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Date: 16 November 2026

Notice of meeting

Audit Committee

Date: Thursday, 26 November 2026

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)	J.R. Boughtflower	P.N. Woodward
K. Howkins (Vice-Chair)	J.P. Caplin	P. Briggs
M. Beecher	L. E. Nichols	

Substitute Members: Councillors C. Bateson and J.T.F. Doran

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Agenda

Page nos.

1. Apologies and Substitutes

To receive any apologies for absence and notification of substitutions.

2. Minutes **5 - 10**

To confirm the minutes of the meeting held on 24 September 2026.

3. Disclosures of Interest

To receive any disclosures of interest from Councillors in accordance with the Council's Code of Conduct for members.

4. Interim External Auditor's Annual Report with Progress Report **11 - 76**

To consider the Interim External Auditor's Annual Report, including the draft Value for Money conclusions, and the accompanying progress update on the delivery of the External Auditor's responsibilities, which also highlights a number of emerging sector issues for the Committee's consideration.

5. Internal Audit Progress Report **77 - 96**

To note the Internal Audit Progress Report – October 2026 (Appendix A of the report) and approve the adjustments to the internal audit plan 2025-26.

6. Improvement and Recovery Plan Progress Update **97 - 118**

To note the update on the structure and progress of the revised Improvement & Recovery Plan (IRP), consider whether current governance arrangements for the IRP are sufficient and determine whether any changes or amendments are required to the information on IRP progress and governance reported to the Audit Committee.

7. Confidential Reporting Review **119 - 130**

To consider the updated Confidential Reporting Code and agree its continued adoption.

8. Governance Assurance Register **131 - 156**

To note the overall assurance level for the 12 Governance Assurance Areas, which will form the new Governance Assurance Register (Appendix A of the report) and review the following four Governance Assurance Areas (Appendix B of the report):

- Ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from emergencies and business interruptions
- Ensuring we meet our Equality, Diversity and Inclusivity duties and responsibilities
- Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability
- Ensuring there are effective governance arrangements in place to deliver the IRP

9. Committee Forward Plan **157 - 160**

To consider and approve the work programme for the municipal year

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Minutes of the Audit Committee
24 September 2026

Present:

Councillor K. Howkins (Vice-Chair)

Councillors:

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

Substitutions: Councillors C. Bateson

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

46/26 Apologies and Substitutes

Apologies were received from Councillors Button and Caplin.

Councillor Bateson attended the meeting as a substitute for Councillor Caplin.

47/26 Minutes

The minutes of the meetings held on 23 June and 23 July 2026 were agreed as correct records and would be signed by the Chair in due course.

48/26 Disclosures of Interest

Councillor Nichols declared that he was a director of Knowle Green Estates.

Councillor Woodward declared that he was a director of Spelthorne Direct Services.

Councillor Bateson's position as a county councillor was also noted.

49/26 Internal Audit Progress Report

Iona Bond, Deputy Head of Southern Internal Audit Partnership (SIAP) attended the meeting to present the Committee with the internal audit progress report to the end of August 2026, together with updates from early

September. The Committee was advised that delivery of the audit plan was behind the expected position. This reflected delays in receiving information as pressures associated with Local Government Reorganisation increased, together with additional time required to scope several complex reviews so that the work would add value.

Draft reports had been issued and management responses were being progressed on the accounts receivable and debt management audit as well as the Medium-Term Financial Strategy and savings realisation audit. The proposed audit of temporary accommodation sourcing and costs had been revised to focus on the overall delivery plan for nightly paid accommodation because the intended procurement framework was not yet in place. Relevant coverage of sourcing, costs and savings monitoring remained within the revised review and the Medium-Term Financial Strategy audit.

The Committee noted a positive position in relation to management actions, with very few overdue. The high-priority action relating to the Community Infrastructure Levy had been completed. One medium-priority action concerning contract management for the leisure centres remained overdue and was due to be considered at a meeting intended to finalise the annual plan and performance targets.

The Internal Auditor advised that completing the planned work would be challenging and likely to run close to the deadline. Performance against the percentage of audits completed was reported as red and the timely issue of draft reports as amber. Work could continue into the final quarter, although audits completed too late would not contribute to the annual conclusion. Priority was therefore being given to the key audits required to support that conclusion.

In response to questions, it was explained that each council's audit plan within West Surrey remained bespoke, based on previous coverage and emerging local risks. However, audit work across Surrey was expected to contribute useful assurance to the new authorities. Section 151 Officers had discussed common Local Government Reorganisation themes during audit planning and completed reports were being shared with the interim West Surrey Section 151 Officer. No issues arising within other Council's required an immediate change to Spelthorne's plan.

Members raised concerns about workforce capacity and the risk that competing operational and Local Government Reorganisation demands could affect completion of the audit plan. Officers confirmed that progress, recommendations and resourcing risks were reviewed through monthly MAT assurance meetings, with additional discussions arranged when concerns arose. The importance of completing a comprehensive audit plan and providing assurance to West Surrey was acknowledged.

RESOLVED that the Committee:

1) noted the Internal Audit Progress Report; and

2) approved the adjustments to the Internal Audit Plan 2026/27.

50/26 2025/26 Draft Unaudited Statement of Accounts

Terry Collier, Deputy Chief Executive, and Altin Botzhani, Interim Deputy Chief Finance Officer, presented the draft unaudited Statement of Accounts for 2025/26. They explained that the accounts had been published on 4 September 2026, later than the national target, following extensive work on the Collection Fund and the validation of complex accounting treatments.

It was reported that auditors Grant Thornton had indicated that it remained on track to present its audit opinion to the Committee in November, subject to audit progress.

The Committee was advised that strengthened close-down arrangements, enhanced quality assurance and specialist support had been introduced. The revenue outturn showed a £10.5 million overspend, met from earmarked reserves. The Council's net liabilities had reduced significantly following debt restructuring, including repayment of Public Works Loan Board debt and replacement borrowing which generated a discount. The accounts also included several prior-year accounting adjustments. The Committee were advised that most did not affect cash balances or council tax, although a Collection Fund correction had affected reserves.

Officers explained that the national local government audit backlog and earlier disclaimed opinions continued to affect the current audit position. A further disclaimed opinion for 2025/26 remained likely because of reliance on opening balances, although improvements were expected in subsequent years. The external audit was underway and any identified significant adjustments would be reported to members before final approval.

Philip Briggs reported on a discussion held with the Vice-Chair and Grant Thornton and sought clearer reporting on the work completed, areas not tested and any remaining risks. Questions were raised about the presentation of prior-year adjustments, the Collection Fund, asset classifications and the extent of external audit sampling. Officers confirmed that key Collection Fund reports had been produced at the required dates and that the auditors had received the specialist report and supporting ledger work. Regular meetings with the audit manager were taking place and any emerging concerns about the timetable would be reported to the Chair and Vice-Chair.

Members requested clearer explanations of several material figures and accounting terms, including the £98 million movement in investment property valuations, the pension liability adjustment and unfunded pension contributions. Officers agreed to provide further information and reconciliations.

The Committee discussed errors identified through the Collection Fund review, including the use of an incorrect transaction report and omitted

prepayments. Officers explained that the specialist review undertaken had enabled the issues to be identified and corrected. Further questions concerned prior-period adjustments relating to Knowle Green Estates. It was confirmed that these principally concerned accounting treatment and classification and did not have a significant impact on the Council's overall net worth or revenue account.

Concern was raised that the detailed LG Futures background paper had not been readily accessible to all members. Officers agreed that a link would be recirculated to the Committee. The Monitoring Officer agreed to provide further clarification on the basis for treating the paper as exempt, including the relevant legislative provision. It was therefore formally noted that not all of the Committee had seen the relevant background paper before considering the report.

RESOLVED that the Committee noted the report and acknowledged the draft unaudited Statement of Accounts 2025/26, published on the Council's website on 4 September 2026.

51/26 Governance Assurance Register

Sandy Muirhead, Group Head of Commissioning and Transformation, presented the report on the development of the Governance Assurance Register and the current status of the Governance Assurance Framework. She advised that the overall assurance levels across the 12 governance assurance areas were shown and the next six governance assurance areas to be reviewed were appended to the report noting that one area had been restricted because disclosure to the public would compromise the effectiveness of the Council's cyber security safeguards and weaken its risk mitigation.

Sandy Muirhead, Group Head Commissioning and Transformation presented the report relating to 'ensuring and maintaining our Organisational Resilience' advising that vacancies, turnover and the use of agency and interim staff continued to be monitored. Recruitment to permanent roles would be restricted after 9 October, increasing the potential for capacity pressures as Local Government Reorganisation progressed. Support arrangements included regular one-to-one meetings, performance reviews, training, employee assistance and counselling services, staff briefings and Local Government Reorganisation updates. Officers confirmed that staffing indicators, including turnover and retention, were reviewed through monthly assurance meetings.

Sandy Muirhead, Group Head Commissioning and Transformation presented the update in relation to 'ensuring our programme and change management arrangements are effective to support the successful transition to the new unitary council'. Recent staff engagement with the incoming West Surrey Chief Executive and Leader had been well attended and had helped make the transition more tangible.

Members sought assurance about emergency planning and the risk of flooding. Training for emergency coordinators and incident liaison officers was planned for November, followed by a flooding exercise in early December. Information on drainage and local flood risks was being shared with colleagues supporting the future West Surrey arrangements.

The Committee discussed the pressures on managers undertaking both business-as-usual and LGR work. Officers advised that priorities were being reviewed, including identifying work that could be stopped or reduced. Members asked that the Committee's recognition of these pressures be reported to the Management Team.
Assurance was also provided on the resilience of payroll arrangements. Existing legacy systems were expected to remain in use initially to support continuity of payments to staff, claimants and suppliers while new authority arrangements were developed and tested.

Sandy Muirhead, Group Head Commissioning and Transformation presented the update in relation to 'ensuring we meet our zero carbon targets and wider environmental responsibilities'. The Committee was advised that forthcoming staff departures would limit the capacity available for climate change work during the remaining period of the Council. Progress already achieved was noted, but the assurance entry would need to be updated to reflect the reduced resource position and the expectation that the area would remain a priority for West Surrey.

Linda Heron, Head of Corporate Governance presented the report in relation to 'ensuring effective Procurement and Contract Management arrangements'. The Committee noted that training and additional support were leading to improved compliance and a shift from requests for exemptions towards earlier permission to procure. A number of amber actions were expected to improve by the next review. The action relating to a comprehensive review of social value remained red because work had not commenced and officers were considering whether it represented best use of limited resources before transition.

Linda Heron, Head of Corporate Governance presented the update in relation to 'ensuring our arrangements against the threat of fraud and maintaining assurance that our anti-fraud arrangements are robust and effective'. The Committee was advised that further general and targeted fraud awareness training was planned for November, including focused sessions for higher-risk service areas. Officers had concluded that an external review of anti-fraud arrangements would not provide sufficient value at this stage, but were considering what additional assurance could be presented to the Committee.

Members discussed whether actions unlikely to be completed before transition should remain on the register. The Committee supported retaining the indicators, with wording to show where the risk had been consciously acknowledged and accepted for the remaining period, rather than removing the issue from view.

It was noted that the update in relation to ‘ensuring our arrangements for Cyber Resilience and manage the threat of a cyber-attack are effective’ was restricted and therefore no questions were raised in open session. A member indicated that a separate question would be submitted by email rather than requiring the Committee to move into exempt session.

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 and restricted Appendix C of the agenda report).

52/26 Draft Audit Committee Annual Report

The Committee considered its Annual Report for the 2025/26 municipal year, which had been prepared in consultation with the Chair and circulated to members in advance.

It was confirmed that a further annual report would be prepared for the final meeting of the Committee to reflect activity during 2026/27.

RESOLVED that the Annual Report for 2025/26 be recommended to the next available meeting of the Council for endorsement.

53/26 Committee Forward Plan

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

Members highlighted the limited time and staff resources available before transition and asked officers to review whether all planned items could be completed. Officers noted that a number of items, particularly those connected with external audit and the value-for-money opinion, remained essential.

It was agreed that the Audit Committee Annual Report for 2026/27 should be included. Members also suggested that Improvement and Recovery Plan updates could be presented in a shorter format where possible, while retaining the necessary assurance and scrutiny.

RESOLVED: that the forward plan be agreed subject to the noted amendments.

Grant Thornton

Spelthorne Borough Council

Interim Auditor's Annual Report
Year ending 31 March 2026

18 November 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

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Introduction

This report brings together a summary of all the work we have undertaken for Spelthorne Borough Council during 2025/26 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26.
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under the Local Audit and Accountability Act 2014, auditors of an Authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.

In particular, auditors may issue:

- Statutory recommendations to the full Authority which must be considered publicly.
- A Public Interest Report (PIR)

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. During 2024/25, the NAO consulted on and updated the Code to align it with accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. The deadline requirement for 2025/26 AARs is 30 November 2026.

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Local government – context

Local government has remained under significant pressure in 2025/26

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Present



Financial Sustainability

Despite the Fair Funding Review 2.0, many councils continue to face significant financial challenges, including social care, SEND and temporary accommodation pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Digital change

AI and digital change are automating routine processes and enabling more personalised services for residents. This is shifting workforce skills as councils seek productivity gains. Risks around digital exclusion, data quality, ethics, and governance mean strong leadership and controls are increasingly important.



Reorganisation and Devolution

Many councils in England are impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

Spelthorne Borough Council (the Council) is mainly located within the M25 boundary to the South of Heathrow and bordered by the River Thames. The Council serves a population of 103,550 people, represented by 39 elected members. A Ministry for Housing, Communities and Local Government (MHCLG) statutory best value review during 2024/25 resulted in Commissioners being appointed on 8th May 2025. In October 2025, the Secretary of State for Housing, Communities and Local Government wrote to the leader of the Council to inform it of his decision to implement a proposal for two new unitary authorities in Surrey from 1 April 2027. The Council will cease to exist from that date, and its geography will form part of the new West Surrey council. The Council had external debt of £1 billion at the start of 2025/26, some of which was rescheduled during 2025/26 and some of which Commissioners have indicated should be reduced by using proceeds from asset sales. **It is within this context that we set out our commentary on the Council's value for money arrangements in 2025/26.**

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02 Executive Summary

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Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2024/25 Assessment of arrangements		2025/26 Risk assessment	2025/26 Assessment of arrangements	
Financial sustainability	R	Significant weaknesses in arrangements identified. Three new key recommendations raised, and one key recommendation retained from 2023/24.	Two risks of significant weakness identified in relation to asset sales to repay debt; and the future of the subsidiary undertaking Knowle Green Estates Ltd (KGE Ltd).	R	Significant weaknesses in arrangements identified. Two prior year recommendations were amended. These surrounded assets rationalisation and debt reduction; and the future of KGE Ltd (see pages 24 and 25). Two other prior year recommendations on assets and debt were superseded by our amended key recommendations.
Governance	R	Significant weaknesses identified. One new key recommendation raised. Three key and one improvement recommendations retained from 2023/24.	One risk of significant weakness identified at planning in relation to the Strategic Risk Register. One other risk identified during testing in relation to governance over KGE Ltd.	R	Significant weaknesses in arrangements identified. We retained or amended three prior year key recommendations, one in relation to working with Commissioners in 2026/27; and two in relation to the Strategic Risk Register; and governance for KGE Ltd in 2025/26 (see pages 28, 29 and 30). All other key and improvement prior year recommendations were closed.
Improving economy, efficiency and effectiveness	R	Significant weaknesses identified. One new key recommendation raised, and two key recommendations retained from the prior year.	Two risks of significant weakness identified in relation to the Improvement and Recovery Plan; and procurement and contract management.	A	Significant weaknesses in arrangements identified. Our amended prior year recommendation on working with Commissioners in 2026/27 is relevant to economy, efficiency and effectiveness, as well as to governance (see page 28). We retained our key recommendation on procurement and contract management (see page 34). We closed our prior year key recommendation on key performance indicators.

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendation(s) made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.

Financial sustainability

The Council reduced its debts from £1 billion to £718 million in 2025/26, earning a credit discount for 2025/26 of £34.3 million. The Council introduced a new, compliant Minimum Revenue Provision (MRP) policy during the year, increasing the MRP annual charge by £46.6 million.

An Assets Rationalisation Plan is in place, designed to reduce future MRP charges; and to reduce debt. The Council is aiming to dispose of nine investment properties with a combined value of £400 million by the end of March 2027.

A loss-making subsidiary (KGE Ltd) is currently under review.

We raise two key recommendations in relation to the need to implement assets rationalisation and debt reduction, and the need for a decision about the future of KGE Ltd.

Governance

Commissioners were appointed on 8 May 2025, with ultimate charge over all commercial functions.

We note that one disposal in August 2026 was made under the Commissions Best Value Instructions after members were unable to reach agreement. In October 2026, Commissioners issued a second Best Value Instruction in relation to the sale of a second asset that members had not agreed on. We retain one key recommendation from 2024/25 in relation to 2026/27 engagement with Commissioners to deliver improvement).

We raise two key recommendations in respect of 2025/26 risk management; and KGE Ltd. A new Governance Assurance Framework system was adopted in 2026/27, after the end of 2025/26. A task and finish group reviewed KGE Ltd Board membership, but a formal Council assessment is needed.

Improving economy, efficiency and effectiveness

The Council started 2025/26 with a Consolidated Action Plan that had more than 250 recommendations to address, following the conclusion of a Best Value Inspection. With the help of Commissioners, an Improvement and Recovery Plan was introduced with five themes in October 2025, and this was later consolidated further to cover four themes from February 2026. Our key recommendation on working with Commissioners to deliver the plan is relevant to economy, efficiency and effectiveness, as well as to governance.

The Head of Procurement post became vacant during 2025/26 and remains vacant now. Support has been provided on a flexible basis by another borough council. We raise one key recommendation in relation to procurement and contract management.

The Council's direction of travel was positive in 2025/26. We raise five key recommendations in relation to 2025/26; and one in relation to 2026/27. We raised eleven key recommendations and one improvement recommendation in relation to 2024/25. The Council must continue to collaborate with Commissioners to deliver ongoing improvement to maximise the Council's legacy before the creation of the new West Surrey unitary.

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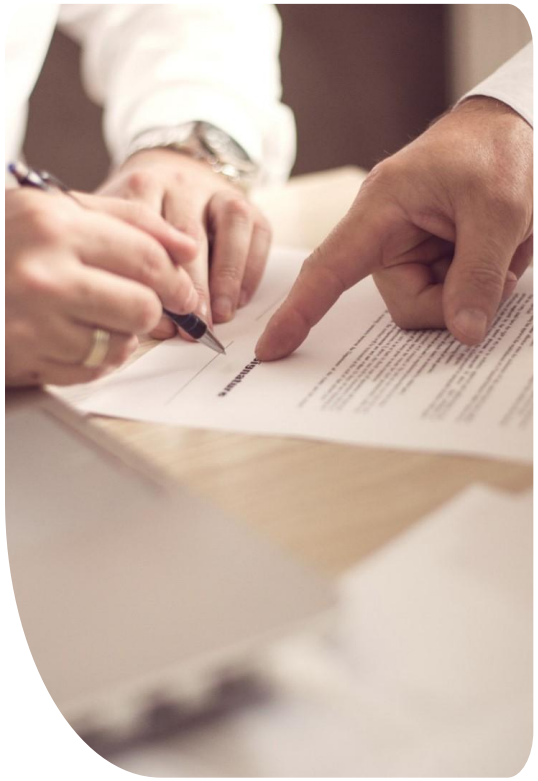
Executive summary – auditor's other responsibilities

This page summarises our opinion on the Council's financial statements and sets out whether we have used any of the other powers available to us as the Council's auditors.

