit)	10-Jul-25	Yet to start	
CR 7	Audit Committee using the CIPFA checklist is to undertake a self assessment of itself	TC, Cllr Button (chair of audit)	11-Sep-25	Yet to start	
KR 2.2	Officers/Audit Committee to discuss with SIAP potential for inclusion in 2025-26 Audit Plan follow up audit of Committee System	LH/Cllr Button (chair of audit)		Started	Flagged to SIAP
KR 2.2	Officers / Audit Committee to discuss with SIAP potential for commissioning external review of governance and decision making	LH/Cllr Button (chair of audit)		Started	Flagged to SIAP
KR 2.2	Officers / Audit Committee to discuss whether a dedicated Scrutiny Committee should be established	LH/Cllr Button (chair of audit)		Started	
	Address quality of report writing and enhance scrutiny	LH/Cllr Button (chair of audit)		Started	See below
	Increase transparency of decision making – monitor the number of exempt reports	KW		Ongoing	
	LGA Facilitated workshop	DCM/Cllr Sexton (chair of CPRC)		Yet to start	Tentative date set - 29 April 2025
KR 2.1	Refresher training for report authors to be run.	LH	30-Apr-25	Started	Committee Services exploring training options and seeking quotes
KR 2.1	Report template to be reviewed to simplify and streamline where possible	LH/KW	30-Apr-25	Yet to start	
KR 2.1	Enforce timetable for circulation of draft reports to ensure that all stakeholders review and provide input	LH/KW		Ongoing	Reminder emails to be issued to report authors via Mod-Gov
KR 5	New system will be used to provide quarterly KPI reports to CPRC related to corporate priorities and provide a narrative to set the context of the KPIs. This revised approach ensures KPIs are linked to service plans and the Corporate Plan.	SM	01-Apr-25	Started	New reporting system being finalised to go live at end of Q1 25/26 ready for reporting at end of Q1

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	Input Project Start Date:		01/Apr/2025		
KR 5	KPIs for services are available and key corporate ones will be reported to Committee but service KPIs can be used to monitor service performance and reported to MAT or the relevant service Committee. Action Plans addressing External Auditors Annual Audit Report and Audit Findings recommendations to be produced and presented to February 25th Audit Committee for approval.	SM	01-Apr-25	Completed	Review of Service and corporate KPIs completed and revised corporate KPIs agreed and revised ones will be reported to CPRC after end of Q1 and ongoing at end of each quarter
KR 6	Progress against action plan will then be reported to every meeting of Audit Committee.	TC		Completed	
KR 6		CH		Completed	
KR 6	Action plan for Public Interest Report to be refreshed and put in new format and reported to May Audit Committee. Action Plan for CIPFA Review to be produced and presented to May Audit Committee for review	TC	08-May-25	Started	
IR 2	All draft strategies to be scrutinised for financial implications which will be required to be articulated. Interdependencies of financial implications of different strategies to be considered	TC		Yet to start	
IR 5	Draft annual audit plan to be considered by Audit Committee ahead of start of 2025-26 financial year	LH, TC/Cllr Button (chair of audit)	31-Mar-25	Started	To be agreed at May 2025 Audit Committee
IR 6	All proposals for partnership moving forwards will clearly set out financial and non-financial deliverables. These will be reported to Councillors Collaborative Working Group, and included in Project Initiation Documents. The progress against deliverables will be monitored by the relevant Partnership Project Board. (should be recognised that in the context of Reorganisation likely to be fewer newer proposals going forwards as focus will be switching to achieving unitary authorities)	LO'N		Yet to start	No current service level partnerships proposed/in development. Primary focus on Local Government Reorganisation.
PRR 3,4,6	Consider how best to deliver the suggestion of a number of Councillor/Officer joint site visits, so that Councillors can further understand how officers work and the legislative background they have to work within.	KW/GH's		Started	Cllrs have been invited to visit our asset sites.
PRR 3,4,6	Schedule a further round table session where officers feed in views and GL's listen.	DCM/Cllr Sexton (chair of CPRC)		Yet to start	No further plans to progress
PRR 3,4,6 Line 176		SM		Ongoing	At Cllr request 'Report it' form system was put in place for use, so queries can be logged from autumn 2023
PRR 3,4,6	Consider how to best bring new Councillors elected as a result of a by-election up to speed and briefed on the Council's processes, procedures and key policies.	KW		Completed	New Cllrs automatically invited to next induction programme.

