Minutes of the Audit Committee
23 July 2026

Present:

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

Councillors:

M. Beecher	L. E. Nichols
J.R. Boughtflower	P.N. Woodward

Substitutions: Councillors C. Bateson

Apologies: Councillors J.P. Caplin and P. Briggs

40/26 Apologies and Substitutes

Apologies were received from Councillor Caplin and Philip Briggs.

Councillor Bateson attended the meeting as a substitute.

41/26 Minutes

The minutes of the meeting held on 23 June 2026 would be considered at the next meeting of the Committee.

42/26 Disclosures of Interest

Councillor Nichols declared he was a board member of Knowle Green Estates. Councillor Woodward declared he was a board member of Spelthorne Direct Services.

There were no additional disclosures of interest.

43/26 Governance Assurance Register Update

Lee O'Neil, Deputy Chief Executive presented the report on the development of the Governance Assurance Register and the current status of the Governance Assurance Framework. He reported that good progress continued to be made in implementing and embedding the Council's new Governance Assurance Approach to Risk Management. He advised that there had been no changes to the overall assurance levels across the 12 governance assurance areas since they were last reported to the Committee.

The Committee had previously reviewed all 12 governance assurance areas over its May and June meetings, and the reporting cycle had now recommenced with the first six areas being presented again for review.
He reported that governance assurance reporting had been introduced to service committees, beginning with the Corporate Policy and Resources Committee in July. He advised that a tailored reporting template had been developed to support the scrutiny and performance role of service committees, incorporating relevant performance indicator data. Feedback from the initial report had been positive and further governance assurance reports were planned for September.

Chris Norrington, Economic Development Manager presented the update in relation to ‘ensuring an inclusive and prosperous economy’ advising that progress against some actions had been impacted by limited Economic Development resources since May.

He reported that officers continued to engage with local businesses through a range of channels, supported by regular communications and stakeholder networks. He noted that work was underway to develop an engagement framework to support businesses and community groups through the transition to West Surrey Council.

Regarding evaluation and performance monitoring, he reported that a framework was being developed. Partner organisations had agreed to provide quarterly performance information, alongside existing key performance indicators and Department for Work and Pensions data, to support governance assurance reporting. Work had commenced on developing a shared data and intelligence approach, including analysis of the borough's economy to provide a comprehensive picture and inform future improvements.
In response to a query about Spelthorne’s economic positioning within the future West Surrey authority, he confirmed that the Leader of West Surrey had been invited to visit Spelthorne to better understand its economic strengths and opportunities. He clarified that further progress would be achievable before the next update.

Ken Emerson, Housing Options Manager presented the update in relation to ‘ensuring we address affordable housing supply and demand to meet local need’. He advised that work was underway to assess new Government housing outcomes as part of the development of a future West Surrey housing strategy. In relation to housing demand, he reported that homelessness caseloads had reduced and officers were continuing to monitor the impact of legislative changes, including the Renters Rights Act, on homelessness and housing demand. He advised that the Council was increasing the proportion of social housing allocations made to homeless households to help reduce the use of temporary accommodation. In relation to housing supply, he reported that work continued on development projects, the acquisition of additional properties, and opportunities to make use of vacant accommodation across the emerging West Surrey area.

In response to questions from the Committee, he explained that the main causes of homelessness in the borough were eviction from private rented accommodation, family or relationship breakdown, and domestic abuse. He advised that predicting future demand remained challenging, but officers were monitoring the impact of the Renters Rights Act and other legislative changes. While it was too early to assess the effect of the reforms, further data was being gathered from partner organisations such as Citizens Advice Bureau to inform future analysis.

Terry Collier, Deputy Chief Executive advised that good progress had been made in developing a housing data dashboard to improve visibility of performance information. He reported that a draft dashboard had been produced and was undergoing final refinements. The enhanced availability of data would support more detailed analysis and informed the current amber assurance rating. He reiterated that whilst the Committee's role was to seek assurance that appropriate arrangements were in place rather than receive actual metrics he noted that probing how they would ensure the visibility of the data was.

Altin Botzhani, Interim Deputy Chief Finance Officer advised that the first draft of the dashboard had been produced with the quality and integrity of the data was being reviewed before being signed off.

In response to a query that the assurance report appeared to pre-empt a recent decision on property acquisitions, it was clarified that the reference related to the Council's ongoing programme of procuring properties rather than a specific stage in the process. It was further clarified that the properties in Woking referred to potential nomination opportunities for residents rather than purchase options.