Auditor's responsibility	2025/26 outcome
Opinion on the Financial Statements	Work on the 2025-26 financial statements is ongoing. We will issue a disclaimed audit opinion by the back stop date.
Use of auditor's powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



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Local Government Reorganisation – organisational change and risk

Additional context around our review of the local government reorganisation (LGR) arrangements in 2025/26

National Context

The English Devolution and Community Empowerment Act received Royal Assent on 29 April 2026.

On 7 September 2026, the Government announced a pause to Local Government Reorganisation (LGR) decisions. The only LGR geography not to be impacted was Surrey, with the vesting day for the two new unitaries remaining 1 April 2027.

On 28 Oct 2026, as part of the budget, the government announced that it is in the final stages of agreeing new devolution deal for Surrey, to create a Mayoral Strategic Authority for the geography. This is one of ten new devolution agreements that the government is in the process of finalising.

On 29 Oct 2026 the government announced that LGR would move forwards in five geographies, with 15 geographies remaining under review, with their outcomes to be confirmed in early 2027. Any new councils in these areas will be established in April 2029, a year later than originally planned.

Surrey has therefore progressed LGR implementation in advance of all other geographies the government identified for reorganisation.

What we observed in 2025/26

For Surrey, the Shadow Authority elections took place on 7 May 2026 with vesting day of the new unitaries to be 1 April 2027.

At Spelthorne Council, a new post for Head of LGR and Special Projects was created in May 2026 and filled in June 2026. The post was fully funded by the corporate LGR budget and active until October 2026. A new transitional plan was agreed by the Council in July 2026.

Spelthorne Council's s151 officer is leading on procurement integration across West Surrey Councils. The procurement workstream is tasked with bringing together just under 26,000 contracts across the participating councils, each of which currently uses different procurement tools and systems. At officer level, the Council sends representatives to work with peers from other Councils on the integration of Information Technology, Human Resources, and front office.

The Council's transitional plan lists one of its aims as delivering "financial recovery and long-term sustainability by responding to Government Directions", stating that the Council aims to reduce debt by an additional £170 million in 2026/27.

Residual risks

Heightened risks will remain as LGR transition and implementation progresses during 2026/27.

A disclaimed financial opinion is anticipated for the 2025/26 financial statements due to opening balances being affected by the statutory audit backstop arrangements applied to prior years. Given vesting day for West Surrey Unitary Council is on 1 April 2027, it is important the Council works proactively with its external auditors to test in-year transactions and closing March 2026 balances so that more accurate records transfer to the successor authority.

Commercial decisions about the future of KGE Ltd, and effective asset rationalisation, remain an important areas that the Council needs to address in the run up to vesting day. With less than six months to go until vesting day, consistent, stable leadership will be important for navigating these decisions. The Council does liaise with the Shadow Authority to keep them up to date. The Council also needs to conduct an Internal Audit Review of the new Governance Assurance Framework (to give assurance to other West Surrey councils) before vesting day.

Local government reorganisation – Surrey wide review

We are the external auditors of all the districts and boroughs in Surrey. Here we summarise the findings from our over arching VfM review of LGR in Surrey

The move from twelve to two councils provides an opportunity to realise financial benefits and improve services for local government in Surrey. The overall aim is to unlock efficiencies from the rationalisation of council structures and assets and improving systems and processes.

However, implementing LGR is complex, time consuming and provides some significant challenges. The challenges for Surrey include a relatively short implementation timescale, the pressures that come from delivering business as usual services by the existing councils whilst implementing LGR in parallel, the need to disaggregate county wide finances and services to align to the geographies of the two new unitaries, and undertaking financial and service planning for the new unitaries when many senior officers are not in role to make key decisions.

It is clear from our work that key stakeholders at existing councils and the Shadow Authorities involved in LGR have been fully committed to a successful transition and implementation. The relatively short implementation timescale has resulted in a focus on the new unitaries being safe and legal on their vesting days. Whilst understandable, this focus on ensuring continuity of existing services to residents and businesses in Surrey has meant that the opportunities that should arise from rationalisation and transformation have not progressed and have largely been deferred for decisions to be taken following vesting day when there should be greater capacity available and senior leadership teams are in place.

It will take several years to fully realise the benefits planned from LGR and will require sustained commitment from senior stakeholders to deliver. There remain inherent risks in any LGR implementation and the new unitary councils will have significant decisions to take prior to and following vesting days.

In summary, we see a number of critical challenges and opportunities, in particular the following are key priorities:

- Minimise the level of debt inherited by West Surrey to mitigate the impact on its budgets and financial sustainability and maintain relationship with Government to ensure ongoing support.
- Conclude analysis of current Surrey councils' investments and companies to fully understand the value of these investments and their associated debt.
- Prioritise building back assurance to meet the national 2027/28 build-back deadline of 30 November 2028.
- Conclude the outstanding disaggregation of services and associated budgets, and develop savings and efficiency plans to support the development of the 2027/28 and future budgets, and maximise the level of available reserves from vesting day.
- Prioritising transition over transformation means the new councils will need to act fast, and fully utilise the retained LGR PMO resource, to drive transformational change to improve service users' experience and generate the improvements, efficiencies and savings set out in the approved business case, and mitigate the forecast levels of funding shortfalls across the medium term of the new councils and ensure reserves are maintained at appropriate levels.
- Consider the future capital investment requirements of the new unitaries, including deliverability, proportionality, sustainability and affordability of the ongoing revenue implications. Agree capital, treasury management, and investment strategies for the new councils.

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Local government reorganisation – Surrey wide review

We are the external auditors of all the districts and boroughs in Surrey. Here we summarise the findings from our over arching VfM review of LGR in Surrey (Continued)

- Organisational structures, cultures and values will need to be agreed and embedded. This will be critical to the effectiveness of the new councils' governance and performance management frameworks.
- Structures and key personnel put in place need to be proportionate to the significant challenges the new councils will face, such as West Surrey having appropriate skills and capacity to manage its commercial property portfolio and reschedule debt. Workforce plans need to be in place for the new councils.
- Reviewing the capabilities of the ERP system to determine if this is a long-term solution for the new councils.

It will be important that elected members of the new unitary councils have appropriate time to fully engage with and scrutinise these key decisions.

At the same time as successfully managing LGR transition, the two new unitary councils will need to continue to manage business as usual challenges affecting Surrey, which includes managing increasing demographic pressures. It will also be important that the new unitary councils do not lose best practice arrangements from the demising councils.



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03 Opinion on the financial statements and use of auditor's powers

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Rebuilding assurance

The Audit Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required the Council's audited financial statements to be published by the following dates:

- for years ended 31 March 2023 and earlier by 13 December 2024; and
- for years ended 31 March 2024 by 28 February 2025;
- for years ended 31 March 2025 by 27 February 2026;
- for years ended 31 March 2026 by 31 January 2027; and
- for years ending 31 March 2027 and 31 March 2028 by 30 November 2027 and 30 November 2028 respectively, noting that the financial statements will be prepared by the successor body.

The Statutory Instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enabling the reset of local audit.

Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements. In the audit reports for the years ended up to 31 March 2025, a disclaimer of opinion was issued due to the backstop.

Status for 2025/26: Disclaimer of opinion

Progress to full assurance is likely to involve moving over a series of years from disclaimer of opinion; to qualified opinion (except for); to unqualified opinion.

The current status for Spelthorne Borough Council is: Disclaimer of opinion.

Key areas of future work to secure an unqualified opinion

The Council has not received an unqualified audit opinion on their financial statements since 2017/2018. Due to the number of years that the Council has not received an audit, there will be insufficient time to enable build back assurance to be undertaken to secure an unqualified opinion for the Council prior to vesting date. The audit focus for 2025-26 has been on in year transactions and to get as much assurance over 31 March 2026 balances as possible.

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Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

Work on the 2025-26 financial statements is ongoing. We will issue a disclaimed audit opinion by the back stop date.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the NAO Code of Audit Practice (2024, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The national deadline for publishing draft financial statements was 30 June 2026. The Council provided draft accounts on 4 September 2026. The delay in publishing the financial statements was due to the Council investigating and correcting technical adjustments related to the Collection Fund, specifically concerning business rates accounting.

The work on the financial statements remains in progress and we will report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Audit Committee on 28 January 2027. Requests for this Audit Findings Report should be directed to the Council

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Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



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Use of auditor's powers

We bring the following matters to your attention:

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

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04 Value for Money commentary on arrangements

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Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

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Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them *Continued on next page*	Overall, the Council made very positive efforts in 2025/26 to manage direct services budgets well; and to avoid using EFS. However, the scale of borrowings inherited from between 2016 and 2022, and the fact that those borrowings funded investment properties with high MRP charges and falling market value, means that there are legacy issues that will take time to address fully. Direct services budgets performed well in 2025/26, achieving an overall net underspend against budget of £1.7 million. Within the regeneration and environment directorate, landlord costs incurred were also £1.5 million below budget. Debt was rescheduled in 2025/26, reducing from £1 billion to £718 million. This earned the Council a substantial credit discount in 2025/26 of £34.3 million but will lead to higher interest rates being applied in future years if loans are not repaid (forecast interest costs 2026/27: £32.9 million). Investment property, which was purchased using the debts, was valued at £526.1 million on 31 March 2026. This includes properties purchased for commercial reasons and properties that were originally purchased for regeneration. The council has been liaising with the Shadow Authority for West Surrey on its debt position so that the Shadow Authority is aware of the impact on the new unitary. The Council revised its MRP policy in 2025/26, taking an additional charge to the budget for the year of £46.6 million. This was to comply with best practice and statutory requirements. Overall, despite the many positive trends within services, the additional MRP charges meant that the Council ended the year with a £10.7 million overspend against a budget of £20.8 million, leaving it with a projected closing balance for available General Fund revenue reserves of £37.6 million at 2025/26. *Continued on next page*	R

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
Continued from previous page identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	*Continued from previous page* For 2026/27, the Council's budget anticipated an overspend of £11.6 million - the revised approach to MRP is expected to generate an additional £40 million budget pressure in 2026/27, although this will again be offset by discounts from the debt rescheduling. The total MRP charge for 2026/27 is forecast to be £53 million, compared to an annual charges of £13 million before the new policy was applied. The Council's budget for 2026/27 states that the main mechanisms for dealing with increased MRP charges will be assets rationalisation (disposals), which will in turn facilitate debt reduction. Ongoing MRP pressure expected in future years means that the Council is forecasting that useable revenue reserves will have fallen to £14.2 million by the end of 2028/29 if assets rationalisation plans are not delivered. **We raise a key recommendation (KR1) on page 24 of this report, noting that the Council must now deliver on the financial plans it has agreed.** We note that the budget makes it clear that EFS is not a viable option, stating that "Exceptional Financial Support merely allows the Council to capitalise revenue spending which in turn adds additional MRP and interest charges. It is not additional grant". The Council should be credited with the mature approach taken to resolve its financial pressure without recourse to EFS. The Council owns a loss-making subsidiary undertaking (KGE Ltd) and is currently reviewing its future. A decision was expected in the Autumn of 2026, although was still not available at the date of writing this report. Losses in the subsidiary are growing year on year and reached £2.7 million after tax in 2025/26. **We raise a key recommendation (KR2 on page 25 of this report), noting that a decision is required on the future of KGE Ltd.**	R

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	For 2026/27, the Council developed savings plans of £5.8 million within its core budgets, and additional savings plans of £1.1 million on Improvement Plan initiatives in relation to leisure, maintenance and temporary accommodation. At the time we completed our testing, savings were on track to be delivered. Excel spreadsheets had been developed by the finance team to help officers monitor savings delivery, and savings validation data was included in budget monitoring reports for members. A new finance system allows monitoring of financial data straight from the finance system itself. Temporary accommodation savings were performing especially strongly. Savings of £600,000 had been budgeted for. These were based on plans to reduce nightly rates paid to providers and to reduce demand. By May 2026, the Council was on track to deliver more than £800,000 of savings in this area. For financing costs, we note that debt rescheduling in 2025/26 enabled the Council to secure an annual ten-year credit discount of £34.3 million.	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Budgeting for 2025/26 was consistent with the objectives of the corporate plan for 2024-28. In addition, an Assets Rationalisation Plan was agreed in the year. This will involve selling commercial properties. The Council recognises that the MRP, interest, landlord costs and sinking fund adjustments for commercial properties limited any surplus generated from their income. Joined up revenue and capital monitoring reports have now been introduced for stronger oversight over the Council's full financial position.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Council's Assets Rationalisation Plan aims to dispose of nine investment properties with a combined value of £400 million by the end of March 2027. In addition, the Council has already completed on the sale of one other property valued at £21.5 million. This is an ambitious disposals programme and is intended to enable debt reduction, consistent with Statutory Directions imposed by the Secretary of State on 8 May 2025. The relatively low level of reserves and high MRP and debt financing costs that the Council faces mean that it is critical that the planned disposals are delivered. The Assets function is covered by the Commercial, Regeneration and Housing Theme of the approved Improvement and Recovery Plan. There is a Theme Sub-Board which reviews deliverables for the theme on a monthly basis. At the start of the year, with input from CIPFA, the Council approved a new Commercial Strategy. As part of progressing the Assets Rationalisation Programme, a robust procurement process was undertaken to appoint expert independent advisers to advise the Council on the best way of maximising outcomes from the rationalisation programme. Subsequent to the end of 2025/26 the Council has further strengthened capacity by appointing an experienced Interim Director of Place. It is important that this momentum is maintained. Members need to be mindful of the financial sustainability of the new incoming West Surrey Council. **Our key recommendation (KR1) on page 24 notes that the Council must now deliver on the plans it has agreed.**	R
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	During 2025/26, the Council repurposed its £26.3 million sinking fund balance to other earmarked reserves. The Council carries high debt financing and MRP costs while it awaits planned asset sales to be achieved. For 2026/27, in addition to the MRP costs of £53 million, the Council expected to incur debt financing costs of £32 million. These costs will be higher if asset sales are delayed. The Quarter 2 financial monitoring report for 2026/27 shows that the revenue budget is forecast to overspend by £5 million against a net Budget Requirement of £10.5 million for 2026/27. The majority of the overspend was due to higher than expected MRP due to delayed asset sales. We note that on 7 August 2026, Commissioners used their statutory powers to require the sale of one asset that the Council had been proposing to delay. **Our key recommendation (KR1) on page 24 notes that the Council must deliver on the plans it has agreed.**	R

G No significant weaknesses or improvement recommendations.
A No significant weaknesses, improvement recommendations made.
R Significant weaknesses in arrangements identified and key recommendation(s) made.

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Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: The Council is planning to sell £400 million of assets between September and March 2027. This is part of a wider plan to rationalise assets by 2035/36, to enable debt reduction over that period. The Council estimated that without assets rationalisation, the cumulative deficit on the general fund budget will reach £46 million by 31 March 2027. The Council has been supported by professional advisers in agreeing its assets rationalisation plan and its planned approach to market. The Assets Rationalisation Plan aims to exit from investment property holdings and is consistent with Statutory Directions imposed by the Secretary of State on 8 May 2025 requiring the Council to deliver Best Value.

Council debt was valued at £718 million on 31 March 2026. Assets rationalisation is necessary to enable reduction of the debt.

Evidence: Public papers published by the Council; internal Council financial documents; discussion with key stakeholders.

Impact: MRP and debt financing cost reductions will not be achieved without assets rationalisation.

Key recommendation 1 (2025/26)

KR1 (2025/26): The Council must deliver its medium-term financial strategy, including rationalising assets and reducing debt. Assets rationalisation and debt reduction must proceed at pace. The Council must continue to regularly update the Shadow Authority for West Surrey Council on progress with assets rationalisation and debt reduction; and on working to deliver as much of the planned strategies for assets and debt as it can before vesting day.

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Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: The subsidiary undertaking KGE Ltd is incurring losses annually. A decision on its future was expected in Autumn 2026 but was still not available at the time of writing this report. Independent professional advice has been taken by the Council. It is important that this decision is made within sufficient time to allow for smooth transfer of housing assets before or on vesting day. Any decision is likely to involve a transfer of or change to arrangements for assets and operations. Early clarity will be important to allow effective planning by the successor authority.

Evidence: Public papers published by the Council; internal Council financial documents; discussion with key stakeholders.

Impact: KGE Ltd continues to incur losses, which will become the responsibility of West Surrey Council if a decision is delayed.

Key recommendation 2 (2025/26)

KR2 (2025/26): A decision on the future of KGE Ltd must be made by the Council within sufficient time to allow for smooth transfer of housing assets before or on vesting day. The Council should provide the Shadow Authority for West Surrey Council with clarity about the arrangements that will be in place on vesting day for KGE Ltd.

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Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	Commissioners were appointed under Statutory Intervention on 8 May 2025. The Commissioners have ultimate charge over all functions associated with commercial decision-making, regeneration, property management, procurement and the management of commercial activity by the Council. Commissioners identified assets rationalisation as a required improvement. On 6 August 2026, members voted to defer progressing one specific commercial asset disposal. On 7 August 2026, the Commissioners issued a Statutory Instruction under the powers provided to them by the Best Value Directions requiring that the Council progress the disposal, stating that this was to support the delivery of the Medium-Term Financial Strategy and the sustainability of West Surrey Council and therefore reduce the risk to West Surrey residents of future reductions to services. On 22 October 2026, the Council voted to defer the sale of a second asset. Again, Commissioners issued a second statutory instruction the next day requiring that the sale of this second asset proceed. Our Auditor's Annual Report for 2024/25 raised a key recommendation stating that members and officers need to work collaboratively to deliver the Improvement and Recovery Plan (see page 43 of this report). **The key recommendation is now retained and amended, based on emerging findings for 2026/27 (see KR3 on page 28 of this report.** We note that since January 2026, a new Chief Executive Officer and a new Deputy s151 officer have taken up role. By 22 October 2026, there had also been two changes of Leader.	R
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The ethical framework within the Constitution includes codes of conduct and protocols for behaviour that are designed to maintain standards. The member-to-member protocol was introduced for the first time during 2025/26, as were changes to arrangements for dealing with allegations of a breach of the Members Code of Conduct. The Standards Committee met in April, June, October and February. In June 2025, the Standards Committee agreed a new protocol for future relations between members. In February 2026, it agreed a new protocol for procedures at any future Hearings.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	We raised a key recommendation in 2024/25 in relation to the Strategic Risk Register. The Council adopted a new Governance Assurance Framework early in 2026/27. **For 2025/26, our prior year key recommendation is retained (see page 29). We will revisit progress as part of our audit for 2026/27.** Internal Audit completed a full programme of work in 2025/26 and concluded that the Council's overall arrangements are 'reasonable'. In September 2025, external reviewers graded the Internal Audit service as achieving the highest grade available ("generally conforms " with Global Internal Audit Standards (GIAS). We raised a key recommendation in 2024/25 and 2023/24 in relation to governance over KGE Ltd, the subsidiary undertaking. Councillors sat on the company Board, risking conflicts of interest. A task and finish group reviewed arrangements but at the end of 2025/26, one Councillor and one officer of the Council remained on the Board. **For 2025/26, our prior year key recommendation is retained (see page 30). We will revisit progress as part of our audit for 2026/27.**	R
approaches and carries out its annual budget setting process	The Council successfully implemented a new finance system in 2025/26 and has been using it to enhance report writing functionality. As shown on pages 18 to 21 of this report, the Council revised its MRP Policy in 2025/26 and the 2026/27 budget recognised new full-year MRP budget pressure for the first time. The correction of the policy represents a positive step. There is now stronger budget information available on which to base decision-making.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	A new finance system introduced in 2025/26. New monitoring arrangements were introduced in 2025/26 for costs. Excel savings tracker workbooks were introduced for IRP savings. A new monthly assurance management team meeting was also introduced in 2025/26 to strengthen engagement across individual service lines with the budget for the whole Council. At the time of writing our Interim AAR, the financial statements audit for 2025/26 is ongoing. Our opinion on opening balances is for 2025/26 likely to be disclaimed under backstop arrangements. **We will conclude on the financial statements process for 2025/26 at the conclusion of our audit in our final AAR for 2025/26.**	TBC

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Governance (continued)

Significant weakness identified in relation to governance

Key finding: Commissioners have ultimate charge over all functions associated with commercial decision-making, regeneration, property management, procurement and the management of commercial activity by the Authority. On 6 August 2026, the Council voted to defer one asset sale until the views of the West Surrey Shadow Executive had been obtained. Commissioners issued a Statutory Instruction the next day requiring that the sale proceed. On 22 October 2026, the Council voted to defer the sale of a second asset until the Staines Master Plan had been agreed. Again, Commissioners issued a second Statutory Instruction the next day requiring that the sale of this second asset proceed.