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	Input Project Start Date:	01/Apr/2025	
PRR 3,4,6	Officers to provide key information to Councillors and be able to articulate where delivery limitations exist, or where financial, service, resource or equity impacts prevail.	MAT plus	Started
PRR 3,4,6	Attention will need to be given to due process, operating within Constitutional Committee System Governance parameters.	LH / Cllr Sexton	Yet to start
PRR 7	Logging system and process (referred to previously) is needed to ensure that there is equity in how Councillors approach Officers, and issues and responses are logged.	SM	Completed same as 3,4,6
PRR 7	Councillors need to undertake necessary training and be suitably prepared for their public duties.	KW	Started Commenced following May 2023 elections. Comprehensive training programme available to Cllrs. Regular training undertaken for planning committee
PRR 7	Follow up on actions arising from Extraordinary Standards Committees	LH	Started
PRR 7	Ensure that the Council's Code of Conduct is fully adhered to and endorsed/actioned by GL's.	GL's	Started
PRR 7	Mandatory training for Councillors (e.g. on planning, licencing, finance etc) will be enforced. GL's will take up failure of any of their Cllrs to attend mandatory training within their groups and accept that non attendance will mean Cllrs cannot sit on the relevant Committee.	LH/KW	Started See line 181 above
PRR 7	Collective endeavours continue to be taken to address occurrences of sub-standard conduct both in and outside of the Chamber as there is a general lack of trust in Officer professional advice.	LH	Ongoing Further LGA facilitated session planned for 29 April 2025
PRR 7	Managers to ensure Officers remain subscribed to Continuous Professional Development (CPD) and relevant training, maintaining the CIM (Continuous Improvement Plan) process, addressing concerns, priorities and pressures as they arise	SM/AT/DO'S	Ongoing
PRR 9	Use the opportunity created by the new cohort of Councillors elected in May 2023 to assist all Councillors to better understand the Committee System.	KW	Completed
PRR 9	Act upon the recommendations of the Committee System Review Group.	KW	Ongoing Constitution reviewed and amended following recommendation from CSWG & Council/Standards

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	Input Project Start Date:	01/Apr/2025	
PRR 9	Consider what is required in terms of Chairs' training to deal with Councillors who do not follow process and procedure.	LH/KW	Started
PRR 11	Need to consider how we capture the views of those who do not engage, so that we get a wider understanding of the whole community, e.g. those who do not have housing, are in fuel poverty, youth who do not engage. Those who would otherwise fall through the safety net.	JM	Ongoing
PRR 11	Consider how we capture the views of the business community, and the younger demographic on issues that will affect them more over the medium/longer term.	JM	Ongoing
PRR 11	Look at whether there are existing forums/meetings that could be used more effectively.	JM	Ongoing
PRR 11	Ensure that we regularly feedback to our communities.	JM	Ongoing
PRR 11	Build on the successful launch of the Spelthorne Healthy Community Partnership, in developing a new Citizens panel and a Youth Parliament.	HM/Cllr Beecher (chair of E&S)	Completed
BVI 13 - Housing delivery			
CR.2	A realistic plan to deliver housing numbers outlined in its Local Plan	HM/Cllr Beecher (chair of E&S) CH/Cllr Williams (chair of BIG)	01-Apr-25 Started
			Council moving forward with development delivery partners on Ashford Victory Place and discussing other potential sites for disposal. Annual review of the Housing Delivery Test Action Plan 2025 starting and will go to E&S committee in June

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	Input Project Start Date:		01/Apr/2025		
CR.2	Subject to consultation on Main Modifications, the Local Plan will come to Council with a recommendation for adoption in autumn 2025	HM /Cllr Beecher (chair of E&S)	23-Mar-25	Started	Inspector agreed on 31/03/25 the Council can go out to consult on the Main Modifications. Consultation opened 03.04.25 and runs to 15.05.25
	Assess the viability of Knowle Green Estates, developing a business case and future options for the company and the housing it currently manages.	CH/Cllr Nichols (chair of CASC)	02-Feb-25	Started	Group Head Assets has produced draft Business Plan which has been reviewed by CPRC Task Group and Board
KR 1.3	New Executive Director to be proposed to KGE Board 19/2/25 who will lead on producing refreshed Business Plan	CH	19-Feb-25	Completed	
CR2	Completion of Ashford Victory Place will deliver 127 units of which 30 will be affordable rental units to which Council will have nomination rights	CH/Cllr Williams (chair of BIG)	18-Mar-25	Started	18 March ECM 2025 agreed sale with nomination rights
KR 1.3	Refreshed medium term business plan to be produced for consideration and approval by KGE Board and CPRC. A draft business plan has been produced for input and refinement by the KGE Board, target completion end of April 2025	CH/Cllr Nichols (chair of CASC)	02-Feb-25	Started	
CR8	Complete production of KGE Business Plan	CH/Cllr Nichols (chair of CASC)	02-Feb-25	Started	
	Sign off from Board		16-Apr-25	Yet to start	
	Presentation to CPRC		02-May-25	Yet to start	
	Where any pre planning applications or planning applications come into the authority Planning and Housing liaise to review and ask for consideration of options for affordable rented housing both in terms of number and quality/tenure	KS/cllr S Doran (chair of CWH) for housing HM/Cllr Gibson (chair of planning) for planning		Ongoing	
CR2	Council approved Development Delivery Site prioritisation October 2024	CH/Cllr Williams (chair of BIG)	24-Oct-24	Completed	
CR 2	LAHF Funding: Received a further £848k allocation for extension to round 3 for a further 4 units Development Delivery Programme approved by Council; marketing underway to deliver outcomes for Ashford Victory Place, Ashford Multi-Storey and Thameside House, whilst seeking to maximise affordable housing outcomes. BIG will monitor progress of achieving outcomes on residential/regeneration sites.	MI/CH	25-Feb-25	Completed	
KR 1.2	KGE acquisitions will remain limited to LAHF opportunities. The new business plan for KGE will focus on a new direction of travel with a smaller portfolio of sub 200 properties.	CH/Cllr Williams (chair of BIG)		Completed	
KR 1.2		CH		Completed	