Housing Options Manager advised that it was too early to assess the impact of the Renters Rights Act on housing demand. He noted that future changes associated with Awaab's Law could have a more significant effect on the private rented sector by placing greater responsibilities on landlords. He also highlighted that ongoing market changes could influence the profile of landlords operating in the sector.

Councillor Woodward asked about the volume of empty properties held by a major housing provider and the Housing Options Manager acknowledged that delays in bringing some properties back into use could occur where significant refurbishment or investment was required before reletting. He also noted that some empty properties assumed to be social housing were privately owned following Right to Buy sales. The Committee was advised that officers were working with the housing provider to identify opportunities to reduce void periods and improve the availability of accommodation. He added that the issue was regularly raised with both organisations and was being addressed at a senior level.

The Deputy Chief Executive highlighted that reducing the use of nightly paid accommodation was driven by both financial considerations and the wellbeing of households, particularly families with children. He referred to previous reports considered by the Community Wellbeing and Housing Committee and the Corporate Policy and Resources Committee, together with a recent deep-dive review by the Improvement and Recovery Board. He advised that the number of households in nightly paid accommodation had reduced since the start of the year and that performance continued to be monitored through monthly and quarterly reporting arrangements. Whilst progress was being made and current metrics remained on track, he emphasised that there were still uncertainties and ongoing external factors which required continued monitoring and scrutiny.

In response to a query about when the Council would know if it was unlikely to achieve the target, the Deputy Chief Executive advised that progress was being tracked monthly against a delivery profile, enabling any emerging risks to be identified at an early stage. Housing Options Manager added that the target was dynamic due to fluctuating demand and emphasised that officers continued to monitor performance closely whilst implementing measures to reduce the use of nightly paid accommodation.

Sandy Muirhead, Group Head Commissioning and Transformation presented the report relating to ‘ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from emergencies and business interruptions’. The Committee noted that the Council continued to meet its statutory responsibilities and its work with Applied Resilience and the Surrey Local Resilience Forum ensured that emergency plans, training and multi-agency arrangements remained up to date. The amber rating reflected potential capacity risks associated with Local Government Reorganisation and the impact that the loss of key staff could have on the Council's ability to respond to a major emergency.

The Committee sought assurance at the next update on the actions being taken to mitigate the risk to staffing a response that had been identified. Sandy Muirhead, Group Head Commissioning and Transformation presented the update in respect of ‘ensuring we meet our Equality, Diversity and Inclusivity duties and responsibilities’. She advised that, whilst the Council continued to meet its statutory duties under the Equality Act 2010, progress in developing EDI work more proactively had been constrained by limited resources. 91% of staff had completed mandatory EDI training and further training opportunities were being explored. The Committee noted that work was underway through the Local Government Reorganisation programme to develop EDI policies for the future West Surrey authority.

The Committee queried the RAG rating assigned to the implementation of targeted KPIs as they were not yet in place this should be amber rather than green.

Altin Botzhani, Interim Deputy Chief Finance Officer, presented the update on ‘ensuring the Council’s financial management and long-term planning arrangements are effective to secure financial sustainability financial management’. The Committee noted that there had been no change to the overall amber assessment since the Committee's previous review as it reflected the Council's reliance on asset rationalisation to support financial sustainability, together with the need to evidence the impact of recent improvements to financial processes, systems and data management. He reported that these changes were already delivering benefits, including more efficient budget monitoring arrangements.

In response to a question regarding the number of amber ratings, he advised that further progress and additional monitoring data were expected to provide greater assurance in a number of areas, although the Medium-Term Financial Strategy was likely to remain amber due to its continued dependence on asset rationalisation.

During discussion, concerns were raised regarding a recent report presented to Councillors which had subsequently been found to contain inaccurate information. The Interim Deputy Chief Finance Officer acknowledged that this related to the quality of reporting provided to Councillors and advised that the relevant assurance assessment would be reviewed to ensure it accurately reflected the issue raised.

Councillor Boughtflower queried, in light of the other items on the meeting’s agenda, how confidence could be assured in readiness for the transition to West Surrey. The Interim Chief Executive explained that financial systems would be working in parallel for some time as the focus was on the new authority operating as ‘safe and legal’ from day one. Work was ongoing to map information to combine financial ledger systems across the combining councils. Suppliers, staff and residents rely upon prompt payment therefore changes would not initially be made to payment systems.

The Committee acknowledged the hard work being undertaken by the finance team and noted that the recent departure of an experienced team member would add additional capacity pressure. The Interim Deputy Chief Finance Officer stated that the departure was due to a promotion opportunity elsewhere, that recruitment was underway and workload had been managed through revised working arrangements and automation of a number of financial processes. He advised that these improvements had reduced administrative burdens, improved efficiency and contributed to positive staff morale despite ongoing pressures.