Our Auditor's Annual Report for 2024/25 raised a key recommendation stating that members and officers need to work collaboratively to deliver the Improvement and Recovery Plan. This key recommendation is retained and amended, based on emerging findings for 2026/27.

Evidence: Public and private Council meeting papers; Statutory Instructions.

Impact: Commercial decision-making resides with Commissioners.

Key recommendation 3 ~~(2025/26)~~ (2026/27)

KR3 (2026/27): Members and officers must work collaboratively with Commissioners to deliver the Improvement and Recovery Plan over the remaining months until vesting day. We note that assets rationalisation and debt reduction are both key features of the Council's IRP. Members and officers should engage with Commissioners to agree next steps for the strategic approach towards asset sales.

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Governance (continued)

Significant weakness identified in relation to governance

Key finding: Our Auditor's Annual Report for 2024/25 identified significant weaknesses in the Strategic Risk Register and raised a key recommendation in relation to improvements required. A new Governance Assurance Framework system was adopted early in 2026/27, after the end of 2025/26. Our prior year key recommendation is retained for 2025/26 but will be reviewed again in 2026/27.

Evidence: Prior year Auditors Annual Report. Governance Assurance Framework documentation and reports. Interviews with officers.

Impact: A new system for strategic risk management and reporting was introduced after the end of 2025/26 and will be reviewed as part of our work in relation to 2026/27.

Key recommendation 4 (2025/26)

KR4 (2025/26): 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 with regard to actions taken. In addition, the Council should ensure that those dates are only exceeded by exception and adequate explanations for delays are recorded. The Commercial Assets Sub Committee forward plan should also be updated to include reviews of the investment portfolio risk register.

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Governance (continued)

Significant weakness identified in relation to governance

Key finding: We raised a key recommendation in 2024/25 and 2023/24 in relation to governance over KGE Ltd, the subsidiary undertaking. Councillors sat on the company Board, risking conflicts of interest. A task and finish group reviewed arrangements but at the end of 2025/26, one Councillor and one officer of the Council remained on the Board. We note that since the end of 2025/26, the officer has also resigned, leaving just one councillor and no other members on the Board.

Evidence: Companies House data; reports to the Corporate Policy and Resources Committee; interviews with officers.

Impact: 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.

Key recommendation 5 (2025/26)

KR5 (2025/26): 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.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The Council started 2025/26 with a Consolidated Action Plan that had more than 250 recommendations to address, following the conclusion of a Best Value Inspection in March 2025. With the help of Commissioners, the IRP was introduced with five themes in October 2025 and later consolidated further to cover four themes from February 2026. The IRP is overseen by an Improvement and Recovery Board (IRB), supported by two sub boards. The Boards meet monthly and are attended by a mix of officers, Commissioners and members. The second letter of the Commissioners in June 2026 referred to the Council making "steady progress" on its journey. However, as shown on page 26 of this report, in August 2026 and October 2026 Commissioners used Statutory Instructions to implement improvement in relation to asset sales that members did not agree on. Since the end of 2025/26, arrangements have been introduced for quarterly reporting on progress to the Audit Committee and six- monthly reporting on progress to the Corporate Policy and Resources Committee. The remaining months until vesting day for West Surrey Council will be challenging. Important aspects of commercial improvement still left to progress include decision making for KGE Ltd and assets rationalisation to enable debt reduction, both of which need to be progressed at an appropriate pace. We note that on 15 July 2026, the Government confirmed the merger of the Spelthorne and Woking Commissioner teams. We note that he new joint Commissioner team is liaising with the Shadow Authority for West Surrey so that it is fully appraised of the position and progress relating to KGE Ltd and asset rationalisation. **We raise a key recommendation (KR3) on page 28 of this report noting that members and Commissioners must work collaboratively together to deliver improvement. As noted on page 26, this is a key recommendation in respect of emerging findings for 2026/27.**	R

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
commissions or procures services, assessing whether it is realising the expected benefits	The Head of Procurement post became vacant during 2025/26 and remains vacant at the time of writing this report. However, effective support has been provided on a flexible basis by an experienced procurement lead from Runnymede Borough Council. Improvements to arrangements for procurement during 2025/26 included embedding the Procurement Board and establishing a new monetary threshold and e-forms for requesting approval from the Board of new procurements and waivers; and officer training on procurement in the later months of the year. New procurement key performance indicators (KPIs) were introduced in May 2026 but waiver reporting to the Audit Committee (for example an annual or bi-annual report on activity) has not yet been introduced. The Council is in the process of seeking agency recruitment to support capacity in the procurement team; and new key performance indicators (KPIs) need time to embed. The second report from the Commissioners to the government in July 2026 indicated that some spend has been incorrectly omitted from the contracts register, although we note that a review of spend was ongoing at the time we completed our work. For the Procurement Board, a threshold of £30,000 had initially been in place for requesting new procurements be approved. This threshold has been increased to £100,000, with additional training provided to officers in the service lines so that more procurement approvals can be de-centralised, leaving the Board with capacity to focus on higher value issues. **We raise a key recommendation (KR6) on page 34 of this report noting that changes to procurement and contract management arrangements must be put in place.**	R

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	Effective KPI reporting arrangements were introduced in the second half of 2025/26. KPI reports were shared four times with the Corporate Policy and Resources Committee and covered services, the workforce and financial data. Performance was RAG rated; direction of travel was clearly shown and narrative explanations for performance below target were clear. The Council informs us that benchmarking against other local government bodies will be disclosed in the Annual Report.	G
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	Arrangements were introduced in 2025/26 for the Council's most significant areas of partnership working, on housing and preparations for LGR, to be reported to members via reports from the IRB. For LGR, a new transition plan was agreed by the Council in July 2026. The budget for 2026/27 was organised to avoid pre-empting any decisions that West Surrey Council may want to make. Spelthorne Council recruited a new Head of LGR in 2025/26. The s151 officer is leading on procurement integration across West Surrey Councils. At officer level, the Council sends representatives to work with peers from other Councils on the integration of Information Technology, Humna Resources and front office functions. We note that representatives of the Council, usually elected councillors, sit on the various committees and forums that work with the council on local affairs - including a hospital, an airport, police, the citizens advice service, museums, and local employer and traveller forums. As previously noted, the Council is currently reviewing options for the future KGE Ltd. The Council has engaged professional advice to support this process. Commercial decisions about the future of KGE Ltd, and effective asset rationalisation, remain an important areas that the Council needs to address in the run up to vesting day.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

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Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to governance

Key finding: The Head of Procurement post became vacant during 2025/26 and remains vacant at the time of writing this report. However, strong support has been provided on a flexible basis by an experienced procurement lead from another borough council. Improvements to arrangements for procurement during 2025/26 have included embedding the Procurement Board and establishing a new monetary threshold and e-forms for requesting approval from the Board of new procurements and waivers; and officer training on procurement in the later months of the year. New procurement key performance indicators (KPIs) were introduced in May 2026. However, waiver reporting to the Audit Committee (for example an annual or bi-annual report on activity) has not yet been introduced; the Council is in the process of seeking agency recruitment to support capacity in the procurement team; and new KPIs need time to embed.

Evidence: Public and private Council papers; discussion with stakeholders.

Impact: There remain weaknesses in the oversight and governance over procurement and contract management, which could weaken the economy and efficiency and effectiveness of Council spending.

Key recommendation 6 (2025/26)

KR6 (2025/26): The Council must ensure that the remaining necessary changes to procurement and contract management arrangements are put in place to ensure that efficiencies and economies are maximised. The Council should also ensure that suitable performance metrics including regulation and rule breaches and contract waivers are introduced with reporting through to the Audit Committee on a quarterly basis.

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05 Summary of Value for Money Recommendations raised in 2025/26

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Key recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
KR1 (2025/26)	The Council must deliver its medium-term financial strategy, including rationalising assets and reducing debt. Assets rationalisation and debt reduction must proceed at pace. The Council must continue to regularly update the Shadow Authority for West Surrey Council on progress with assets rationalisation and debt reduction; and on working to deliver as much of the planned strategies for assets and debt as it can before vesting day.	Financial sustainability (page 24)	**Actions:** Council seeking to deliver both Phase 1 and 2 of its Assets Rationalisation Programme plus realise receipts for BP site by 31st March 2027 to generate approximately £400m of receipts which can be applied to repay PWLB loans early (generating some discounts on early repayment/minimising premia paid). A number of disposal offers going to Council in December 2026. This will leave only 2 remaining commercial assets to pass over to West Surrey for future consideration, being The Porter Building in Slough and Charter Building in Uxbridge, which have high vacancy and void costs and are considered to be undesirable to the reduced pool of investors in the current economic circumstances. **Responsible Officer:** Coralie Holman/Mark Parkinson/Terry Collier **Due Date:** 31/3/27
KR2 (2025/26)	A decision on the future of KGE Ltd must be made by the Council within sufficient time to allow for smooth transfer of housing assets before or on vesting day. The Council should provide the Shadow Authority for West Surrey Council with clarity about the arrangements that will be in place on vesting day for KGE Ltd.	Financial sustainability (page 25)	**Actions:** Decision to wind up KGE and transfer assets and liabilities on to SBC balance sheet, ahead of passing a proportion of the units into West Surrey HRA, to be taken by CPRC and Council in January 2027. This is subject to receipt of HMRC response on potential tax issues on which we are seeking clarification. **Responsible Officer:** Coralie Holman/Terry Collier **Due Date:** 31/3/27

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Key recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
KR3 (2026/27)	Members and officers must work collaboratively with Commissioners to deliver the Improvement and Recovery Plan over the remaining months until vesting day. We note that assets rationalisation and debt reduction are both key features of the Council's IRP. Members and officers should engage with Commissioners to agree next steps for the strategic approach towards asset sales.	Governance and Improving economy, efficiency, effectiveness (page 28)	**Actions:** See response to first recommendation re next steps on both asset rationalisation and debt repayment. Council approved in October 2025 the Improved and Recovery Plan (IRP), and Corporate Policy and Resources, then approved an updated IRP. Council approved the Asset Rationalisation Strategy to ensure compliance with the statutory directions. A number of briefings (May, July and October) have been provided to Councillors on the proposed approach to disposals. There are Councillors and officers on the IRP themes' Sub-Boards for both Finance and Commercial, Regeneration and Housing. The approved Improvement and Recovery Plan progress is monitored monthly by the Improvement and Recovery Board, with quarterly reports to CPRC. **Responsible Officer:** Chief Executive, and relevant SROs. **Due Date**: 31/3/2027
KR4 (2025/26)	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 with regard to actions taken. In addition, the Council should ensure that those dates are only exceeded by exception and adequate explanations for delays are recorded. The Commercial Assets Sub Committee forward plan should also be updated to include reviews of the investment portfolio risk register.	Governance (page 29)	**Actions:** The Council now manages strategic risks through a Governance Assurance Framework and Policy. The previous Strategic Risk Register has been replaced by a Governance Assurance Register (GAR) covering 12 key areas of assurance. MAT+ (Management Team and other senior managers) acts as the strategic officer group reviewing the GAR on a bi-monthly basis. The Council's Audit Committee has been receiving regular updates on the arrangements relating to each of the 12 Governance Assurance Areas (GAAs) and progress with Actions/Performance for each GAA is being reported to relevant Service Committees. A review of the investment portfolio risk register is scheduled for the January 2027 Commercial Assets Sub-Committee meeting by which time the number of assets under review will have been reduced as part of the Council's Asset Rationalisation Programme. **Responsible Officer**: Lee O'Neil **Due Date:** 31/1/2027

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Key recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
KR5 (2025/26)	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.	Governance (page 30)	**Actions:** The Council recognises the importance of maintaining robust governance and oversight arrangements that are free from actual, potential or perceived conflicts of interest. The existing framework includes declarations of interest and the established decision making process. At the end of 2025 the Council commissioned an independent review of KGE which was undertaken by Savills. The Council is currently seeking external advice with the view to winding up KGE. For a temporary period it is intended that an additional officer director will be appointed in January subject to approval by CPRC. This officer has no BAU connection with housing or KGE operational matters and has been identified specifically to ensure there is no conflict within KGE and Council decision making. **Responsible Officer:** Linda Heron / Terry Collier **Due Date:** 31/03/27
KR6 (2025/26)	The Council must ensure that the remaining necessary changes to procurement and contract management arrangements are put in place to ensure that efficiencies and economies are maximised. The Council should also ensure that suitable performance metrics including regulation and rule breaches and contract waivers are introduced with reporting through to the Audit Committee on a quarterly basis.	Improving economy, efficiency and effectiveness (page 34)	**Actions:** From 1st April 2027 the current Spelthorne procurement officers (including the Runnymede Head of Procurement providing support) will become members of the single Procurement service supporting both East and West Surrey councils hosted by West Surrey Council. This will enable much greater procurement resources to be deployed and will ensure compliance issues are addressed. As part of the LGR transition procurement arrangements are being monitored by the Procurement Board to ensure safe and legal transition to West Surrey and compliance with applicable regulations. The Procurement Service has an emerging Procurement Enabled Savings Plan which will drive efficiencies and savings across West and East Surrey in large part through aggregation of Districts and Borough contracts. Since Srping 2026 the Audit Committee has received two governance assurance reports in relation to Procurement and Contract Management arrangements. Procurement falls within the remit of the Corporate Policy and Resources Committee. With just over one quarter of a year to go before the vesting day, there is only scope to provide one report on performance metrics including regulation and rule breaches and contract waivers. **Responsible Officer:** Linda Heron/Terry Collier **Due Date:** 31/3/26

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06 Follow up of previous Key recommendations

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	The Medium-Term Financial Plan should be updated to reflect new costs and risks identified by the best value inspection; appointment of Commissioners; and adoption of an Improvement and Recovery Plan. To update the Medium-Term Financial Plan, the Council should include all relevant additional costs associated with changes to minimum revenue provision (MRP); with asset valuations, refurbishments and upgrades; with breaks in commercial income as tenancies come up for renewal; and with the recruitment of skilled resources to lead recovery and improvement. As additional costs are identified, the impact for the Treasury Management Strategy should also be considered.	2024/25	The Medium-Term Financial Plan was updated February 2025 and again in February 2026. Relevant new costs were included, including costs in 2026/27 for new revised MRP budget pressure. The Council estimates that without mitigation, the impact of the revised MRP charges will mean that useable revenue reserves will fall to £14.2 million by the end of 2028/29. Debt was rescheduled in 2025/26, reducing from £1 billion to £718 million. This earned the Council a credit discount in 2025/26 of £34.3 million but will lead to higher interest rates being applied in future years if loans are not repaid. The Council has embarked upon a programme of asset rationalisation to generate capital receipts and enable debt reduction.	Superseded	Superseded by the amended key recommendation in relation to asset rationalisation to enable debt reduction **(KR1 2025/26, page 24).**

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR2	Best value inspectors recommended that the Council strengthen its asset function. We agree with this recommendation. Commercial skills and experience of the teams managing investment property and other properties need to be considered. Training, commercial experience and upskilling should be provided where necessary.	2024/25	The Council plans to sell £177.5 million of property between September and March 2027. Professional support has been engaged, and a new Director of Place has been appointed to build the commercial skills required to run a successful assets disposals programme. This is part of a wider plan to rationalise assets by 2035/36, to enable debt reduction over that period. The Council estimated that without assets rationalisation, the cumulative deficit on the general fund budget will reach £46 million by 31 March 2027. The Assets Rationalisation Plan aims to exit from investment property holdings and is consistent with Statutory Directions imposed by the Secretary of State on 8 May 2025 requiring the Council to deliver Best Value.	Retained but amended	Amended key recommendation: The Council must deliver its medium-term financial strategy, including rationalising assets and reducing debt. Assets rationalisation and debt reduction must proceed at pace. The Council must continue to regularly update the Shadow Authority for West Surrey Council on progress with assets rationalisation and debt reduction; and on working to deliver as much of the planned strategies for assets and debt as it can before vesting day. **(KR1 2025/26, page 24).**

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR3	Best value inspectors recommended a comprehensive debt reduction strategy. We agree with this recommendation. The Council should work with commissioners to agree a comprehensive debt reduction strategy that includes consideration of asset lives and length of time over which it is realistic to carry debt. At the same time, the sinking fund model should be revisited regularly as more up to date and accurate information becomes available.	2024/25	Debt was rescheduled in 2025/26, reducing from £1 billion to £718 million. This earned the Council a credit discount in 2025/26 of £34.261 million but loans of £545 million need to be repaid in full by 2035/36. The Council had adopted an assets rationalisation plan to generate capital receipts that will enable debt repayment. The Sinking Fund was substantially repurposed during 2025/26, falling from £26.3M to £9.8M as balances were redistributed to other earmarked reserves to reflect that the commercial properties that they had related to are now intended for disposal.	Superseded	Superseded by the amended key recommendation in relation to asset rationalisation to enable debt reduction **(KR1 2025/26, page 24).**
KR4	Progress with delivery of the Internal Audit programme for 2025/26, and implementation of management actions identified by Internal Audit, should be monitored carefully. During 2025/26, the Council should refine data analytics to inform internal audit planning for 2026/27.	2024/25	Internal Audit planning was informed by review of risk registers; horizon scanning; engagement with the Audit Committee, and Management Team; and the Chief Internal Auditor's understanding of governance, risk and control processes at the Council. The sources of information quoted in the Plan are comprehensive. The planned programme of work was delivered in full and on time. In September 2025, the service was graded as "generally conforms" with GIAS. This is the highest grading available for award.	Implemented	No

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR5	Members and officers need to work collaboratively to deliver the Improvement and Recovery Plan once it is finalised - so that in time, the improvement journey can be led and overseen by the Council itself.	2024/25	An IRP was adopted in October 2025. It is supported by a dedicated Project Management Office and overseen by an IRB. The IRB provides updates on progress to the Corporate Policy and Resources Committee and the Audit Committee. In April 2026, Internal Audit provided 3 medium-priority and 7 low-priority recommendations for strengthening governance over the IRP. Monitoring of progress with the IRP will remain important as the Council progresses towards vesting day for the successor authority. At the time of writing this report, there remains significant work to deliver in relation to securing financial sustainability and strengthening the Council's commercial standing. Members and officers will need to continue working together to deliver improvement. We note that Commissioners issued Statutory Instructions in August and October 2026 in connection with the sale of assets that members did not agree on. Our key recommendation is retained and amended, based on emerging findings for 2026/27.	Retained	Retained and amended key recommendation: Members and officers must work collaboratively with Commissioners to deliver the Improvement and Recovery Plan over the remaining months until vesting day. We note that assets rationalisation and debt reduction are both key features of the Council's IRP. Members and officers should engage with Commissioners to agree next steps for the strategic approach towards asset sales. **(KR3 2026/27, page 28).**