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	Input Project Start Date:	01/Apr/2025	
LGR			
	To actively work with Commissioners on the work with other councils in the Surrey area on developing proposals for unitary local government and on implementing any such proposals later agreed upon	DCM/Cllr Sexton (chair of CPRC)	Started
	Commissioners to be given opportunity to input on submission to be made by 9th May	DCM/Cllr Sexton (chair of CPRC)	09-May-25 Yet to start
Other			
KR 7	Procurement Board to be activated and Terms of Reference approved.	LH, AC	28-Feb-25 Started
KR 7	Procurement metrics and protocol for reporting to members to be agreed.	LH, AC	28-Feb-25 Started
KR 7	New systems to be implemented in time for implementation of Procurement Act 2023	LH, AC	28-Feb-25 Completed
PRR 12	Engage the LGA for post-May 2023 elections to assist Councillors in developing the shared vision, priorities and objectives and other areas identified in the Peer Review report.	DCM/Cllr Sexton (chair of CPRC)	Completed
PRR 12	Utilise the LGA's expertise to support the Council in spring 2024 to undertake a full staff and Councillor survey to benchmark satisfaction against the 2022 survey.	JM	Completed
AF1	Team Training session on Working Papers and Journals to be run in February. Close of accounts timetable will be pro-actively managed to ensure all working papers prepared on time.	OO/EG	11-Feb-25 Completed
AF 1	All Assets and liabilities balances to be reviewed. All balances to have an identified senior accountant to review- built into the Closedown Plan	OO/EG	28-Feb-25 Completed
AF1	Listings for receivables and payable addressed as part of Close of Accounts Action Plan with listings to e be prepared as supporting evidence	OO	31-Jan-25 Completed
AF1	Treasury Management & Technical Accountant working with Collection Fund specialist to ensure monthly monitoring of Collection Fund (Council Tax and Business Rates) and reconciliations produced and reviewed.	OO	02-Jan-25 Started

The Surrey Leaders / CEX LGR Steering Group exists and has been overseeing a number of workstreams leading to the submission of Interim Plans and now focused on preparing final Plans for submission on the 9 May 2025. Commissioner engagement will commence once insitu.

First meeting held on 28 March / consider ToR / refresher training on processes / KPIs / structure for effective reporting and monitoring

To be considered at next meeting on 11 April

The council has engaged an interim collection fund specialist to support the council in preparing, monitoring, implementing and reviewing collection fund accounting and its general fund impact.