The Committee noted that workforce capacity remained an area of focus, particularly in light of broader organisational challenges identified by the Commissioners.

Linda Heron, Group Head of Corporate Governance and Monitoring Officer presented the update relating to ‘ensuring there are effective governance arrangements in place to deliver the IRP’. She advised that the overall assurance rating remained amber, however three areas had improved to green: action and milestone tracking, change request management, and the reporting of programme risks and issues. It was explained that these improvements reflected the increasing maturity of governance processes, including more established board reporting arrangements, refined programme documentation, and enhanced management information to support focused decision-making and oversight. The Committee noted the observation that these stronger governance arrangements did not in themselves guarantee delivery of the Improvement and Recovery Plan objectives. She emphasised the distinction between having effective processes in place and achieving the intended outcomes, noting that further work remained to ensure delivery of the programme's objectives.

In response to a query about the overall assurance rating remaining amber in light of increasing green areas the Group Head of Corporate Governance explained that her assessment was more sophisticated than mathematical and was based on a holistic assessment.

RESOLVED that the Committee noted

- **i)** the overall assurance level for the 12 Governance Assurance Areas, which form the new Governance Assurance Register (Appendix A of the agenda report); and

- **ii)** the review of the six Governance Assurance Areas (Appendix B of the agenda report).

44/26 Statement of Accounts 2025/26 - delay in publication

Terry Collier, Deputy Chief Executive and Altin Botzhani, Interim Deputy Chief Finance Officer, provided an update on the delay to publication of the 2025/26 Statement of Accounts. They advised that the delay related to complex accounting treatment within the Collection Fund and concerns regarding the reliability of information provided by an external specialist adviser.

It was explained that, following validation checks, concerns had been identified shortly before the statutory publication deadline. As a result, the Council had commissioned an independent specialist firm to undertake a detailed review of that part of the accounts to ensure they were accurate and robust before publication. It had been confirmed that the issue related to accounting treatment and reporting requirements rather than the collection of council tax or business rates, and there was no suggestion of fraud or financial irregularity. The Committee was advised that publication of the accounts was now expected by the end of August or early September, subject to completion of the specialist review and subsequent amendments.

Both officers acknowledged Councillors’ frustration with the delay but highlighted the significant improvements made to the accounts process compared with previous years. The Interim Deputy Chief Finance Officer also outlined a number of measures being introduced to strengthen future arrangements, including enhanced in-house expertise, more regular monitoring, monthly Collection Fund reviews and an expanded year-end ‘soft close’ process to identify issues earlier.

During discussion, members of the Committee expressed disappointment and concern that the issue had only been identified shortly before publication of the accounts, despite previous assurances to them regarding progress. Clarification was sought on the extent to which the external auditors had been informed of the emerging issue and whether the delay would result in additional audit costs. Officers advised that Grant Thornton had been kept informed and had supported the decision to delay publication in order to ensure the accuracy of the accounts. It was also confirmed that the revised timetable was not expected to affect the auditors' ability to report their findings to the Committee in November.

Concerns were raised about the implications of the delay for confidence in the Council's financial governance and preparedness ahead of transition to West Surrey Council. Officers acknowledged the validity of this but highlighted the significant improvements already made to the accounts process compared with previous years and advised that resolving the Collection Fund issue would strengthen the overall robustness of the accounts.

Questions were also raised regarding the management and oversight of the external specialist engaged to support Collection Fund accounting. Officers explained that regular monitoring arrangements had been in place but that concerns only became apparent once the final figures were received and validated. Members requested that the root causes of the issue and the lessons learned be reported once the specialist review had been completed. Councillor Nichols questioned the specific content of the public notice issued to explain the delay in publication of the accounts. Officers agreed to review and update the notice in order to provide greater clarity regarding the reasons for the delay.

The Committee emphasised the importance of ensuring that appropriate controls, skills and monitoring arrangements were in place to prevent a recurrence. Members supported proposals to strengthen in-house expertise and requested ongoing assurance regarding progress.

It was also agreed that the Chair, Vice-Chair and Independent Member would meet with the external auditors ahead of the November Audit Committee meeting to discuss the matter further.

RESOLVED: That the reasons for the delay in publishing the Statement of Accounts for 2025/26 be noted.

45/26 Committee Forward Plan

The Committee considered its Work Programme for the remainder of the 2026/27 municipal year.

RESOLVED: That the forward plan be agreed.