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	The Council should ensure that : 1. all financial reports that are relevant to decisions regarding short-term and medium-term planning are accurate and consistent. It should also ensure that the root causes of budget growth are identified and explained to members to ensure accuracy of financial plans. 2. urgently review the options for the suspended housing projects and assess the impacts for KGE. 3. a sustainable business plan for KGE is approved. 4. a sustainable plan for the sinking funds reserve is approved which is a complete model, drawing in expertise as required to give confidence in the underlying assumptions in the model. 5. robust plans are approved to address the medium-term budget gaps and to reinstate its transformation programme as a matter of urgency.	2023/24	New templates were introduced for report writing during 2025/26, with new approvals processes. Joined up revenue and capital monitoring was introduced. A new finance system and training on report writing helped build quality into financial reports. The Sinking Fund was substantially repurposed during 2025/26, falling from £26.3 million to £9.8 million as balances were redistributed to other earmarked reserves to reflect that the commercial properties that they had related to are now intended for disposal. The Council developed IRP savings of £1.1 million for 2026/27 which are on track to be delivered, with some over-delivery for temporary accommodation. The Council developed excel spreadsheets for management to monitor savings delivery. Monitoring data can also now be extracted direct from the new finance system. A decision on the future of KGE Ltd is expected awaited, after independent professional advice has been received.	Retained but amended	Amended key recommendation: A decision on the future of KGE Ltd must be made by the Council within sufficient time to allow for smooth transfer of housing assets before or on vesting day. The Council should provide the Shadow Authority for West Surrey Council with clarity about the arrangements that will be in place on vesting day for KGE Ltd. **(KR2 2025/26, page 25).**

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR2	The Council should ensure that the Financial Reporting Working Group is appropriately resourced to enable it to quickly provide guidance and training to officers in report writing. If necessary, appropriate training should be given to report writers. The Council should consider whether a follow-up internal audit of the implementation of the Committee system should be undertaken and in particular to consider the effectiveness of scrutiny and the timeliness of decision making.	2023/24	New templates were introduced for report writing from July 2025 onwards and members we interviewed in June 2026 were positive about the improved clarity in the new reports to support decision making. New controls were also introduced in 2025/26 in relation to approval sign offs for reports before they are shared with the management team, members and Commissioners. An internal audit of decision making and accountability was undertaken and reported on in November 2025. Internal Audit concluded that Reasonable Assurance can be provided over arrangements for decision making and accountability, and there were no high-priority recommendations raised.	Implemented	No

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR3	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 with regard to actions taken. In addition, the Council should ensure that those dates are only exceeded by exception and adequate explanations for delays are recorded. The Commercial Assets Sub Committee forward plan should also be updated to include reviews of the investment portfolio risk register.	2023/24	A new Governance Assurance Framework was adopted early in 2026/27. It is too early to assess effectiveness.	In progress	Retained: 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 with regard to actions taken. In addition, the Council should ensure that those dates are only exceeded by exception and adequate explanations for delays are recorded. The Commercial Assets Sub Committee forward plan should also be updated to include reviews of the investment portfolio risk register. (KR4 2025/26, page 29)

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR4	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.	2023/24	A task and finish group reviewed arrangements at KGE Ltd. Commissioners are aware that One councillor and one officer from the Council remain on the KGE Ltd Board. A decision on the future of the company is awaited.	In progress	Retained 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. **(KR5 2025/26, page 30).**
KR5	The Council should ensure corporate performance monitoring of its strategic priorities is undertaken and reported to the Corporate Policy and Resources Committee 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	2023/24	Quarterly KPI reporting to the Corporate Policy and Resources Committee was introduced during 2025/26. Quarter 1 KPIs were shared with the Committee in October 2025; Q2 KPIs were shared in February 2026; Q3 KPIs were shared in April 2026; and Q4 KPIs were shared in May 2026. Arrangements have been agreed to share quarterly indicators for 2026/27 from Q2 onwards.	Implemented	No

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Follow up of 2024/25 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR7	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 also ensure that suitable performance metrics including regulation/rule breaches and contract waivers are introduced with reporting through to the Audit Committee on a quarterly basis.	2023/24	The Head of Procurement post became vacant during 2025/26 and remains vacant at the time of writing this report. Waiver reporting to the Audit Committee (for example an annual or bi-annual report on activity) has not yet been introduced; the Council is in the process of seeking agency recruitment to support capacity in the procurement team; and new KPIs need time to embed.	Retained	Retained key recommendation: The Council must ensure that the remaining necessary changes to procurement and contract management arrangements are put in place to ensure that efficiencies and economies are maximised. The Council should also ensure that suitable performance metrics including regulation and rule breaches and contract waivers are introduced with reporting through to the Audit Committee on a quarterly basis. (KR6 2025/26, page 34)

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07 Appendices

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Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



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Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council's Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

A range of different recommendations can be raised by the Council's auditors as follows:

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Council should further review the implementation of the Centros financial system to ensure that all 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 use of the system by members and officers.	2023/24	The new finance system has been used in 2025/26 to enhance financial report writing. It is also being used by budget holders to review budgets, and it is being used for dashboard reporting. Effective use has been made of the platform while the Council and officers waits for vesting day and the new systems that will be adopted by West Surrey Council.	Closed	No

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Spelthorne Borough Council

Audit progress report and sector update

November 2026



Agenda

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Audit progress report

Grant Thornton

Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates on emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:
Local government | Grant Thornton

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Key Audit Partner or Senior Manager.

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Progress as at 6 November 2026

Financial statements audit 2025/26

Our priority for the 2025/26 financial statements audit is to gain assurance on in-year transactions and closing balances at 31 March 2026. Our initial phase of the audit started on 13 July 2026. This phase ran for two weeks, with the audit team focused on selecting samples across key areas of the financial statements. During this period, we selected samples in some of the key areas. However, due to the Council continuing to undertake work on the collection fund at this time, we agreed with the finance team to defer selecting samples for journals, debtors, creditors and collection fund items until the end of September.

At the end of September 2026, we returned to the Council to select samples from the above remaining areas and to process the evidence received from the finance team in relation to samples selected in the initial phase. As at 6 November 2026, we have selected all the samples in the remaining key areas.

The finance team continues to engage well with the audit process. The quantity and quality of the evidence being provided in support of the samples selected for testing is of the required standard and the finance team is responding promptly to our queries and requests for further information.

As at 6 November 2026, we were able to process and clear approximately 78% of the samples selected for testing with 4 weeks of the audit fieldwork remaining. We remain on track to provide the Council with more assurance on transactions and balances than in the previous year.

Given the current stage of the audit, we agreed with the finance team to present the Audit Findings Report to the January Audit Committee, ahead of the backstop date. The Audit Findings Report will highlight the key findings from the 2025/26 audit and set out in detail the levels of assurance that we are able to provide across balances and transactions in 2025/26 compared with the previous year.

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Progress as at 6 November 2026 (continued)

The position of samples selected for testing as at 6 November is as follows:

Samples	Number
Samples selected	388
Auditor awaiting evidence from the finance team	30
Auditor processing evidence provided	35
Auditor query on evidence awaiting response from the finance team	19
Completed	304

Other non-transactional and technical areas of the audit are continuing to progress to the agreed timetable.

Value for money review 2025/26

Under the 2024 Code of Audit Practice, we are required to undertake sufficient work to satisfy ourselves that the Council "has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources."

The Auditor's Annual Report highlights the findings of our Value for Money work. This is a separate item on the agenda.

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Audit deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 deliverables	Planned date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach to give an opinion on the Council's 2025/26 financial statements.	June 2026	Completed
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	28 January 2027	Not yet due
Auditor's Report This includes the opinion on the Council's financial statements.	By the backstop date of 31 January 2027	Not yet due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	On the agenda

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Sector updates

Making the Annual Governance Statement matter

Audit Committees are responsible for approving the AGS (sometimes with Full Council too) and should seek assurance it reflects a robust review against the CIPFA/SOLACE principles, a well-developed Code of Corporate Governance, and a clear assessment of effectiveness.

- An evidence-based, candid view of strengths, weaknesses and planned improvements
- Effectiveness is a qualitative judgement — not just a policy checklist
- The review and drafting of the AGS should always be internally led
- Senior officers must show genuine ownership, directed by members
- An organisation-wide understanding of how governance works in practice

> **The AGS is a key indicator of the effectiveness of a council's governance framework and a potential early warning sign of wider governance weaknesses.**
>
> Grant Thornton UK, July 2026

Read our full article → Published 20 July 2026

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Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

Local audit reset: What comes after the backstop? | Grant Thornton

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton

Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?

Learning from the new unitary councils

Grant Thornton learning on procurement and contract management:

Local government procurement and contract management

Audit Committee and organisational effectiveness in local authorities (CIPFA):

https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk, LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Global Internal Audit Standards in the UK Public Sector | CIPFA

CIPFA Good Governance

Delivering Good Governance in Local Government Addendum

The Three Lines of Defence Model (IIA)
https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf

Risk Management Guidance / The Orange Book (UK Government):

https://www.gov.uk/government/publications/orange-book

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Committee Report Checklist

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

Stage 1
Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	**N/A**	
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	**N/A**	
Relevant Group Head review	**N/A**	
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**N/A**	
This item is on the Forward Plan for the relevant committee	**Y**	
	Reviewed by	
Finance comments		
Risk comments	**LO**	**21/10/26**
Legal comments	**LH**	**20/10/26**
HR comments (if applicable)	**N/A**	

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

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

Stage 2
Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**20/10/26**
S151 Officer commentary – at least **5 working days before MAT**	**T Collier**	**20/10/26**
Confirm final report cleared by MAT		

Audit Committee

26 November 2026

Title	Internal Audit Progress Report October 2026
Purpose of the report	To inform, assure and approve
Report Author	Iona Bond, 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	**The Committee is asked:** **1. To note the Internal Audit Progress Report – October 2026 (Appendix A), and** **2. To approve the adjustments to the internal audit plan 2026/27.**
Reason for Recommendation	In accordance with the Global Internal Audit Standards in UK Public Sector the Chief Internal Auditor is required to provide a written status report to the Audit Committee.

1. Executive summary of the report

What is the situation	Why we want to do something
• In accordance with the Global Internal Audit Standards in UK Public Sector 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.	• 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
• Consider the internal audit progress report for awareness of issues raised and to monitor the implementation of management actions raised to mitigate identified risks.	• To inform and assure Management Team and Group Heads of internal audit progress against the planned assurance assignments and key issues raised for 2026/27 and confirm it is agreeable and to note changes to the 2026-27 annual audit plan. • To inform and assure the Audit Committee of the Internal Audit Progress at the meeting of 26 November 2026. • For the Audit Committee to approve changes to the 2026-27 annual audit plan.

1.1 This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan for 2026-27 and to provide an overview of the outstanding management actions.

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 In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), the Chief Internal Auditor is required to provide a written status report to the Audit Committee, summarising:

- ongoing confirmation or otherwise regarding independence, and impairments [Standard 7.1]
- a summary of significant issues and escalation of matters of importance [Standard 8.1]
- overview and sufficiency of resourcing [Standards 8.2, 10.1, 10.2, and 10.3]

- communication of unresolved issues that fall outside of the Council's risk tolerance [Standard 11.5]
- update on progress and any changes to the annual audit plan [Standard 9.4]
- internal audit performance measures [Standard 12.2]
- status of 'live' internal audit reports and status on the implementation of management actions [Standard 15.2]

2.4 Members are requested to note the Internal Audit Progress Report – October 2026 (Appendix A) and approve adjustments to the internal audit plan 2026-27.

3. Options appraisal and proposal

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

4. Governance and risk considerations

4.1 In producing the programme of audit work for 2026/27 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 2026/27.

4.2 The plan remains fluid during the year and is amended as necessary to adapt to changes within the Council's operating environment. Such changes are shown for Members consideration and approval within the regular internal audit progress reports.

5. Financial implications

5.1 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.

6. Legal comments

6.1 The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.

6.2 The Global Internal Audit Standards in UK Public Sector are mandatory further to the Accounts and Audit (England) Regulations 2015 within which there is a requirement to provide a written status report to the Audit Committee.

6.3 This report assists the Council to demonstrate compliance with the statutory requirements.

Corporate implications

7. S151 Officer comments

7.1 As S151 Officer, it is important to receive timely and comprehensive assurance, that the audit plan is on track and to have feedback on risks and emerging issues, and equally feedback on progress being made on addressing risks identified in recent external reviews. The S151 Officer fully supports SIAP and the Audit Committee in seeking to ensure that officers and SIAP are working effectively to ensure that the audits in the plan are delivered. The S151 Officer and SIAP have periodically met to ensure that overall the plan remains on track for 2026-27. As stated above there are no additional budget implications.

8. Monitoring Officer comments

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

9. Procurement comments

9.1 There are no procurement implications arising from this report.

10. Equality and Diversity

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

11. Sustainability/Climate Change Implications

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

12. Other considerations

12.1 None.

13. Timetable for implementation

13.1 Applicable for the period 1 April 2026 – 31 March 2027

14. Contact

14.1 Iona Bond, Deputy Head of Southern Internal Audit Partnership
iona.bond@hants.gov.uk

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

Background papers: Internal Audit Plan 2026-27*.*

Appendices:
Appendix A – Internal Audit Progress Report October 2026

Southern Internal Audit Partnership

Assurance through excellence and innovation

Internal Audit Progress Report

Spelthorne Borough Council – October 2026

Prepared by: Iona Bond, Deputy Head of Partnership

October 2026

1. 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.'

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

'*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.

2. Internal Audit Standards

With effect from 1 April 2025, the 'Standards' against which internal audit within the public sector must conform 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 are referred to as the Global Internal Audit Standards in the UK Public Sector.

3. Purpose of Report

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

- The monitoring of 'live' internal audit reports
- an update on progress against the annual audit plan and any subsequent revisions
- acknowledgement of any actual or perceived impairments to internal audit independence
- internal audit performance, planning and resourcing issues
- results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to 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.

4. Resourcing

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 (2026/27) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- **Human Resource -** the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- **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.

I have not been made aware of any implications on organisational capacity that may adversely affect the delivery of the internal audit plan.

5. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2026-27 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed. I can confirm there has been no interference encountered relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

7. Rolling Work Programme

The internal audit plan for 2026-27 was originally presented to Senior Management and approved by the Audit Committee in March 2026. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed below.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Accounts Payable	DCE/S.151	28.04.26	22.05.26	21.07.26	21.08.26	08.10.26	Limited	
HR – Vacancy Management inc. Capacity	DCE	31.03.26	05.05.26	27.04.26	18.06.26	05.08.26	Reasonable	
Homelessness – Supported Accommodation	DCE	20.04.26	24.06.26	06.07.26	09.09.26	16.11.26	Reasonable	
Corporate Performance Management Framework	DCE	20.07.26	11.08.26	24.08.26	14.10.26	06.11.26	Reasonable	
Procurement	CGMO	20.05.26	19.06.26	13.07.26	06.11.26			
Medium Term Financial Planning and Savings Realisation	DCE/S.151	12.06.26	16.07.26	20.07.26	18.09.26	07.10.26	Reasonable	
Follow Up – Accounts Receivable and Debt Management	DCE/S.151	23.07.26	23.07.26	04.08.26	15.09.26	05.10.26	N/A	All original management actions implemented. One additional management action identified.
Follow Up – Tree Maintenance	DCE	11.08.26	11.08.26	20.08.26	06.10.26	05.11.26	N/A	Revised target date for one management action. All others implemented.
IT – Security Information and Event management	DCE	11.06.26	09.09.26	21.09.26	28.10.26			
Nightly Paid Accommodation Delivery Plan	DCE/S.151	25.08.26	11.09.26	06.10.26	06.11.26			
Council Tax	DCE/S.151	02.11.26						

Senior Management Sponsors	
DCE/S.151	Deputy Chief E Executive and S.151 Officer
DCE	Deputy Chief Executive
CGMO	Head of Corporate Governance and Monitoring (Monitoring Officer)

8. Adjustment to the Internal Audit Plan 2026-27

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

Such amendments to the 2026-27 internal audit plan are detailed below with explanations for the proposed amendments.

	Audit Review	Reason for inclusion in the plan
Additions	Homelessness – Nightly Paid Accommodation Delivery Plan	In lieu of a targeted audit on the sourcing of temporary accommodations costs a wider audit review of the Housing Savings Delivery Plan has been added. The indicative scope of this review will be to review the governance processes regarding the assumptions contributing towards forecasted savings and actions within the plan for delivery. We will also review the ongoing monitoring and management of actions towards overall delivery of the identified savings. As the Housing Savings Delivery Plan was only approved in June there is likely to be limited detailed testing on some of the elements that can be done.

		This change to the plan has been made following consultation with the Deputy Chief Executive/Section 151 Officer and the Chair of Audit Committee.
Withdrawals	**Audit Review**	**Reason for removal from the plan**
	Homelessness – Sourcing Temporary Accommodation	A Procurement Framework for the provision of nightly paid accommodation has not yet been established. Additionally, an external consultant has been commissioned to assist with the negotiation of nightly paid accommodation charges. Therefore, at this time there is no added benefit of a full audit review being conducted. The reduction of nightly paid accommodation costs is a key element of the Council's savings delivery plan for which there is an ongoing internal audit review, so there will be an element of audit review and testing on this. This change to the plan has been made following consultation with the Deputy Chief Executive/Section 151 Officer and the Chair of Audit Committee.
	Governance Assurance	No added benefit in undertaking a review on this area at this time. Significant work is currently underway via the relevant LGR workstream to amalgamate all sovereign risk registers for vesting day. The Council is also separately commissioning a post implementation review following the change to the governance assurance framework methodology the results of which will be reported in due course to the Audit Committee. We will seek to place reliance on this work where possible for the purposes of our annual audit conclusion.

	Follow Up – Building Control	Constraints on resourcing within the service mean are such that the follow up review cannot be accommodated. We are aware that an independent review has recently been undertaken by the Building Safety Regulator and actions arising from this review are being progressed. We will seek to place reliance on this work where possible for the purposes of our annual audit conclusion.

9. Acceptance of Risk

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 are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to Senior Management and Audit Committee as deemed necessary. There are no such instances to report from our delivery of the 2026–27 internal audit plan to date.

10. Fraud & Irregularity

In accordance with the internal audit charter and the audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

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

There has been one report published concluding with a 'limited' assurance opinion for inclusion within this progress report.

Title: Accounts Payable		
Audit Sponsor	**Assurance opinion**	**Management Actions**
Deputy Chief Executive	Limited	2 High, 6 Medium, 0 Low

Summary of key observations:

The purpose of the audit was to review the framework of control in place for creditor payments.

Positively we were able to confirm that overall appropriate documentation was in place for payments made and setting up new suppliers. We also established that routine reports are used to prompt for timely authorisation of expenditure. We also confirmed that payments over £500 and payments made within 30 days were being appropriately reported in line with transparency requirements.