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	Input Project Start Date:		01/Apr/2025		
AF1	New Fixed Asset Register software to be implemented to reconcile to the Financial Statements	OO	03-Feb-25	Started	The council has subscribed to a software called Asset Manager, which is provided by CIPFA and officer are currently reviewing implementation. However, due to lack of resources there have been issues with migrating from old into the new software. The solution is to use the software for the IFRS 16 Leases implementation only and currently working on the existing FAR to ensure that it is fit for purpose.
AF 2	Timetable produced & Chief Accountant and Lead manager setting up weekly meetings with GT Audit Manager	EG	31-Jan-25	Ongoing	Weekly team meeting are taking place in line with the year-end timetable and various future meeting are being scheduled with GT.
AF 2	Accountants will use CIPFA checklist to check against	OO	03-Feb-25	Ongoing	Relevant accountant responsible for disclosure notes within the accounts are well informed of the requirements and will complete the disclosure notes in line with the CIPFA checklist.
AF 2	Senior finance officers to review Code to identify any changes to the Close of Accounts timetable , disclosures, process etc.	OO/EG	03-Feb-25	Ongoing	Senior officers continue to/has reviewed the 2024-25 CIPFA Code, and Accounting Policies that set out how the Council and its Group subsidiaries will deal with a variety of matters in the preparation of the Statement of Accounts
AF 2	Chief Accountant to seek weekly update meetings with GT Audit Manager	OO	04-Feb-25	Ongoing	Meetings with GT final audit team leader are currently being scheduled.
AF 3	Bank reconciliation was being produced monthly and continue to be. The issue was there were a few dormant accounts which were not being fed in. These accounts have now been closed	AD	02-Mar-25	Completed	
AF 4	Training on Journals being run. All Journals will be subject to a review by a senior accountant- system has been changed to facilitate	OO	02-Feb-25	Completed	
AF 5	A review of the rent incentives pre 2023-24 will be carried out.	AH/EG/Assets	28-Feb-25	Completed	Officers have reviewed the rent incentives based on the business plan and checked the information with asset managers.
AF 5	Lease incentives going forward will be clearly communicated to finance and will be held on an incentives register / schedule on which the year-end journal will take place.	CH/OO/Cllr Nichols (chair of CASC)		Ongoing	

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	Input Project Start Date:	01/Apr/2025			
AF 6	<p>We would recommend the Council, reverse its work on IFRS 16 and undertake a detailed review in 24-25, in the year, the CIPFA code expects all Local Authorities to implement the new accounting standards. In preparation for the audit of leases accounted for under IFRS 16 the Council may need to review the following:</p> <ul style="list-style-type: none">•identified all leases within the public sector adaptation of IFRS 16 where they are a lessee (this includes peppercorn rentals)•identified all leases within the public sector adaptation of IFRS 16 where they are a lessor•identified all leases where they are an intermediate lessor and reassessed whether they are operating or finance leases using the period and value of the head lease rather than the life and value of the underlying asset in the assessment•the following information for each lease:<ul style="list-style-type: none">-Unique reference-Location of lease documentation-description and class of underlying asset initial cost of right of use asset, commencement date of lease-expiry date, non-cancellable /enforceable term-options to extend (when, cost, likelihood to be applied)-options to terminate (when, cost, likelihood to be applied)-payment pattern(e.g. advance /arrears, monthly /quarterly/ annual)-residual value guarantee if any, initial direct costs-lease incentive amount, upfront payments, estimate of rehabilitation costs (dilapidation provision)-interest rate implicit in the lease / council incremental	EG	03-Dec-24	Ongoing	Officer are in the process of migrating all identified IFRS 16 data into the asset manager software in line with the audit requirements and CIPFA Code.
AF 7	<p>As it will take 6 months to receive the funds from draw down of remaining CCLA we will need to take this into account in 2024-25. Thereafter will cease to be applicable</p>	OO/EG	31-May-25	Started	
AF 8	<p>Management should review and address the findings in our review of the 23/24 financial statements. These matters should be addressed prior to completion of the 24/25 financial statements, with responses shared with the auditors on expected treatment of each of the issues identified to avoid these issues being rolled forward into 25/26 financial statements unaddressed. This will facilitate a smooth and efficient audit group accounts preparation and audit process. We have set for this action to be addressed by March 2025.</p>	OO	11-Feb-25	Ongoing	Audit recommendation previously identified are being considered and addressed as part of the 2024/25 statement of account preparation.

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:		01/Apr/2025		
AF 9	Complete the briefing paper	OO	28-Feb-25	Completed	Report on MRP received from Arlingclose (Council's Treasury Mgmt. Advisors) confirming in their view Council's approach consistent with statutory guidance has been shared with the external auditors (GT)
AF 10	Revised NNDR 3 to 2023-24 submitted in February, going forward monthly revenue monitoring of the collection fund will take place	OO	05-Feb-25	Ongoing	Finance service has employed a consultant (collection fund specialist) to review the Council collection fund activities including regular monitoring.
AF 11	While we wait for the software package to be implemented, Officers will review and agree the Fixed Asset Register to the GL	OO	28-Feb-25	Ongoing	Please see detailed responses in line 230 above and an interim accountant is currently going through the existing FAR to ensure accuracy and reconciliation to the integra GL
AF 12a	To assist in addressing improvements to the Fixed Assets Register the Finance team will revert to progressing, as a matter of urgency, the procurement and implementation of a Fixed Assets software.	OO	31-Mar-25	Ongoing	An interim accountant is currently going through the existing FAR to ensure accuracy and reconciliation to the integra GL
AF 12b	Finance will liaise with Assets colleagues to ensure that all the floor area and other information is up to date and available	OO/CH/Cllr Nichols (chair of CASC)	31-Mar-25	Ongoing	Periodic updates will be provided, and asset tenant database will be maintained every time a tenancy change.
AF 13	<p>Perform review of the debtor and creditor account codes to ensure that balances are appropriate and valid and clear those that are not.</p> <ul style="list-style-type: none"> •As part of working papers provided to the audit team, debtors and creditors provided for audit should have a detailed transaction listing supported with clear audit trails to avoid delays. •Establish a reconciliation process for all debtors and creditor accounts to ensure the balances are fully supported and valid debtors or creditors (removal of in year balances not impacting the closing balance) •Account Codes should be reviewed and ensure they valid debtors and creditors at year end and appropriate reconciliations done to ensure the GL and Control Accounts reconcile. 	Service Accountants and Budget Managers	31-Mar-25	Ongoing	The reconciliation of both the debtor and creditor account codes have been completed. This was done as part of the year end prep and processes, few balances were written off, balance sheet codes reviewed, transactions identified and investigated.

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:	01/Apr/2025	
AF 14	<p>The Council should undertake a detailed review and assessment of its commercial leases and appropriately adjust income in line with the requirement of the standard and corresponding debtor is reflected on the balance sheet through out the length of the lease.</p> <p>The Council needs to put in place robust arrangements at year end to ensure receivables or deferred income on the council's balance sheet is fairly stated and ensuring the Council's cash position is correctly adjusted for.</p>	<p>Service Accountants and Budget Managers</p> <p>02-Feb-25</p> <p>Ongoing</p>	<p>The council has put in place a reconciliation process between the lease register and the income raised to ensure its commercial lease are adjusted and in line with relevant standards. At the yearend we requested that the managing agent to provide the council with a report on how much money they are holding on behalf of the tenants. Going forward, this will eliminate discrepancies, due to the timing issues of receiving the money from the tenants.</p>
AF 15	<p>In addition to the issue noted on working papers being inadequate. Arrangements should be put in place to review balances on the Council's general ledger that have been rolled forward for a number of years and ensure these are matched to subsequent payments or appropriately cleared.</p>	<p>Service Accountants and Budget Managers</p> <p>31-Mar-25</p> <p>Ongoing</p>	<p>A review will take place on the £2.4m BEIS credit balance prior to the year end 2024-25 and review of balances were carried out as part of the 2024/25 yearend process, to ensure that the opening balances are accurate and other non-material balances are written-off.</p>
AF 16	<p>More information will be provided on MRP in future for councillors. Given that the Council in line with one of the options under the guidance is using the annuity method and that the Council's debt was all taken out relatively recently mainly in the period 2016-18 it is not surprising that at this stage the annual MRP percentage is below 2% but under the annuity method it increases each year and ensures ultimately the full MRP is made. Whilst correct that MRP in future years will be greater at the same interest payments (particularly given rate of interest is fixed) will fall so the two elements broadly balance each other out. Arlingclose have been working with the Finance team over the last few years and have reviewed our work and confirmed that our figures are correct. They are currently working on a review of MRP and linking this to the CFR and Liability benchmark.</p>	<p>OO/BH/EG</p> <p>31-Mar-25</p> <p>Ongoing</p>	<p>Report on MRP received from Arlingclose (Council's Treasury Mgmt. Advisors) confirming in their view Council's approach consistent with statutory guidance has been shared with the external auditors (GT)</p>

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Improvement and Recovery Consolidated Action Plan

	Input Project Start Date:	01/Apr/2025	
AF 17	<p>Based on our review of the MRP from the limited information we have been provided by officers and fact we have no background information or audited prior years, there is a risk that the council's MRP is understated as it currently charges 1% of its CFR against an industry benchmark of 2%.</p> <p>The annuity method defers the MRP charges towards the future, therefore, they will be greater charge or burden to the Council's General Fund, and particularly if benefits from assets acquired does not materialise as projected.</p> <p>We have seen recent examples within the public sector of council's who have not appropriately charged MRP and the associated financial challenges this creates.</p>	OO/BH/EG	<p>31-Mar-25</p> <p>Ongoing</p> <p>Report on MRP received from Arlingclose (Council's Treasury Mgmt. Advisors) confirming in their view Council's approach consistent with statutory guidance has been shared with the external auditors (GT)</p>