However, we also identified that payment runs are not consistently authorised prior to actioning and there is an absence of segregation of duties regarding the processing of the BACs file. Additionally, although there is a system of control in place to verify suppliers we identified a number that had been set up on the system more than once. We also identified that the secondary review of bank account detail changes had not been completed in one of the three cases selected

Appropriate management actions were identified and have been implemented to mitigate the risks/issues identified.

12. Analysis of 'Live Audit Reviews'

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions														
				Agreed			Pending			Complete			Retired			Overdue		
				L	M	H	L	M	H	L	M	H	L	M	H	L	M	H
2025/26																		
Community Infrastructure Levy	May 2026	DCE	Reasonable	-	3	4	-	1		-	2	3	-	-	1	-	-	-
2026/27																		
Follow Up – Accounts Receivable and Debt Management	Oct 2026	DCE/S.151	N/A	-	4	-	-	1	-	-	3	-	-	-	-	-	-	-
Homelessness – Supported Accommodation	Nov 2026	DCE	Reasonable	4	4	-	2	2	-	2	2	-	-	-	-	-	-	-
Corporate Performance Management Framework	Nov 2026	DCE	Reasonable	4	1	-	3	1	-	1	-	-	-	-	-	-	-	-
Follow Up – Tree Maintenance	Nov 2026	DCE	N/A	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Total				**8**	**13**	**4**	**5**	**6**	**-**	**3**	**7**	**3**	**-**	**-**	**1**	**-**	**-**	**-**

Annex 1

Overdue 'High Priority' Management Actions

There are no overdue 'high'priority management actions.

Annex 2

Overdue 'Low & Medium Priority' Management Actions

There are no overdue 'low' or 'medium' priority management actions.

Annex 3

Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 26/27	Status
1. Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	91%	
2. Audits delivered within agreed timescales (% year to date)				
○ To issue of draft report	Ongoing	80%	50%	
○ To issue of final report	Ongoing	80%	37%	
3. Audits conducted optimising the effective use of data analytics (% year to date)	Ongoing	60%	100%	
4. Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Generally conforms	Generally conforms	

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Committee Report Checklist

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

Stage 1
Report checklist – responsibility of report owner – Shared with all 02/11/26

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review		
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)		
This item is on the Forward Plan for the relevant committee	**YES**	
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	**LO**	**03/11/26**
Legal comments (circulate to legal@spelthorne.gov.uk)	**LH**	**04/11/26**
HR comments (if applicable)	**N/A**	

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

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

Stage 2
Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**04/11/26**
S151 Officer commentary – at least **5 working days before MAT**	**T. Collier**	**03/11/2026**
Commissioner engagement	**J. Kingston**	**02/11/2026**
	Delete as applicable:	No issues
Relevant MAT member sign-off		
Report reviewed by Management Team		

Audit Committee

26 November 2026

Title	*Monitoring of revised Improvement & Recovery Plan (IRP)*
Purpose of the report	To inform and assure
Report Author	*Daniel Dredge Programme Manager*
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	*This item is not in the current list of Corporate Priorities but still requires a Committee decision.*
Recommendations	**Committee is asked to:** 1. Note the update on the structure and progress of the revised Improvement & Recovery Plan (IRP) 2. Consider whether arrangements for governance of IRP are sufficient. **3.** Consider the need for any changes or amendments to the information on IRP progress and governance being reported to the Audit Committee.
Reason for Recommendation	As an integral element of the Council's governance and assurance apparatus, the Audit Committee has a responsibility to consider progress in delivering the IRP, obtaining assurance that appropriate governance is in place to support IRP delivery.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
• In April 2026, Corporate Policy and Resources Committee agreed 15 high-priority outcomes to focus improvement activity for the remainder of the financial year. Having established those priorities, this report now sets out progress against their delivery.	• The Audit Committee is a significant element of the governance arrangements of the IRP, with the remit to scrutinise assurance arrangements for ensuring progress and mitigating risk. This paper provides details of IRP governance arrangements, including the structure and progress of the IRP.
This is what we want to do about it	These are the next steps

• Note the update on the governance and programme management arrangements supporting delivery of the Improvement & Recovery Plan (IRP). • Consider whether arrangements for governance of IRP are sufficient.	• Audit Committee Members consider the need for any changes or amendments to the information on IRP progress and governance being reported to the Audit Committee

2. Key issues

2.1 This report (see Appendix A) seeks to provide Audit Committee with an update on the governance and oversight arrangements for the Improvement and Recovery Plan (IRP), including an overview of the themes and workstreams, the various roles (Programme Manager, SRO etc.) and how the IRP Board interacts with other Council committees and officers.

2.2 The report also provides an update on arrangements for monitoring the 15 high-priority outcomes, including the introduction of Delivery RAG, Outcome RAG and Direction of Travel reporting to strengthen performance monitoring and oversight.

2.3 A detailed report on the performance of the Improvement and Recovery Plan (IRP) Governance Assurance arrangement is being provided to Audit Committee separately.

3. Options appraisal and proposal

3.1 Option 1 (Preferred Option):
Audit Committee notes the report at Appendix A. This will provide assurance that appropriate governance, oversight, monitoring and reporting arrangements remain in place for the Improvement and Recovery Plan (IRP), including monitoring of the 15 high-priority outcomes.

3.2 Option 2:
Audit Committee notes the report subject to further amendments or additional information being provided.

3.3 Option 3:
Audit Committee does not note the report.

4. Governance and Risk Considerations

4.1 There are no specific risk implications arising from this report. Risks associated with delivery of the Improvement and Recovery Plan (IRP) are managed through a dedicated IRP RAID log, which is maintained by the Council's Programme Management Office (PMO).

4.2 Ensuring effective governance arrangements are in place to support delivery of the IRP forms part of the Council's Governance Assurance Framework. Appendix A provides further detail on the governance, oversight and monitoring arrangements in place and is intended to provide Audit Committee with assurance that these arrangements remain effective

5. Financial implications

5.1 There are no procurement implications arising directly from this report. The budget allocated to implementing the plan is c£114k and is being monitored monthly. As well the reporting will be monthly via the budget monitoring report and the dedicated IRB report.

6. Legal comments

6.1 There are no legal implications arising directly from the recommendations in this assurance report.

6.2 This assurance report assists the Audit Committee in discharging its oversight role by providing assurance on the progress and governance of the Improvement and Recovery Plan.

Corporate implications

7. Commissioners' comments

7.1 Report has been shared with Commissioners. No issues were noted.

8. S151 Officer comments

8.1 The S151 Officer notes that there are no direct financial implications arising from this report. Clearly a key focus of the IRP is around ensuring a sustainable medium-term financial position for Spelthorne/West Surrey and have effective assurance that there are appropriate governance arrangements underpinning the programme management of IRP is important.

9. Monitoring Officer comments

9.1 As part of the Statutory Directions, the Council is required to improve governance and risk management. The Audit Committee has an important assurance role in overseeing the delivery, progress and governance of the Improvement and Recovery Plan.

10. Procurement comments

10.1 There are no procurement implications arising directly from this report.

11. Equality and Diversity

11.1 There are no obvious equality and diversity issues arising from this report to the Audit Committee.

12. Sustainability/Climate Change Implications

12.1 *There are no Sustainability / Climate change implications associated with these proposals.*

13. Other considerations

13.1 None.

14. Local Government Reorganisation Implications

14.1 While LGR is a workstream with the Council's Improvement and Recovery Programme, which this report relates to, there are no specific LGR implications associated with this report to the Audit Committee.

15. Timetable for implementation

15.1 Not applicable

16. Contact

16.1 Daniel Dredge, Programme Manager Daniel.dredge@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: There are none.

Appendices:
List as Appendix A, B etc with a short description of each.
Appendix A – Monitoring of Improvement and Recovery Plan Report Oct 26
Appendix B – IRP Risk Register

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APPENDIX A

Monitoring of Revised Improvement and Recovery Plan

Background

This report provides Audit Committee with an update on the governance, monitoring and assurance arrangements supporting delivery of the Council's Improvement and Recovery Plan (IRP). The previous report to Audit Committee in June 2026 outlined the revised Improvement and Recovery Plan, the governance arrangements supporting delivery and the introduction of Plans on a Page for the programme's High-Priority Deliverables. It also considered the arrangements for monitoring progress, managing risks and reporting assurance to Members.

The revised Improvement and Recovery Plan was approved by the Corporate Policy and Resources Committee (CPRC) in February 2026. The Plan remains the Council's principal improvement programme and provides the framework through which the Council continues to respond to the Secretary of State's Directions whilst preparing for Vesting Day on 1 April 2027.

In April 2026, CPRC agreed fifteen High-Priority Deliverables to focus activity on those outcomes considered most important during the remainder of the programme. These deliverables continue to provide the basis for programme monitoring and oversight through the Improvement and Recovery Board (IRB).

This report provides an update on the governance arrangements supporting delivery of the programme and the developments made since the previous report, including programme governance, monitoring arrangements, risk management and assurance
The IRP remains structured around four Themes, each divided into workstreams. The Themes are show below:

Figure 1: IRP Themes

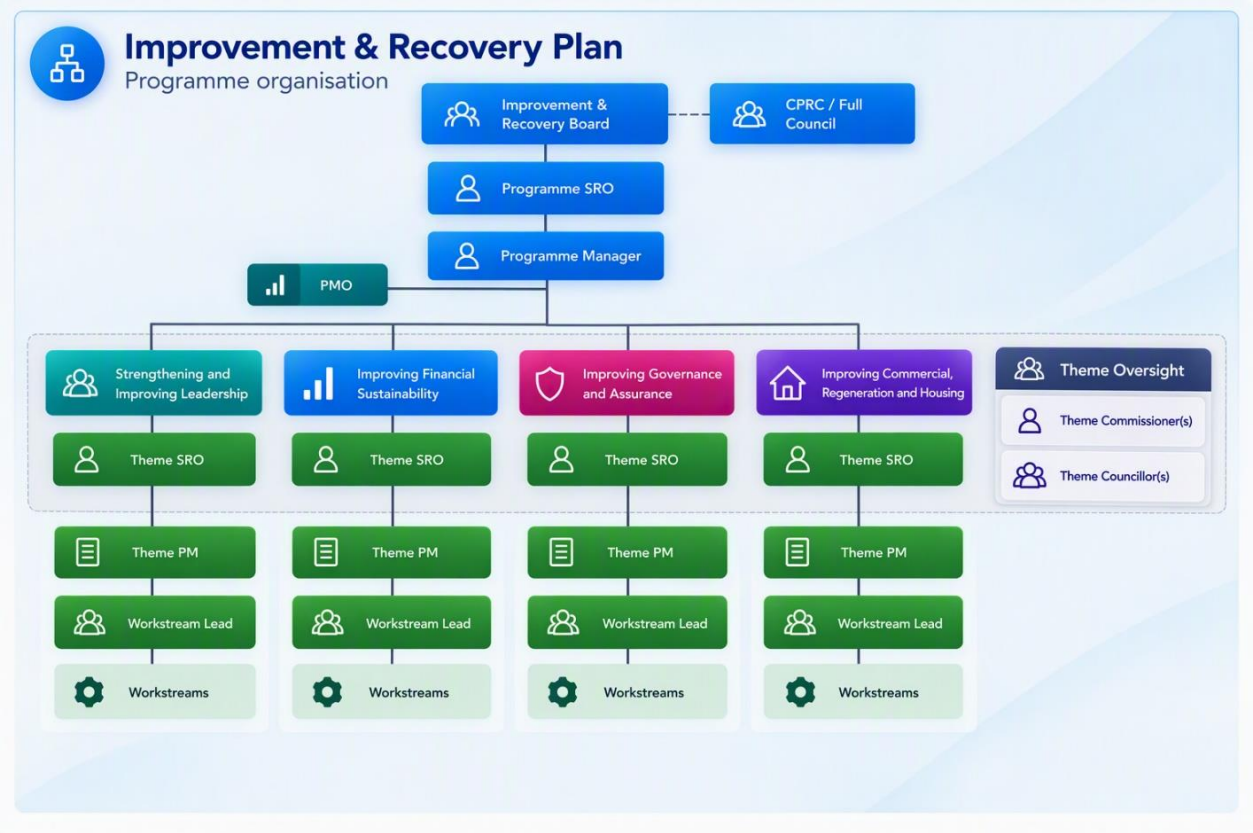


The fifteen High-Priority Deliverables agreed by CPRC in April 2026 remain the focus of the programme. They cover the outcomes considered most important during the period leading up to Vesting Day on 1 April 2027. Detailed performance against those deliverables is reported separately through the Council's six-month progress update and associated performance reporting. This report focuses on the governance and assurance arrangements used to oversee delivery, identify risk and provide challenge.

Programme governance

The programme organisation is shown in Figure 2. This sets out how the Improvement and Recovery Programme is structured and highlights the relationships between the principal programme roles.

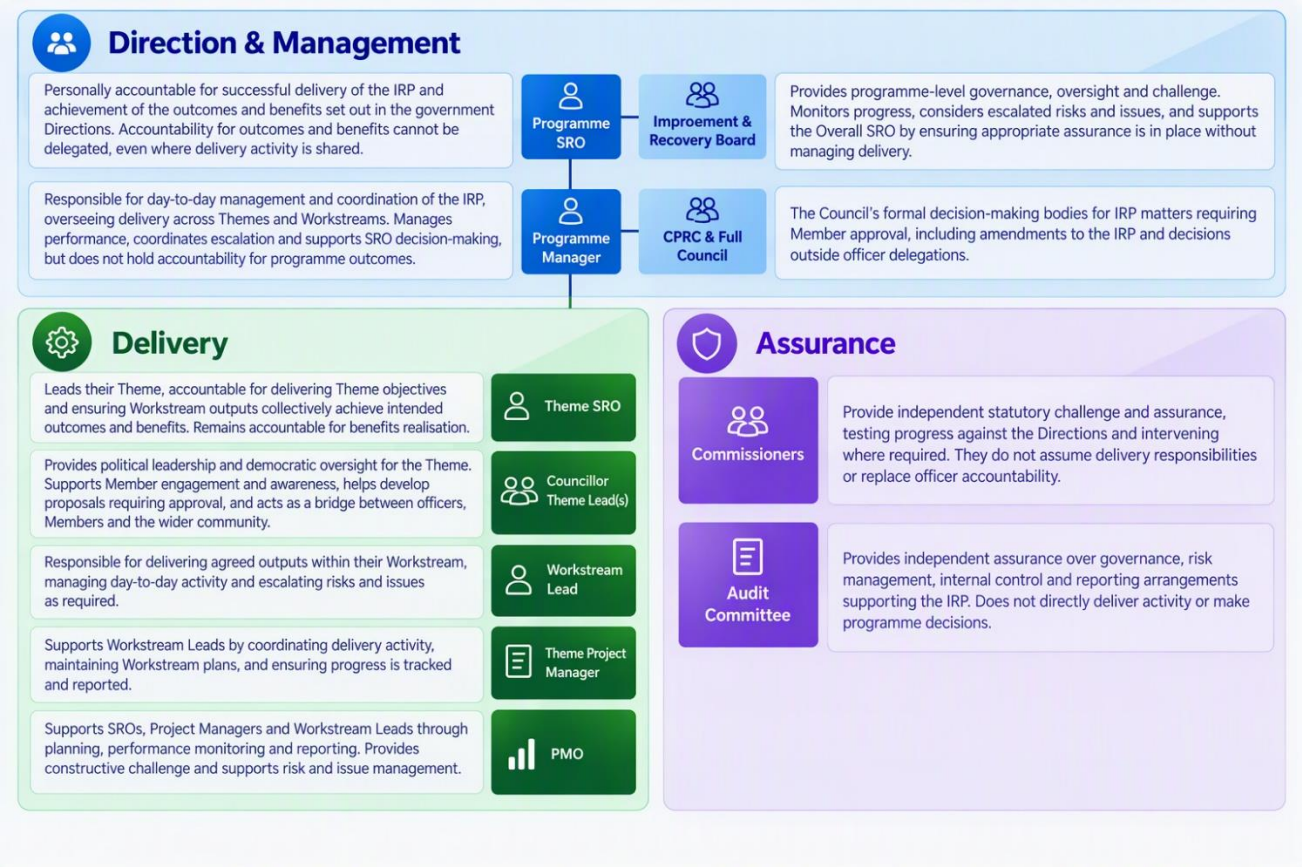
Figure 2: Programme Organisation



At the time of the June report, the programme Roles and Responsibilities document was still being reviewed. That work has now concluded, and the final document includes the programme organisation, detailed role descriptions and RACI matrices at programme, Theme and workstream level.

The principal roles are summarised in Figure 3.

Figure 3: Programme Governance, Delivery and Assurance Arrangements



The completed RACI matrices provide greater clarity about who carries out each activity, who owns the outcome, who should be consulted and who must be kept informed. At programme level, the Chief Executive remains accountable for the IRP and its outcomes. Theme SROs are accountable for delivery at Theme and workstream level, while Workstream Leads and supporting resources are responsible for delivering the work. The arrangements also make clear that the IRB provides oversight and challenge without taking responsibility for operational delivery.

Improvement and Recovery Board (IRB)

Programme progress continues to be overseen by the Improvement and Recovery Board. The Board brings together Commissioners, the Programme SRO, Programme Manager, Theme SROs, the PMO and relevant Members. It meets monthly to review progress, risks, resource requirements and any significant issues affecting delivery of the programme. The IRB is not a formal decision-making body. Decisions requiring Member approval continue to be made through the Council's established Committee and Council arrangements. The Board's role is to review progress, discuss emerging issues and provide challenge where concerns arise.

The Commissioner arrangements changed during the reporting period. In July 2026, the Minister established a single Commissioner team across Spelthorne and Woking. The team is led by Lesley Seary and supported by Barry Scarr and Deborah McLaughlin. Commissioners continue
to provide support, challenge and independent assurance as the Council progresses towards Vesting Day.

The Commissioners' second report recognised improvements in programme management and welcomed the stronger grip and control over delivery. The report also highlighted the

need to maintain momentum and manage capacity carefully during the final period before Vesting Day.

High-priority areas

The fifteen High-Priority Deliverables agreed by CPRC in April 2026 remain the basis for programme oversight and reporting and therefore continue to be monitored through the IRB arrangements.
The deliverables are grouped as follows:

Theme	Ref	Priority Deliverable
1.Strengthening and Improving Leadership	**1.1**	Fully engage with and support the Surrey Local Government Reorganisation programme through to Vesting Day, including continuing to lead the Procurement and Contracts Theme.
2. Improving Financial Sustainability	**2.1**	To produce an update on the MTFS (Medium Term Financial Strategy) position for the period FY27/28 to FY29/30, to be presented to CPRC in November 2026. Continue to feed the latest MTFS position into West Surrey budget planning process, which is due to conclude in February 2027. The various MTFS updates will reflect the latest forecast financial position at the time of being developed.
	2.2	Develop and agree a savings plan for the current financial year (FY26/27) and then deliver the plan to achieve a minimum of £1m of in-year, recurring annual savings (rather than one-off savings) this financial year
	2.3	Identify savings opportunities for the financial year (FY27/28) to feed into the West Surrey budget planning process
	2.4	Produce final accounts for the last financial year (FY25/26) that when audited will address the 5 key recommendations highlighted by the External Auditors follow a review of the FY2425 annual accounts
	2.5	Develop and agree a plan with the West Surrey Section 151 Officer (once appointed) to produce the accounts for the current financial year (FY2627)
3. Improving Governance and Assurance	**3.1**	Governance and Assurance Framework, including risk management and assurance reporting
4. Improving Commercial, Regeneration and Housing	**4.1**	Develop an updated Commercial asset disposal strategy and programme to include timeline and target values to be achieved, and delivery of the disposal programme to achieve financial targets quarter by quarter.
	4.2	Develop and agree a Commercial strategy for the Council with CPRC by end April 2026.
	4.3	Complete a review / appraisal of options/issues/liabilities for BP site by end of FY2627.
	4.4	Develop and deliver a plan with the aim of disposal of the Council's regeneration sites by the 31 March 2027.
	4.5	Develop and get approval for the Staines Master Plan that will help shape the future of Staines and deliver high-quality development. Staines Master Plan to be agreed by Council in Autumn 2026
	4.6	Demonstrate a clear reduction in spend on temporary accommodation quarter on quarter over the next 12 months and aim to reduce by at least half the use of nightly paid

		accommodation by the end of the current financial year (FY2627).
	4.7	Get agreement on the future of Knowle Green Estates (KGE) by the end of December 2026
	4.8	Develop and agree a 3-year plan to deliver the housing number agreed in the Local Plan. Plan to be approved by Council by end of December 2026.