Audit Committee

8 May 2025



Title	Counter Fraud, Bribery and Corruption Strategy
Purpose of the report	To make a decision and a recommendation to the Council
Report Author	Linda Heron, Monitoring Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	All priorities
Recommendations	<p>Audit Committee is asked to:</p> <ol style="list-style-type: none"> 1. Acknowledge the annual review of the Council's Counter Fraud, Bribery and Corruption Strategy; 2. Approve the proposed amendments to the Council's Counter Fraud, Bribery and Corruption Strategy; and 3. Recommend to the Council that the Constitution be updated with the revised Counter Fraud, Bribery and Corruption Strategy.
Reason for Recommendation	To support the Council's commitment to reducing fraud by providing effective counter fraud arrangements.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council's Counter Fraud, Bribery and Corruption Strategy sets out the Council's commitment to dealing effectively with fraud, bribery, and corruption. 	<ul style="list-style-type: none"> To ensure that the Council's fraud management response is in line with good practice.
This is what we want to do about it	These are the next steps

<ul style="list-style-type: none"> To review the strategy annually and consider any necessary updates and areas of focus. 	<ul style="list-style-type: none"> The Audit Committee is required to review the Council's Counter Fraud, Bribery and Corruption Strategy and make any recommendations for change to the Council.
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- 1.1 This report provides the Committee with the updated Counter Fraud, Bribery and Corruption Strategy for consideration.
- 1.2 The strategy was previously reviewed by the Internal Audit Manager and reported to Audit Committee in March 2024. Shortly after that the internal audit function at the Council was outsourced to the Southern Internal Audit Partnership and the post-holder left the Council. As a result, the proposed (minor) revisions have not been presented to the Council for approval and the Constitution has not been updated.

2. Key issues

- 2.1 The Audit Committee is required to review the Council's Counter Fraud, Bribery and Corruption Strategy annually and make any recommendations for change to the Council as the strategy forms part of the Council's Constitution.
- 2.2 The strategy is in line with best practice and continues to underpin the Council's commitment to dealing effectively with all forms of fraud, bribery, and corruption, demonstrating the important role it plays in the overall corporate governance framework.
- 2.3 As part of this review, senior managers (the Management Team, the Group Heads and service managers) have had an opportunity to feed back any comments on the current strategy document (version approved by Full Council in May 2023).
- 2.4 The proposed changes reflect current developments. For ease, the proposed amendments are shown in track change (Appendix 1). Clean copy of the revised strategy accompanies this report at Appendix 2.
- 2.5 Best practice principles as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Managing the risk of fraud and corruption', and 'Fighting Fraud and Corruption Locally – a strategy for the 2020s' have been considered as part of the strategy review, and current activity is deemed as proportionate relative to the perceived risk and size of the authority.

3. Options analysis and proposal

- 3.1 To consider the current position and accept the amendments proposed to the Counter Fraud, Bribery and Corruption Strategy (Recommended option).
- 3.2 To make further amendments to the Counter Fraud, Bribery and Corruption Strategy.
- 3.3 To make no changes to the strategy, thereby not reflecting the current position.

4. Financial management comments

- 4.1 Whilst there are no financial implications arising directly from this report, resources are required to implement and carry out any necessary preventative/detection/investigatory work which places constraints on the existing budgets.
- 5. Risk management comments**
- 5.1 Associated risks and consequences of fraud, bribery and corruption include financial losses (potentially high value), reputational damage to the authority, corporate liability offence associated with bribery, harm to staff or the local community, and reduced public services for the borough's residents.
- 6. Procurement comments**
- 6.1 None arising directly from this report.
- 7. Legal comments**
- 7.1 Legal implications contained in the body of this report.
- 8. Other considerations**
- 8.1 Reigate and Banstead Borough Council delivered Counter Fraud Services to the Council from 2022, which contract has expired on 31 March 2025. Renewal contract is under discussion.
- 9. Equality and Diversity**
- 9.1 Fraud, bribery and corruption risks should be considered in all areas of operation as fraudulent activity can result in Council services being diverted away from communities who need them.
- 10. Sustainability/Climate Change Implications**
- 10.1 There are none arising directly from this report.
- 11. Timetable for implementation**
- 11.1 There is no specific timetable as implementation of the strategy remains ongoing with annual review and reporting.
- 12. Contact**
- 12.1 Linda Heron, Group Head Corporate Governance and Monitoring Officer
l.heron@spelthorne.gov.uk

Background papers:

CIPFA Managing the risk of fraud and corruption

CIPFA Fighting Fraud and Corruption Locally – a strategy for the 2020s

Appendices:

Appendix 1

Track change version of Counter Fraud, Bribery and Corruption Strategy (reviewed April 2025)

Appendix 2

APPENDIX 1 –

COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

Introduction

1. This Strategy is applicable to Members and staff. The Borough of Spelthorne is committed to providing a high standard of service and accountability. An important aspect of this is a strategy which protects against fraud, bribery and corruption within the Council itself and from external sources.

In this context

Fraud means - the illicit gaining of cash or other benefit by deception;

Corruption means - the dishonest influencing of actions and decisions.

Bribery means – the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly.

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the Ministry Department for Levelling Up, Housing, and Communities and Local Government (DLUHC), the Department for Business and Trade (DBT) and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.

5. The Chartered Institute of Public Finance & Accountancy (CIPFA) produced “Fighting Fraud & Corruption Locally (FFCL) – 2020’s Strategy and a “Code of Practice on Managing the Risk of Fraud and Corruption” to assist local authorities in addressing fraud risks. This central guidance informed the preparation of this strategy.

- 5.6. The key elements of the Council's strategy to combat fraud, bribery and corruption are:

- An open and honest culture (Section 1)
- Adequate preventative measures (Section 2)
- Systems for detection and investigation (Section 3)

- ~~Understanding and awareness within the Council and the adoption of a "whistleblowing" policy~~ Awareness and Training (Section 4)

1. Culture

1.1 The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

1.2 The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence. This is covered with all staff as part of their induction process.

1.3 The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer	Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.
Monitoring Officer	Responsible for the legal probity and avoidance of maladministration or injustice by the Council.
Chief Executive	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

1.4 In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.

~~10.1.5~~ Concerns should be raised with any of the above officers under section **1.3 8** ~~or with the Council's Internal Audit Manager.~~

~~11.1.6~~ More detailed guidance and advice on how to raise any concerns relating to fraud, bribery and corruption is contained in the Council's Confidential Reporting Code (whistleblowing policy).

~~12.1.7~~ If anyone feels they are unable to raise their concerns through any of the above routes, under the Confidential Reporting Code they may contact 'Protect' -(020

3117 2520 – advice line), a registered charity whose services are free and strictly confidential.

2. Prevention

13-2.1 The adoption of proper and adequate measures to prevent fraud, bribery and corruption is the responsibility of Members, Chief Executive, Deputy Chief Executives, Group Heads and other managers. Preventative measures can be classified under two broad headings - Codes/Procedures and Systems.

1-(i) Codes/Procedures

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures e.g. Financial Regulations, Standing Orders, Codes of Conduct, Code of Corporate Governance and any relevant practice and procedure documents. ~~A review of the Council's Constitution has been led by the Group Head of Corporate Governance. The Governance Framework continues to be developed and enhanced to reflect the Council's significant property/asset portfolio.~~

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity. Other vetting should be applied which gives due consideration to the nature of the appointed position.

The Members Code of conduct is kept under review by the Standards Committee. Members ~~are~~ **will be** supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

2-(ii) Systems

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained to minimise the risk of errors, fraud, bribery and corruption.

A ~~detailed~~ analysis of the risks associated with any service and how they are being addressed has been integrated into the annual service planning process to enable greater alignment across corporate processes. Managers are responsible for ensuring that fraud, bribery and corruption risks are minimised and Internal Audit (delivered by Southern Internal Audit Partnership) will advise through the provision of independent assurance.

3. Detection and investigation

~~14.3.1~~ Concerns should be reported to one of the individuals referred to in paragraphs ~~81.3 and 10~~ above or in accordance with the Council's whistleblowing policy.

~~15.3.2~~ A detailed investigation of any concerns raised will be undertaken ~~with the assistance of the Council's Internal Audit Service~~. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to Members. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Committee informed where necessary. Where the Council has adopted a prosecution policy for any business area (e.g. Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

~~16.3.3~~ In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

17. Counter Fraud measures

~~3.4~~ -Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help prevent, deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas of public fraud which are likely to generate greater financial returns (Business Rates and Social Housing) will continue. ~~Such initiatives have demonstrated positive financial fraud returns for Spelthorne (notional and cashable savings) and continue to do so.~~ For high-risk public fraud areas, ~~Internal Audit will continue to collaborate with the~~ Services will continue to be to promote awareness and encouraged to take up of counter fraud measures (these incorporate preventative as well as detective and investigatory approaches). It remains the responsibility and decision of Group Heads and Service Managers to pursue/implement ~~collaborative opportunities presented~~ the enabling measures to ensure sustained targeting of counter fraud measures. Some examples ~~regularly promoted (with some taken effect)~~ include enhanced- pro-active vetting of Housing register applications (preventative measure), periodical County Wide Single

Person Discount exercises led by Surrey to target Council Tax fraud, the use of Financial Investigator Resource to recover losses/assets (where appropriate), proactive fraud drives such as bulk data matching exercises with Registered Providers to target social housing fraud. ~~There has been strong commitment across teams to pursue the bulk data matching initiative with A2D and this is explained in more detail in other reports along with positive anticipated returns.~~

~~18.3.5~~ Counter fraud measures targeting illegal sub-letting and other types of ~~affordable social~~ housing fraud also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people and members of the community who are genuinely ~~in~~ in need of a home, leading to a reduction in housing applicant waiting times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (proven fraud) are publicised periodically to serve as a deterrent.