In this reporting period, the wording of Priority Deliverables 2.1 and 2.3 were revised to reflect their relationship with the emerging West Surrey budget process. The revised wording was agreed through the programme governance arrangements and presented to the October IRB for formal approval.

These changes illustrate the importance of maintaining a visible baseline and ensuring that amendments to deliverables or target dates are considered and recorded through the programme governance arrangements.

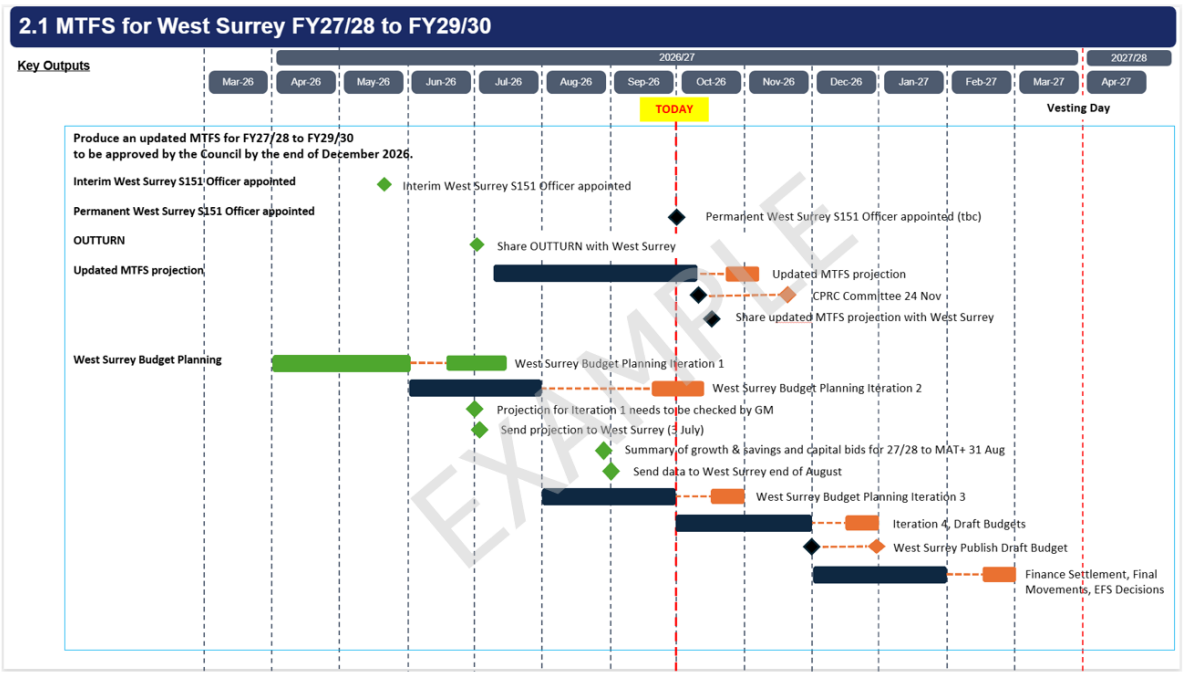
Plans on a Page

Plans on a Page have now been completed for all fifteen High-Priority Deliverables and are included within the regular reporting considered by the Improvement and Recovery Board. The format has continued to evolve and now provides a clearer picture of progress against each deliverable.

Key milestones are identified throughout the delivery route, completed milestones are clearly marked and any slippage against planned timescales can be more easily seen.
The plans also show dependencies between activities and help identify the critical path for each deliverable.

This has proved particularly useful where progress depends on external decisions, third-party activity or work being completed elsewhere within the programme.
The Plans on a Page are considered alongside Delivery and Outcome RAG assessments, programme risks and performance dashboards.

Figure 3: Plan on a page (POAP example for a high-priority deliverable



Monitoring of progress

A revised reporting approach was introduced during the reporting period and is now used for all fifteen High-Priority Deliverables. Each deliverable is assessed using a Delivery RAG, an Outcome RAG and a Direction of Travel indicator.

- Delivery RAG: indicates whether the agreed plan, activities and target date remain on track
- Outcome RAG: indicates the assessed risk that the intended outcome will not be delivered in full.
- Direction-of-travel indicator: indicates whether the position has improved, remained unchanged or declined since the previous reporting period

The Delivery RAG definitions are:

Rating	Definition
Red	Delivery or the target end date has slipped against plan, or no plan is in place. Corrective action or agreement of revised delivery dates is required.
Amber	Delivery is at risk of slipping, or there has been some slippage but the target end date is still considered achievable.
Green	Delivery remains on track according to the agreed plan.
Blue	The plan has been delivered or the work is complete.

The Outcome RAG definitions are:

Rating	Definition
Grey	Outcome measures have not yet been defined or agreed.
Red	There is a significant risk or concern that the outcome will not be delivered in full.
Amber	There is some risk that the outcome will not be delivered in full.
Green	There is a low risk of the outcome not being delivered in full.
Blue	The outcome has been delivered in full.

The Direction of travel definitions are:

Rating	Definition

↑	Improvement from the previous reporting period.
↔	no change from the previous reporting period
↓	decline from the previous reporting period.

The revised reporting arrangements provide a broader picture of progress than was previously available.

Delivery and Outcome RAG ratings allow progress against the agreed plan to be considered separately from confidence that the intended outcome will be achieved. The Direction of Travel indicator provides additional context by showing whether the position is improving, remaining stable or deteriorating.
A short narrative is also included for each High-Priority Deliverable. This explains the current position, highlights significant risks or issues and records any action being taken.

Governance Assurance

The Governance Assurance Framework provides a further point of reference. At the time this report was prepared, the Governance Assurance Area relating to delivery of the Improvement and Recovery Plan continued to be reported at a Moderate assurance level, consistent with the previous review cycles. This reflected the position that the key governance measures had been established and were operating as intended but had not yet been in place long enough to demonstrate sustained effectiveness.

Following completion of the latest review, the assurance level was subsequently increased to High. This reflected the fact that the programme's governance arrangements had now been operating consistently for several months, had become embedded within routine programme management and required no significant further development beyond ongoing monitoring and review. The revised assurance level will be reflected in future Governance Assurance reporting

	Governance Assurance Area	**Assurance Level (Audit Cttee. date)**				
		19/05/26	23/06/26	23/07/26	24/09/26	26/11/26
9	Ensuring there are effective governance arrangements in place to deliver the IRP	**M**	**M**	**M**	**M**	**H**

Governance Assurance Area	**Number of GAAs for specified RAG status**				**Number of GAAs for specified RAG status**				**Number of GAAs for specified RAG status**				**Number of GAAs for specified RAG status**			
	30-Jun				**25-Aug**				**22 Sept**				**23 Oct**			
	R	**A**	**G**	**B**	**R**	**A**	**G**	**B**	**R**	**A**	**G**	**B**	**R**	**A**	**G**	**B**
Delivery of IRP		7	3			4	6			4	6			2	4	2

Risk management

The programme risk register continues to be reviewed through the Improvement and Recovery Board and has been updated to reflect the fifteen High-Priority Deliverables.

The final Roles and Responsibilities document has clarified ownership of programme risks. Theme SROs are accountable for risks within their areas and are responsible for ensuring that significant concerns are reflected appropriately within programme reporting. The IRB reviews the highest programme risks and considers whether further action is required.

Risks are also captured through the monthly Theme dashboards and form part of the assessment of Delivery and Outcome RAG ratings. Where a risk is affecting progress or reducing confidence in achieving an outcome, this should be reflected in the relevant RAG assessment and supporting commentary. Issues can therefore be managed at a deliverable level before they require escalation through the programme risk register.

The current register contains four high, six medium and 1 low programme level risks.
See Appendix B: IRP Risk Register

Programme communications

To keep all Councillors updated on progress with the Improvement and Recovery Plan (IRP), there is a dedicated item on the Improvement and Recovery Board (IRB) agenda to discuss and agree the key messages to be shared with wider stakeholders. These key messages are then fed into the Chief Executives monthly Councillor Briefing email and staff communications.
IRB action notes are circulated to IRB attendees with 5 working days of the meeting and once agreed are then shared with the Audit Committee.

Key developments

The following describes the key governance and assurance developments in relation to the Improvement and Recovery Plan since the previous report to Audit Committee in June 2026:

- In July 2026, the Minister announced revised Commissioner arrangements and established a single Commissioner team across Spelthorne and Woking, led by Lesley Seary.
- Revised programme reporting was agreed by the Improvement and Recovery Board in July and introduced from August 2026. High-Priority Deliverables are now assessed through separate Delivery and Outcome RAG ratings, supported by Direction of Travel indicators and narrative reporting.
- The programme Roles and Responsibilities document and supporting RACI matrices have been finalised and incorporated into programme governance arrangements.
- A second review cycle has been completed across all twelve Governance Assurance Areas. Governance Assurance Area 9, covering delivery of the Improvement and Recovery Plan, has subsequently achieved a high assurance rating.
- The Commissioners' second report and the Minister's response recognised improvements in governance, leadership capacity, programme management and financial reporting, whilst continuing to identify financial sustainability and organisational capacity as areas requiring attention.

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Improvement and Recovery Plan Risk Register

The risks set out in this appendix are programme-level risks that could have a significant impact on delivery of the Improvement and Recovery Plan, achievement of the fifteen High-Priority Deliverables or the intended outcomes of the programme. They are reviewed through the Improvement and Recovery Board and focus on strategic risks that require oversight and management at a programme level.

More detailed operational, project and activity-level risks are managed within individual workstreams and service areas and are reported through the monthly Theme dashboards, Plans on a Page, Delivery and Outcome RAG assessments and supporting narrative reports. This approach supports the escalation of significant risks to programme level where required, while ensuring routine delivery risks are managed at the appropriate level.

ID	Description	Probability	Impact	RAG	Owner	Mitigating actions
IRPr1	That commercial asset rationalisation doesn't achieve the £170m capital receipts target in FY2627 leading to West Surrey having a greater financial challenge on day one.	Possible	High	H	CR&H SRO	• Delivery plan and critical path monitoring are in place to identify opportunities to accelerate activity and create contingency within the programme. • Alternative disposal options are considered where site-specific issues emerge. • Active management of the commercial disposal programme is maintained to maximise delivery against the £170m target. • Disposal modelling is reviewed regularly with the Finance Commissioner to improve understanding of timing impacts on reserves and the wider financial position. • Options to reduce the financial impact of lost rental income remain under review.
IRPr3	There is a risk that the Council is unable to deliver the housing numbers agreed in the Local Plan due to insufficient deliverable sites, stalled sites, market factors or delivery barriers	Probable	Medium	H	CR&H SRO	• Housing pipeline review and validation arrangements are in place. • Site information, baseline data and housing pipeline intelligence are maintained and updated to support delivery planning.

						• Monitoring arrangements are being developed to identify stalled sites and assign ownership for corrective action. • Engagement with Registered Providers and housing partners forms part of the wider delivery approach. • Progress against the Housing Delivery Plan and housing pipeline is reviewed through programme governance arrangements
IRPr3.1	There is a risk that insufficient capacity, specialist expertise or delivery resources are available to develop and implement the Housing Delivery Plan and associated Housing Delivery Acceleration Programme.	Probable	Medium	M	CR&H SRO	• Inner Circle Consulting has been commissioned to support development and implementation of the Housing Delivery Plan and Housing Delivery Acceleration Programme. • Specialist regeneration expertise has been secured to support delivery of the programme. • Resource requirements and delivery capacity are being assessed as part of development of the Housing Delivery Plan. • Project governance, milestone monitoring and delivery reporting are used to identify and escalate emerging resource constraints and delivery issues. • Capacity requirements for implementation and longer-term delivery are being identified through development of the Housing Delivery Plan and wider West Surrey arrangements.
IRPr4	That the savings plans being developed, do not deliver the £1m in-year savings by the end of FY2627.	Possible	Medium	M	IFS SRO	• Savings delivery is monitored through the Savings Tracker and regular financial reporting. • The Temporary Accommodation reduction plan remains a key component of the overall savings programme. • Validation of Temporary Accommodation assumptions and forecasts forms part of the monthly review process. • Work with accommodation providers and service teams is used to maximise delivery of planned savings. • Forecasting and reporting arrangements are being strengthened to improve visibility of emerging pressures and risks.

IRPr5	That the Council fails to deliver what is required of it to support the Surrey LGR programme, resulting in a negative impact on the Council and its Officers.	Possible	Medium	M	S&TL SRO	• Dedicated LGR leadership and programme management arrangements are in place to coordinate the Council's response to Surrey LGR. • Active engagement is maintained with Surrey LGR programme teams, West Surrey leadership and relevant stakeholders to understand emerging requirements and represent Spelthorne's interests. • LGR risks are monitored and reported through programme governance arrangements, with escalation routes in place where required. • Staff engagement, communications and TUPE consultation arrangements are maintained to support transition readiness. • Participation in Vesting Day planning, workstreams and governance arrangements helps ensure local issues and dependencies are identified and managed at the earliest opportunity
IRPr6	Lack of capacity to deliver the IRP plan, especially alongside the demands of business as usual (BAU) delivery and LGR.	Possible	Medium	M	Programme SRO	• Resource requirements and capacity pressures are reviewed across IRP, BAU and LGR activity. • Specialist support arrangements are in place where required to support delivery of priority workstreams. • Key resource requirements and gaps are monitored through programme governance arrangements. • Delivery reporting and RAG assessments are used to identify and escalate emerging capacity risks and issues.
IRPr7	The recent change of Leadership of the Council has created some uncertainty around how decisions will be made for Spelthorne during the remainder of this financial year.	Likely	Medium	H	Programme SRO	• Programme impacts arising from changes in political leadership are monitored by the Programme SRO. • Engagement with the administration and committee process supports visibility of emerging risks and decision-making impacts.

IRPr8	Risk that the Council is unable to deliver the required reduction in the number and cost of households in Temporary Accommodation this financial year.	Possible	Medium	M	CR&H SRO	• A Temporary Accommodation reduction plan is being delivered with the objective of achieving the required reduction in both household numbers and associated expenditure during the financial year. • Resource requirements and capacity gaps associated with delivery of the plan have been assessed, with additional senior management capacity introduced to strengthen oversight and support delivery of priority actions. • Initial assessment of key resource requirements has been completed and will be reviewed regularly to ensure sufficient capacity remains in place to support delivery of the reduction plan. • Delivery RAG reporting is used to identify, monitor and escalate emerging capacity risks, resource constraints and delivery issues. • Progress towards the required reductions is monitored through a dedicated dashboard and forecasting process, enabling corrective action to be taken where necessary.
IRPr9	There is a risk that we do not get timely agreement from West Surrey to retain key Finance resources required to produce the final accounts for FY2627 leave the Council and that one of more staff leave before 31 March 2027.	Possible	Low	L	F&S SRO	• A mechanism for retaining key Finance resources beyond March 2027 has been agreed with West Surrey and is being maintained through ongoing engagement with relevant stakeholders. • Detailed closure planning arrangements are being developed and maintained. • Ongoing engagement with the Finance Commissioner supports management of emerging resource risks. • Knowledge transfer, staff training and early soft-close arrangements are being implemented to reduce dependency on key interim resources.

						• Retention risks and succession arrangements are reviewed regularly by the Finance management team.
IRPr10	There is a risk that Members will not agree to the recommended approach on the future of KGE.	Possible	Medium	M	CR&H SRO	• Engagement with Members and key stakeholders is maintained throughout development of the preferred option. • Tax, governance and legal issues continue to be reviewed as part of the decision-making process. • External engagement with advisers and HMRC supports development of the final recommendation. • Options appraisal information is maintained and updated to support an evidence-based recommendation to Members.
IRPv11	There is a risk that priority deliverables are completed but the intended outcomes of the Improvement and Recovery Plan are not achieved due to external factors, changing assumptions, resource constraints or emerging financial pressures.	Possible	High	H	Programme SRO	• Outcome measures are monitored through programme reporting and governance arrangements. • Delivery and Outcome RAG assessments are reviewed monthly to identify emerging risks to achievement of programme benefits. • Recovery plans are developed for priority deliverables where outcome confidence deteriorates. • Key assumptions, dependencies and forecasts are reviewed regularly and updated as new information becomes available. • Programme risks, issues and interdependencies are escalated through IRB governance arrangements where they threaten delivery of intended outcomes.

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Committee Report Checklist

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

Stage 1
Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	**N**	
Relevant Group Head review	**Y**	
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)		**03/11/26**
This item is on the Forward Plan for the relevant committee	**Y**	
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	**LO**	**10/11/26**
Legal comments (circulate to legal@spelthorne.gov.uk)	**LH**	**03/11/26**
HR comments (if applicable)		

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

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

Stage 2
Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**03/11/26**
S151 Officer commentary – at least **5 working days before MAT**	**T.Collier**	**09/11/26**
Commissioner engagement	**J. Kingston**	**18/11/26**
	Delete as applicable:	No issues
Relevant MAT member sign-off		
Report reviewed by Management Team		

Audit Committee

26 November 2026

Title	Annual Review of the Confidential Reporting Code
Purpose of the report	To inform and assure
Report Author	Linda Heron, Monitoring Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision.
Recommendations	**Committee is asked to:** **1. Note the updated Confidential Reporting Code; and** **2. Agree to retain the current Confidential Reporting Code as updated.**
Reason for Recommendation	The current Code continues to be fit for purpose and covers all relevant matters.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
An annual review of the Confidential Reporting Code is required	To ensure continued good governance within the Council and to protect employees
This is what we want to do about it	**These are the next steps**
Note the review that has taken place	Agree the updated Confidential Reporting Code

2. Key issues

2.1 Effective confidential reporting arrangements are an important part of the Council's governance and anti-fraud framework, providing employees, elected members, contractors and other stakeholders with a mechanism for raising concerns about suspected fraud, corruption, malpractice, breaches of policy or other misconduct.

2.2 This report provides assurance to elected members that the annual review of the Confidential Reporting Code ("the Code") has been completed and that the Code remains fit for purpose.

2.3 The Code forms part of the Council's Constitution and sets out how serious concerns about the Council's activities can be raised, together with the protections available under the Public Interest Disclosure Act 1998.

2.4 The Code outlines:

(a) the types of concerns that may be reported;

(b) alternative procedures for employment-related matters;

(c) safeguards against victimisation or harassment; and

(d) the process for reporting and investigating concerns, including relevant points of contact.

2.5 Awareness of the Code is promoted through the Council's intranet, staff noticeboards, staff meetings and a mandatory annual Workrite e-learning module for all employees.