~~19.3.6 Whilst the Surrey Counter Fraud Board (SCFB) no longer meets on a regular basis, The~~ existing counter fraud networks provide useful points of contact. This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. ~~Periodical monitoring and analysis of Spelthorne's quantified fraud returns across categories and time intervals is included in Internal Audit reporting to Management Team and Audit Committee. These demonstrate financial savings (notional and where measurable cashable)/financial losses prevented for the Council and the wider public purse.~~

4. Awareness and Training

~~20.~~ The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. The Council has an on-line learning system with a specific Fraud Prevention module which all staff are required to complete annually. ~~Other Effective~~ methods for mandatory training and raising awareness including face to face and online training shall be periodically explored and delivered. For those Services administering areas that present higher risk of public fraud occurrence, ~~as well as Registered Providers,~~ periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage reasonably informed suspicions to be referred by officers for investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council. ~~Measures are taken to ensure the services procured from the external service provider continue to provide a targeted approach to counter fraud, proportionate to perceived risk.~~

~~21. In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have previously provided awareness raising sessions for staff and Members to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted by the relevant Service Area (Community Safety) falling under Neighbourhood Services. Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.~~

5. Conclusions

5.1 The Council has in place a network of systems and procedures to assist it in the fight against fraud, corruption and bribery. These arrangements will keep pace with any new developments. To this end, the Council will maintain a continuous overview of such arrangements.

5.2 This Strategy will be subject to annual review to ensure its currency.

APPENDIX 2

COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

Introduction

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2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the Ministry for Housing, Communities and Local Government, the Department for Business and Trade and the Department for Work and Pensions.
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5. The Chartered Institute of Public Finance & Accountancy (CIPFA) produced “Fighting Fraud & Corruption Locally (FFCL) – 2020’s Strategy and a “Code of Practice on Managing the Risk of Fraud and Corruption” to assist local authorities in addressing fraud risks. This central guidance informed the preparation of this strategy.
6. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
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 - Systems for detection and investigation (Section 3)

- Awareness and Training (Section 4)

1. Culture

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1.5 Concerns should be raised with any of the above officers under section 1.3 .

1.6 More detailed guidance and advice on how to raise any concerns relating to fraud, bribery and corruption is contained in the Council's Confidential Reporting Code ([whistleblowing policy](#)).

1.7 If anyone feels they are unable to raise their concerns through any of the above routes, under the Confidential Reporting Code they may contact 'Protect' (020 3117 2520 – advice line), a registered charity whose services are free and strictly confidential.

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3. Detection and investigation

3.1 Concerns should be reported to one of the individuals referred to in paragraph 1.3 above or in accordance with the Council's whistleblowing policy.

3.2 A detailed investigation of any concerns raised will be undertaken. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to Members. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Committee informed where necessary. Where the Council has adopted a prosecution policy for any business area (e.g. Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

3.3 In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

3.4 Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help prevent, deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas of public fraud which are likely to generate greater financial returns (Business Rates and Social Housing) will continue. For high-risk public fraud areas, the Services will continue to be encouraged to take up of counter fraud measures (these incorporate preventative as well as detective and investigatory approaches). It remains the responsibility and decision of Group Heads and Service Managers to pursue/implement the enabling measures to ensure sustained targeting of counter fraud measures. Some examples include enhanced pro-active vetting of Housing register applications (preventative measure), periodical County Wide Single Person Discount exercises led by Surrey to target Council Tax fraud, the use of Financial Investigator Resource to recover losses/assets (where appropriate), proactive fraud drives such as bulk data matching exercises with Registered Providers to target social housing fraud.

3.5 Counter fraud measures targeting illegal sub-letting and other types of affordable housing fraud also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people and members of the community who are genuinely in need of a home, leading to a reduction in housing applicant waiting times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (proven fraud) are publicised periodically to serve as a deterrent.

3.6 The existing counter fraud networks provide useful points of contact. This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised.

4. Awareness and Training

The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. The Council has an on-line learning system with a specific Fraud Prevention module which all staff are required to complete annually. Other methods for mandatory training and raising awareness including face to face and online training shall be periodically explored and delivered. For those Services administering areas that present higher risk of public fraud occurrence periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage reasonably informed suspicions to be referred by officers for investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council.

5. Conclusions

5.1 The Council has in place a network of systems and procedures to assist it in the fight against fraud, corruption and bribery. These arrangements will keep pace with any new developments. To this end, the Council will maintain a continuous overview of such arrangements.

5.2 This Strategy will be subject to annual review to ensure its currency.

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