2.6 There is a requirement for the Code to be reviewed annually by the Council's Monitoring Officer. The Monitoring Officer has concluded that the current Code continues to be effective and does not require modification save updating contact details. The updated Code is attached at **Appendix A.**

2.7 No concerns have been raised under the Code since the previous review in November 2025.

3. Options appraisal and proposal

3.1 **Option 1** (recommended) The Audit Committee can agree to continue with the current Code (as amended).

3.2 **Option 2** The Audit Committee can propose alternative amendments. If so, these alternative amendments will need to be recommended to the Council for consideration.

4. Governance and Risk Considerations

4.1 The Code supports the Council's commitment to openness, accountability and ethical conduct by providing a clear route for concerns to be reported and addressed. Effective reporting arrangements help to protect public resources, strengthen governance and support organisational learning.

4.2 Robust procedures, supported by regular communications, training and periodic review, help reduce the risk of fraud, corruption and other misconduct going undetected. They also encourage a culture in which concerns can be raised and investigated appropriately.

4.3 Although no concerns have been reported since the last review, and reporting levels have remained low in recent years, this position continues to be monitored. Low reporting rates may reflect a positive organisational culture, but they can also indicate a lack of awareness or confidence in reporting mechanisms.

4.4 The Council therefore continues to promote awareness of the Code and encourages employees and stakeholders to raise concerns without fear of reprisal. Maintaining confidence in the reporting process is essential to ensuring that potential issues are identified and addressed at the earliest opportunity.

5. Financial implications

5.1 There are no financial implications arising directly from this report.

6. Legal comments

6.1 The Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998, provides legal protection for workers who make disclosures in the public interest regarding wrongdoing or malpractice within the workplace. These protections are intended to safeguard individuals from dismissal or detrimental treatment as a consequence of raising genuine concerns and include the right to seek redress through an Employment Tribunal where appropriate.

6.2 Although the legislation does not require local authorities to have a written whistleblowing policy, maintaining a clear and accessible framework for reporting concerns is considered best practice. The Council's arrangements support a culture of openness and integrity, ensuring that employees and other stakeholders understand how to raise concerns and have confidence that these will be addressed appropriately.

Corporate implications

7. Commissioners' comments

7.1 There are no comments from the Commissioners.

8. S151 Officer comments

8.1 There are no direct financial implications arising from the recommendations contained within this report. The described arrangements are implemented within existing resources and budgets.

8.2 Effective whistleblowing arrangements support the Council's wider governance framework and contribute to the prevention and detection of fraud, corruption and other forms of misconduct. As such, they help mitigate the risk of financial loss, reputational damage and potential legal costs that could arise from wrongdoing going undetected.

9. Monitoring Officer comments

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

10. Procurement comments

10.1 There are no procurement implications arising from this review.

11. Equality and Diversity

11.1 There are no equality, diversity or inclusion implications arising directly from this report, as the Code applies equally to all employees and stakeholders and is accessible to all those who may need to use it.

12. Sustainability/Climate Change Implications

12.1 There are no sustainability / climate change implications arising directly from this report.

13. Other considerations

13.1 None

14. Local Government Reorganisation Implications

14.1 There are no LGR-related procurement or contract extension implications associated with this review. The review is intended to ensure that the Council remains legally compliant for the duration of its remaining operational period.

15. Timetable for implementation

15.1 If the Audit Committee agrees to continue with the current Code (as updated), the Monitoring Officer will arrange for the Code to be updated accordingly under the delegation in Part 2 Article 13 para 13.2(b) of the Constitution as soon as reasonably practicable.

15.2 If amendments are recommended, these would not come into effect until adopted by the next Council meeting.

16. Contact

16.1 Linda Heron, Group Head Corporate Governance and 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: There are none.

Appendices:
Appendix A – Part 5e Confidential Reporting Code

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CONFIDENTIAL REPORTING CODE (Whistleblowing)

1. INTRODUCTION

1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment it expects staff and others that it deals with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.

1.3 Staff are often the first to realise that there may be something seriously wrong within the Council. However, they may not raise their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern instead of reporting what may just be a suspicion of malpractice.

1.4 The adoption of this confidential reporting Code by the Council is intended to encourage and enable all staff to raise any serious concerns they have within the Council, rather than overlooking a problem or 'blowing the whistle' outside. The Code makes it clear that you can raise concerns on a confidential basis, without fear of victimisation, subsequent discrimination or disadvantage. It is based on the Public Interest Disclosure Act 1998, which gives staff raising concerns under its rules legal protection against reprisals.

1.5 The Code applies to all staff and contractors working for the Council on Council premises, including agency staff. It also covers suppliers and those providing services under a contract with the Council.

1.6 The procedures in this Code are in addition to the Council's existing Complaints Procedure.

2. AIMS AND SCOPE OF THIS CODE

2.1 This Code aims to:

- encourage you to feel confident about raising serious concerns
- encourage you to question practice and act upon any concern
- provide clear channels for you to raise those concerns
- ensure that you receive a response to concerns you raise and that you are clear about how to pursue them if you are not satisfied
- reassure you that you will be protected from possible reprisals or victimisation if you raise a concern in good faith reasonably believing something is wrong.

2.2 The Council has a Grievance Procedure to enable you to lodge a grievance relating to your own employment and a Harassment and Bullying Policy to enable you to raise any concerns about this area, which should be directed to Human Resources. This Confidential Reporting Code is intended to cover major concerns you might have that fall outside the scope of other procedures. Such concerns might include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other staff
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption
- serious and organised crime
- sexual or physical abuse of clients, or
- other unethical conduct.

If safeguarding concerns are highlighted then the Safeguarding Policy and procedures must be adhered to.

2.3 Any serious concerns that you have about any aspect of service provision or the conduct of staff or councillors of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Code. This could be about something that:

- makes you feel uncomfortable in terms of your past experience or what you know about standards set by the Council; or
- is against the Council's Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

2.4 This Code does not replace the corporate complaints procedure.

3. SAFEGUARDS

Harassment or Victimisation

3.1 The Council is committed to good practice and high standards and wants to be supportive of staff.

3.2 The Council recognises that making the decision to report a concern can be difficult. If what you are saying is true, you should have nothing to fear because you will be doing your duty to the Council and those for whom you are providing a service.

3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) of someone raising something of concern to them and if proven will take appropriate action, including disciplinary procedures to protect you against this when you raise a concern in good faith. If you consider that you are the subject to harassment or victimisation (including informal pressures) due to the raising of your concern you should inform the person dealing with your whistleblowing matter or any other officer named in this policy.

3.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

4. CONFIDENTIALITY

4.1 If someone asks for a matter to be treated in confidence, then we will do our upmost to respect that request. However, it is not possible to guarantee confidentiality. If we are in a position where we cannot maintain confidentiality and so have to make disclosures, we will discuss the matter with you first. We will give you feedback on any investigation and be sensitive to any concerns you may have as a result of any steps taken under this procedure.

4.2 In some circumstances the Council may decide that we have to reveal your identity in order to assist in the investigation into the matter. You will be advised beforehand if this is to be the case. Your prior consent will be obtained before such disclosure, unless we have to disclose your identity by law (e.g. safeguarding concerns, money laundering or other criminal offences).

5. ANONYMOUS ALLEGATIONS

5.1 This Code encourages you to put your name to your allegation whenever possible. Remember, if you do not tell us who you are it will be much more difficult for us to investigate the matter fully, to ask follow- up questions, to protect your position or to give you feedback.

5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.

5.3 In deciding whether to consider anonymous concerns the following are some of the factors which will be taken into account:-

- the seriousness of the issues raised
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources

6 UNTRUE ALLEGATIONS

6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you in accordance with the Council's disciplinary procedures.

7 HOW TO RAISE A CONCERN

7.1 As a first step, you should normally raise concerns with your immediate manager or their manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your management is involved, you should approach the Chief Executive, Chief Finance Officer, Monitoring Officer, or Internal Audit.

7.2 Concerns may be raised verbally or in writing. If you wish to make a written report it is best to use the following format:

- the background and history of your concern (giving relevant dates);
- the reason why you are particularly concerned about the situation.

7.3 The earlier you express your concern the easier it is to take action.

7.4 Although you are not expected to prove beyond doubt the truth of an allegation you make, you will need to demonstrate to the person you contact that there are reasonable grounds for your concern.

7.5 You can obtain advice/guidance on how to pursue matters of concern from:

Interim Chief Executive	Gordon Mitchell	(01784 446250)
Chief Finance Officer	Terry Collier	(01784 446296)
Deputy Chief Executive	Lee O'Neil	(01784 446377)
Monitoring Officer	Linda Heron	(01784 446248)
Chief Internal Auditor	Neil Pitman	neil.pitman@hants.gov.uk
Human Resources Manager (where specifically relates to a Human Resources matter)	Debbie O'Sullivan / Angela Tooth	(01784 446289) (01784 446427)

7.6 In addition you could contact any of the following:-

The Chair or Vice Chair of the Standards Committee: the Council has a Standards Committee, the purpose of which is to help the Council operate to the highest ethical standards. Both the Chair and Vice-Chair are non-councillors and can be approached for advice. Their details can be obtained from Committee Services on 01784 446240/444243 or found on the Council's website; or

Protect - This is a registered charity which seeks to ensure that concerns about serious malpractice are properly raised and addressed in the workplace and they can be contacted on 020 3117 2520; or www.protect-advice.org.uk; or your trade union or professional body.

7.7 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.8 You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

8. HOW THE COUNCIL WILL RESPOND

8.1 The Council will always respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 If you raise a concern with your manager which they feel is beyond the scope of their authority or of a serious nature they will refer it to the Monitoring Officer rather than dealing with it personally.

8.3 Where appropriate, the matters you raise may:

- be investigated by managers, Internal Audit, or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent inquiry.

8.4 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle for the Council is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example grievance or sexual harassment) will normally be referred for consideration under those procedures.

8.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

8.6 Within ten working days of a concern being raised, the manager with whom you raise your concern or the Monitoring Officer will write to you:

- acknowledging that your concern has been received
- indicating how the Council propose to deal with the matter
- giving an estimate of how long it will take to provide a final response
- telling you whether any initial enquiries have been made
- supplying you with information on staff support mechanisms, and
- telling you whether further investigations will take place and if not, why not.

8.7 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.

8.8 Where any meeting is arranged, which can be away from the offices or your place of work if you so wish, you can be accompanied by a union or professional association representative or a friend.

8.9 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

8.10 The Council accepts that you need to be assured that the matter has been properly addressed and so, subject to legal constraints, will inform you of the outcome of any investigation.

9. THE RESPONSIBLE OFFICER

9.1 The Council's Monitoring Officer has overall responsibility for the maintenance and operation of this Code. That officer will maintain a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

10. HOW THE MATTER CAN BE TAKEN FURTHER

10.1 This Code is intended to provide you with clear channels within the Council to raise concerns and the Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- Public Concern at Work
- the Council's external auditor
- your trade union
- your local Citizens Advice
- relevant professional bodies or regulatory organisations
- the police.

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

11. POLICY REVIEW

11.2 This policy will be reviewed annually by the Council’s Monitoring Officer to ensure the effectiveness of the policy and the findings will be reported to the Audit Committee.

Committee Report Checklist

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

Stage 1
Report checklist – responsibility of report owner

ITEM	**Yes / No**	**Date**
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	**Y**	
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**Y**	**30/10/26**
This item is on the Forward Plan for the relevant committee	**Y**	
	Reviewed by	
Finance comments (circulate to Finance)	**AB**	**30/10/26**
Risk comments (circulate to Lee O'Neil)	**LO**	**23/10/26**
Legal comments (circulate to Legal team)	LH	03/11/26
HR comments (if applicable)		

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

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

Stage 2
Report checklist – responsibility of report owner

ITEM	**Completed by**	**Date rec'd**
Monitoring Officer commentary – at least **5 working days before MAT**	L Heron	03/11/26
S151 Officer commentary – at least **5 working days before MAT**	T. Collier	05/11/26
Commissioner engagement	**J. Kingston**	**05/11/26**
	Delete as applicable:	No issues
Relevant MAT member sign-off	L. O'Neil	30/10/26
Report reviewed by Management Team	Y	03/11/26

Audit Committee

26 November 2026

Title	Governance Assurance Register update
Purpose of the report	To inform and assure
Report Author	Lee O'Neil, Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	**Committee is asked to:** 1. Note the current overall assurance level for the 12 Governance Assurance Areas, which form the Council's Governance Assurance Register (**Appendix A**). 2. Review the four Governance Assurance Areas which accompany this report (**Appendix B**).
Reason for Recommendation	To assure the Audit Committee that the 12 Governance Assurance Areas and Register provide continual assurance that the Council is managing its key governance areas effectively.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
• The Council continues to operate a Governance Assurance approach as part of its risk management arrangements. • The Council's Governance Assurance Register has replaced the previous Corporate Risk Register.	• The change to a governance assurance approach forms part of a range of improvements to the Council's risk management arrangements following comments received in a number of external reviews.
This is what we want to do about it	**These are the next steps**
• The Audit Committee continues to play a key role in considering the effectiveness of	• The Committee is asked to note the overall assurance level for the 12 Governance

the Council's arrangements in relation to risk management, governance and internal control and must be assured that key governance areas are owned and managed appropriately.	Assurance Areas and to review the 4 areas which will be presented for review at this Committee.

2. Key issues

2.1 In response to recommendations made in the Best Value Inspection and Grant Thornton's External Audit of this authority, the Council has made improvements to its risk management arrangements, operating a Governance Assurance-based approach.

2.2 This focuses on the effectiveness of the Council's governance and control arrangements, ensuring that this authority can deliver its objectives and corporate and service responsibilities in a more positive way, and that stakeholders receive sufficient assurance that appropriate arrangements are in place.

2.3 The Council's Governance Assurance Register focuses on 12 key Governance Assurance Areas (GAAs) which are outlined **Appendix A,** together with the current overall assurance level assessment shown as low, medium or high.

2.4 Since the last update to this Committee, the level of assurance for one GAA has increased to high relating to:

- *Ensuring there are effective governance arrangements in place to deliver the IRP*

2.5 The level of assurance for one GAA has reduced to medium, relating to:

- *Ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from emergencies and business interruptions*

The main reason for this is the loss of some trained staff who could act as Borough Emergency Control Centre (BECC) coordinators and Incident Liaison Officers (ILOs) in the event of an incident. Measures have already been put in place to train additional staff, realign responsibilities (including sharing a resource with Runnymede Borough Council), run an exercise and update the Emergency Plan to address this issue, which should enable the level of assurance to return to high.

These two GAAs will be presented for review at this Committee meeting (with a report from the Assurance Owners), together with updates on 2 other GAAs:

- *Ensuring we meet our Equality, Diversity and Inclusivity duties and responsibilities*
- *Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability.*

Detailed reports on these four areas are provided in **Appendix B.**

3. Options appraisal and proposal

3.1 Committee is asked to:

1. Consider the current overall assurance level for the 12 Governance Assurance Areas, which form the Council's Governance Assurance Register (**Appendix A**).

2. Review the four Governance Assurance Areas which accompany this report (**Appendix B**).

4. Governance and risk considerations

4.1 The Council's Governance Assurance Register outlines the authority's governance arrangements in place to provide assurance that key corporate and strategic risks impacting the authority are effectively managed. The change to a governance assurance approach through a new Framework and Policy together with training and monitoring will ensure that effective governance is embedded within the culture of the organisation.

5. Financial implications

5.1 The development and implementation of the new Governance Assurance Framework and the Governance Assurance Register can be delivered within existing resources. Any minor costs relating to ongoing staff training, development of supporting documentation, and updates to reporting systems will be met from current service budgets. The strengthening the Council's governance assurance arrangements supports more effective financial planning and helps mitigate the likelihood of unanticipated financial pressures arising from weakness or failures in governance.

6. Legal comments

6.1 The Accounts and Audit Regulations 2015 require the Council to have "a sound system of internal control which...includes effective arrangement for the management of risk" (regulation 3(c)).

6.2 The regular monitoring of the governance assurance framework supports effective risk management and assists the Council in meeting its statutory obligations.

Corporate implications

7. Commissioners' comments

7.1 The Commissioners have no comments on this report.

8. S151 Officer comments

8.1 There are no direct financial implications arising from this report. However, the S151 Officer, notes that effective governance assurance arrangements help to underpin the delivery of value for money for residents.

9. Monitoring Officer comments

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

10. Procurement comments

10.1 There are no procurement implications arising directly from the recommendations in this report.

11. Equality and Diversity

11.1 The revised Governance Assurance Register incorporates a specific Governance Assurance Area specifying how the Council ensures the effective discharge of the Council's responsibilities and duties relating to Equality, Diversity and Inclusion.

12. Sustainability/Climate Change Implications

12.1 The revised Governance Assurance approach incorporates a specific Governance Assurance Area covering how the Council discharges its responsibilities with respect to its zero carbon targets and wider environmental responsibilities.

13. Other considerations

13.1 MAT+ (Management Team plus other senior managers) is the officer group responsible for providing overview of corporate risk and the Council's Governance Assurance Register. MAT+ meets on a monthly basis to review governance arrangements across the Council to ensure effective overview from senior management.

13.2 The Audit Committee's key role in relation to risk management, governance and internal control is to consider the effectiveness of the Council's arrangements for these including overseeing the relevant policies and strategies and crucially being assured that key governance areas are owned and managed appropriately.

13.3 Service Committees have greater visibility and responsibility under the new arrangements to scrutinise the detailed governance assurance registers of their respective Departments and Services, ensuring greater accountability for the effective management of risk and their governance responsibilities. Governance owners will be required to provide regular updates to their appropriate Service Committees on any key risks relating to their overview areas.

13.4 As with adopting and embedding the governance assurance approach for the Audit Committee, it will inevitably take some time to fully integrate the new processes across all Committees. An audit of progress and compliance with the new Governance Assurance arrangements will be undertaken by the Council's external Governance Assurance/Risk Management advisor (now planned for September 2026).

14. Timetable for implementation

14.1 Regular updates across all the GAAs have been scheduled for each meeting of the Audit Committee.

15. Contact

15.1 Lee O'Neil – Deputy Chief Executive (l.o'neil@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: There are none*.*

Appendices:

Appendix A: Table outlining the overall assurance level for the 12 Governance Assurance Areas making up the Council's Governance Assurance Register.

Appendix B: Four Governance Assurance Areas to be considered in detail by the Committee at this meeting.

Appendix A: Table outlining the overall assurance level for the 12 Governance Assurance Areas making up the Council's Governance Assurance Register.

	Governance Assurance Area	Assurance Level (Audit Cttee. date)				
		19/05/26	23/06/26	23/07/26	24/09/26	26/11/26
1	Ensuring an inclusive and prosperous economy	M	M	M	H	H
2	Ensuring we address affordable housing supply and demand to meet local need	M	M	M	M	M
3	Ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions	H	H	H	H	M
4	Ensuring and maintaining our Organisational Resilience	M	M	M	M	M
5	Ensuring we meet our Equality, Diversity and Inclusion (EDI) duties and responsibilities	M	M	M	M	M
6	Ensuring our programme and change management arrangements are effective to support the successful transition to the new unitary council.	H	M	M	M	M
7	Ensuring we meet our zero carbon targets and wider environmental responsibilities	M	M	M	M	M
8	Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability	M	M	M	M	M
9	Ensuring there are effective governance arrangements in place to deliver the IRP	M	M	M	M	H
10	Ensuring effective Procurement and Contract Management arrangements	M	M	M	M	M
11	Ensuring our arrangements against the threat of fraud and maintaining assurance that our anti-fraud arrangements are robust and effective	M	M	M	M	M
12	Ensuring our arrangements for Cyber Resilience and managing the threat of a cyber-attack are effective.	M	M	M	M	M

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Assurance Title	Ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions						
Assurance Description	This is critical to comply with our statutory duties as a Category One responder under the Civil Contingencies Act 2004. Having the necessary arrangements in place is essential to ensure the Council can minimise any interruptions to the delivery of its services. There are clearly links to other key areas of assurance like our environmental responsibilities, our wider organisational resilience and dealing with a cyber-attack or general IT outage.						
Assurance Assessment	Due to working closely with our contractor Applied Resilience and through the Surrey Local Resilience Forum (SLRF) and a planned approach to ensuring plans and training are up to date this area is well covered. There is a risk that due to staff resourcing issues if there is a major incident such as flooding this could cause difficulties in dealing with a prolonged event.						
Assurance Committee	Corporate Policy and Resources Committee	**Assurance Owner**	Sandy Muirhead	**Focus/Issue/Concern**	Focus	**High/Medium/Low**	

Assurance Actions

Title and Description	Purpose/Outcome	Owner/Job Title	Comp/Review Date	R/A/G/B	Status	Corrective Action	Governance Theme
Corporate resilience plan in place - Ensure that the Council has a corporate emergency plan in place.	Review the corporate emergency plan at least annually and specifically if there are changes in key staff, to ensure it remains appropriate.	**Sandy Muirhead**- Group Head Commissioning and Transformation	30/11/2026	**Green**	The plan has been checked and revised in conjunction with Applied Resilience our emergency planning and business continuity contractor. The updated plan was approved by Environment and Sustainability Committee on 10 September 2026	All plans including the emergency plan are available on Resilience Direct and Sharepoint site. Emergency Plan agreed at September Committee meeting Review 31/01/27	Legislative compliance
Service business continuity plans - Ensure that Service business continuity plans are up to date and maintained.	Ensure all Services have their own BC plans and that they are up to date and conform with corporate guidance. Applied Resilience have assured the Council that most plans are up to date and final ones are nearly complete	**Sandy Muirhead**- Group Head Commissioning and Transformation	07/10/2026	**Green**	All plans undergo a cycle of updating usually on an annual basis depending on the plan and updating by the Surrey Local Resilience Forum on multi agency plans.	Cycle of updating is ongoing and work within LGR will influence future cycles. Most plans are up to date and other BC plans are being finalised	Business continuity and emergency resilience

Specific Emergency Response (ER)/Business Continuity plans in place - Ensure that specific ER/BC plans are in place and maintained for matters such as flooding, large scale evacuations, national events.	Review specific ER/BC Plans at least annually and specifically following an emergency event to ensure they are appropriate.	**Sandy Muirhead**- Group Head Commissioning and Transformation	31/01/2027	**Green**	All plans are in an appropriate format and status.	LGR will in due course influence both plan status and cycles of updating. Before vesting day as emergency planning is a statutory Council function information on final emergency planning and business continuity team structure in West Surrey will be required to be in place. This was discussed on 30 September with East and West Surrey districts and Boroughs plus Surrey County Council. It was recognised that while districts and boroughs may for some period maintain emergency planning requirements there is a need at West Surrey level ensure there is a lead Director. Review 31 January 2027	Legislative compliance

Gold, Silver and Bronze command response arrangements - Review Gold/Silver/Bronze response arrangements to ensure they reflect the appropriate staff, logistics and communication arrangements necessary.	Having effective Gold/Silver/Bronze response arrangements in place that reflect the appropriate staff, logistics and communication arrangements is critical to ensure an effective response to an emergency.	**Lee O'Neil**- Deputy Chief Executive	07/10/2026	**Red**	Overarching approach to emergency response arrangements comes under the remit of management team but the emergency response and business continuity plans layout what needs to be done in key areas and relevant staff are expected to address them.	Staff with experience are being or maybe lost from service as we progress towards LGR there may be insufficient resource to deal with an emergencies despite all plans and procedures being in place. Surrey has reviewed how emergency planning operates within Surrey or East and West in late September. Arrangements will initially stay as is but recognised a senior officer in West Surrey particularly needs to be designated as emergency planning lead.	Business continuity and emergency resilience

Periodic testing of ER/BC plans undertaken - Ensure all ER/BC plans are periodically tested / independently reviewed, particularly following an incident and/or changes in key staff.	It is essential that the Council has confidence in its ER and BC arrangements and therefore the plans are periodically tested and independently reviewed, particularly following an incident and/or changes in key staff.	**Sandy Muirhead**- Group Head Commissioning and Transformation	31/01/2027	**Amber**	Overarching responsibility is with management team but organisational arrangements and testing are supported fully by our emergency planning team at Applied Resilience	With loss of any staff may be difficult to easily implement further training. Training is planned for Incident Liaison Officers in October, for BECC co-ordinators in November and Incident Management Team on 12 November Review 31/01/2027	Business continuity and emergency resilience
Lesson learned log in place and updated - Undertake a review following an incident, near miss or test to ensure any improvements are identified and the necessary plans and guidance are updated.	It is important to reflect and learn from any actual incident, near-miss or test to ensure any improvements are identified and the necessary plans and guidance are updated.	**Sandy Muirhead**- Group Head Commissioning and Transformation	31/12/2026	**Green**	Action will be taken following an incident and any learning points addressed	SLRF Delivery Group will ensure major incident learning points are embedded in appropriate organisations. Review 31 December 2026	Business continuity and emergency resilience
Training and awareness (general and role specific) and communication. - Ensure there is a programme of training and awareness in place for all staff (and members) and this is complied with. Also ensuring effective communication arrangements are in place.	A key element of ER/BC plans is that there is a programme of training and awareness in place for all staff and members which is complied with. Also ensuring effective communication arrangements are in place.	**Sandy Muirhead**- Group Head Commissioning and Transformation	01/02/2027	**Amber**	Members are given an introduction to emergency planning after they are elected and then on occasion when relevant updates are given via taking plans to the Committee for information. Staff are provided with updates and training where relevant in specialist areas e.g incident liaison officer training or rest centre training. A presentation on emergency planning was provided to staff in March 2026.	If staff leave may affect resilience to deliver emergency planning training. Incident Liaison Officer training planned for October 2026 and for BECC staff in November 2026. Review 1/02/27	Workforce management / HR

Surrey Local Resilience Forum arrangements - Ensure the Council is an active member of the Surrey Local Resilience Forum and reflects any good practice in ER/BC plans, guidance and training.	The Council is an active member of the Surrey Local Resilience Forum and it is important that our ER/BC plans reflect any good practice, guidance and training.	**Sandy Muirhead**- Group Head Commissioning and Transformation	18/08/2027	**Amber**	Spelthorne has always actively participated in the Surrey Local Resilience Forum through a presence at the Executive meetings and via delivery groups gaining knowledge of best practice in both emergency planning and business continuity.	Due to staff changes it may be increasingly difficult to participate in SLRF meetings until LGR is implemented but senior staff from other Boroughs and Districts will continue to attend relevant meetings. West Surrey will set up its own approach to the SLRF and future attendance. Review 31/03/27	Legislative compliance

Assurance Title	Ensuring we meet our EDI duties and responsibilities				
Assurance Description	We have a duty to adhere to the Equality Act (2010). It is a priority for the Council to ensure we have workplace practices, and deliver services, that meet the required and expected standards to promote equal opportunities, diversity and inclusivity. We will seek to ensure we uphold and demonstrate our commitment to equality, diversity and inclusivity. We therefore need to ensure we allocate the necessary resources and harness the required skills and expertise to develop, promote and support implementation of our Equality and Diversity Policy.				
Assurance Assessment	Although the Council meets necessary tasks on EDI, due to resourcing issues it has lagged in being developed and taken forward proactively. An Inclusivity Group operate on an informal basis but we are now focusing on ensuring the strategy and objectives of that strategy will be met.				
Assurance Committee	Corporate Policy and Resources Committee	**Assurance Owner**	Sandy Muirhead	**Focus/Issue/Concern**	Focus	**High/Medium/Low**	

Assurance Actions

Title and Description	Purpose/Outcome	Owner/Job Title	Comp/Review Date	R/A/G/B	Status	Corrective Action	Governance Theme
Training and awareness - Ensure the Council develops and provides appropriate training and awareness for both officers and members.	A programme of training and awareness is in place, reviewed regularly and undertaken by officers and members.	**Emily Clayton**- HR Business Partner	31/12/2026	**Amber**	Mandatory Training is undertaken via our Workrite system by staff on an annual basis and as of September 2026 69.9% of staff have completed the training. Elected members receive some training on being elected but consideration is being given to further member training.	To seek further training for key staff Review date: December 2026	Workforce management / HR
EDI impact assessments - Ensure the Council has an appropriate process in place to undertake timely EDI impact assessments.	A process and guidance for undertaking EDI assessments is in place and complied with. The results of the assessments are reviewed and any guidance or procedures amended as required.	**Leigh Street**- Project Officer	31/01/2027	**Green**	EDI impact assessments (template available) are undertaken on relevant projects and strategies. A system has been set up via the Project Dashboard for a central log of assessments which can be reviewed regularly.	Development of central log completed. Review date January 2027	Equalities and inclusion
EDI champions/EDI network - Ensure the Council has effective arrangements in place to identify and support EDI champions/EDI network.	EDI champions are in place across the Council, and have undergone appropriate training so EDI is integrated into service planning and delivery. Arrangements are in place for EDI champions to exchange knowledge on issues and good practice.	**Debbie O'Sullivan**- Human Resources Manager	30/03/2027	**Red**	The inclusivity working group has continued to looking at greater integration and implementation of EDI and we are looking to strengthen this grouping in line with West Surrey requirements. Given current LGR and IRP workloads likely to be difficult to resource this group more effectively given staffing constraints	Issues of time management due to staff roles and resourcing ongoing and unlikely LGR to be resolved before March 2027 Review date: March 2027	Equalities and inclusion

Oversight of the E&D Policy/ED&I Strategy - Ensuring the arrangements for the oversight of the E&D Policy/ED&I Strategy are in place and effective.	Oversight arrangements are in place to ensure there is assurance regarding the effectiveness of the E&D Policy/ED&I Strategy through Corporate Policy & Resources Committee and the Audit Committee.	**Debbie O'Sullivan**- Human Resources Manager	30/03/2027	**Amber**	An EDI strategy has been agreed by CPRC (April 2026) and EDI considerations are a necessary part of all Committee reports and projects. However, resourcing effective checking on activities is extremely limited and therefore there is a risk on full delivery..	Appropriate reporting on workforce and gender pay gap will be undertaken on an annual basis - so that is covered but extra activities will be limited. West Surrey is developing EDI policies for the shadow authority. Review date: March 2027	Equalities and inclusion
Procurement strategy/standard contract terms - Ensure the Council has the appropriate arrangements in place in the Procurement strategy and standard contract terms to ensure contractors understand and comply with the Council EDI responsibilities.	Ensure that EDI expectations and requirements are reflected in the Council's procurement strategy and standard contract terms and that suppliers are held accountable for upholding appropriate EDI responsibilities.	**Linda Heron**- Legal Services Manager	31/12/2026	**Amber**	Working with Runnymede, who have embedded sustainability/EDI within their procurement routes, will ensure EDI is addressed within Spelthorne's procurements.	To ensure the new procurements via Runnymede team includes consideration of EDI. Review date: December 2026	Procurement and contract management
Equal pay/gender pay gap statistics and performance - Ensure the Council has, and uses, statistics and performance data to understand any equal pay/gender pay gap issues.	Ensure that equal pay/gender pay gap statistics are maintained, accurate and reported with any actions necessary identified and monitored.	**Debbie O'Sullivan**- Human Resources Manager	30/03/2027	**Green**	These statistics are collected annually and included in workforce data.	Review date: March 2027	Equalities and inclusion

KPIs in place and used and reported - Ensure the Council has identified appropriate KPIs for assessing the EDI compliance and performance and that there are effective mechanisms for reporting.	Ensure there is a suite of KPIs in place to monitor and manage compliance with the E&D Policy/ED&I Strategy. Ensure that relevant data is collected accurately, in a timely manner and reported.	**Sandy Muirhead**- Group Head Commissioning and Transformation	31/03/2027	**Green**	An EDI strategy has been developed and agreed by Committee.	Targeted KPIs will be put in place including gender workplace reporting, % completion of EDI mandatory training Review date: March 2027	Performance management and data quality

Assurance Title	Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability						
Assurance Description	Maintaining control and accountability of the Council's finances is one of our fundamental responsibilities, As such we need to have in place an effective and efficient financial management framework that enables us to manage our financial resources to meet our corporate objectives. The Council is under extreme pressure to demonstrate how it can manage its budget and ensure financial sustainability moving forward and pass that sustainable position on to West Surrey. It faces a particularly significant financial risk with respect to the need to realise significant capital receipts in 2026/27 in order to reduce the Minimum Revenue Provision charge to Revenue in 2027/28, and to comply with the statutory direction to reduce borrowing.						
Assurance Assessment	Maintaining control and accountability of the Council's finances is one of our fundamental responsibilities, As such we need to have in place an effective and efficient financial management framework that enables us to manage our financial resources to meet our corporate objectives. The Council is under extreme pressure to demonstrate how it can manage its budget and ensure financial sustainability moving forward. Irrespective of the actual financial resources the Council has, we need to have a sound financial management framework in place. We also have a responsibility to demonstrate to incoming West Surrey that we are passing on a sustainable financial position. Council set a balanced Budget for 2026-27 and a Capital Programme for 2026-27 without need for any additional Borrowing. Updated Medium-Term Financial Strategy (MTFS) and Reserves Strategy indicates will still be reserves balances at end of 2028-29. However, this is dependent on the Council achieving investment asset sales in 2026/27 in line with the levels assumed in the MTFS. We know due to one sale not completing in 2025/26 MRP for 2026/27 will be £5m higher than the Budget anticipated, before then dropping away if that asset is sold in 2026/27.						
Assurance Committee	Corporate Policy and Resources Committee	**Assurance Owner**	Altin Bozhani	**Focus/Issue/Concern**	Focus	**High/Medium/Low**	

Assurance Actions

Title and Description	Purpose/Outcome	Owner/Job Title	Comp/Review Date	R/A/G/B	Status	Corrective Action	Governance Theme
Financial procedures and policies are in place - Ensure that the Council has appropriate financial procedures and policies in place by reviewing them annually to ensure they remain appropriate and reflect the changing context and challenges of the Council. The Council updates the financial procedures, including the Financial Regulations in response to feedback and recommendations from internal and external auditors. In April 2026 Council approved amendments to the Financial Regulations with respect to sales ledger debt management controls.	It is essential that the Council has a suite of financial procedures that are appropriate, kept up to date and reflect the changing context and challenges of the Council. Procedures will be reviewed and fed into the Surrey LGR process. The sales ledger amendments to the Financial Regulations will tighten controls and ensure fully effective separation of duties. Key financial processes and controls are covered by the Annual Internal Audit Plan which each year covers a number of financial areas. We have in last year been receiving "reasonable" assurance conclusions for these areas.	**Altin Bozhani** - Interim Deputy Chief Finance Officer	30/10/2026	**Amber**	The review and required amendments will be completed as part of 2025-26 year end processes, including Statement of Accounts . The process will be completed once external and internal audit complete their review and feedback findings.	Surrey LGR process- is putting in place new Financial Procedures for West Surrey	Financial management

Financial Regulations - Review the Council's Financial Regulations (FRs) to ensure they are fit for purpose, reflect good practice and are complied with.	Review the Council's FRs to ensure they are up to date and reflect and structural, system or key personnel changes and communicate any changes. Constitution and Financial Regulations will be updated and superseded by the new arrangements for West Surrey. Aspects of the Financial Regulations relating to sundry debtor controls have been updated in April 2026 following an internal audit report.	**Altin Bozhani** - Interim Deputy Chief Finance Officer	30/10/2026	**Amber**	Will be reviewed and fed into Surrey LGR process.	To be fed into LGR process for new draft Financial Regulations for West Surrey. Financial Regulations updated and approved in April to reflect amendments relating to sales ledger parameters, arising from an Internal Audit.	Financial management

A robust and updated MTFS - Ensure that the Council prepares and maintains a robust MTFS, and protects the medium term financial sustainability of both itself and that of West Surrey Council.	Having a robust and regularly reviewed MTFS is an essential part effective financial management and understanding future financial pressures. An effective MTFS underpins the ongoing capacity to deliver services for residents. The Q2 monitoring report going to CPRC 23rd November will report on the updated position against MTFS set in February. MRP charge in 26/27 is £5m higher than when MTFS set due to one asset sale slipping and a further £2m due to Capital Financing Requirement reconciliation adjustment. Further work is currently being done to firm up CFR and MRP. Due to the impact of part year loss of rental income associated with disposals there is a net £13m projected overspend for 2026-27 which will drawn down reserves further.. The quarterly monitoring reports will keep position under continuous review.	**Altin Bozhani**- Interim Deputy Chief Finance Officer	31/12/2026	**Amber**	On November 2025, the Corporate Policy & Resources Committee (CP&R) and, subsequently, Council in December 2025 approved an updated Medium Term Financial Strategy (MTFS) as part of the Improvement and Recovery Plan (IRP) workstream. Significant work was undertaken to strengthen the Council's financial position, resulting in Council approving a balanced budget on 26 February 2026 without the need for Exceptional Financial Support (EFS). The 2025/26 Outturn Report identified that £5 million less reserves were required to balance the 2025/26 financial position than had been assumed in the updated MTFS. However, this benefit is offset by increased pressures in 2026/27. Specifically, an additional £5 million of reserves will be required to fund higher Minimum Revenue Provision (MRP) costs arising from the delayed sale of an investment property in Sunbury. Furthermore, a Capital Financing Requirement (CFR) reconciliation exercise has identified a further £2 million MRP pressure for 2026/27. The disposal of investment assets is also expected to result in a loss of rental income during 2026/27, creating additional in-year budget pressures and increasing the reliance on reserves to achieve a balanced position. A revised MTFS will be reported to CP&R Committee on 24 November 2026.	N/A. The Improvement and Recovery Commercial theme is overseeing the asset rationalisation programme. First phase commencing in May 2026.	Financial management
Budget setting guidance - Review the Council's budget setting guidance and process to ensure it is effective.	Having budget setting guidance that is comprehensive, up to date and communicated to budget holders is an important element of good financial management. It is also important to review that guidance after each budget is set.	**Altin Bozhani** - Interim Deputy Chief Finance Officer	30/10/2026	**Blue**	Budget setting guidance issued for 2026-27. Budget for 2027-28 currently being completed based on West Surrey Guidance.	N/A	Financial management
Budget monitoring guidance - Ensure that the Council has appropriate budget monitoring guidance in place.	Having budget monitoring guidance that is comprehensive, up to date and followed by budget holders is an essential element of good financial management.	**Altin Bozhani** - Interim Deputy Chief Finance Officer	30/10/2026	**Blue**	The new budget monitoring process has bedded in successfully. Part of its successful implantations has been the issued budget mentoring guidance.	Ongoing evaluation of the process is in place.	Financial management

Capital strategy and programme - Review the Council's capital strategy and programme to ensure it is fit for purpose and affordable.	To ensure the Capital Strategy is reviewed regularly and reflected in the detailed capital programme with any amendments reflected and reported accordingly.	**Peter Worth**- Interim part time Treasury Management Accountant	30/11/2026	**Green**	Capital Programme and Strategy approved by Council 26/2/26 for 2026-27. Approved without the need for any additional borrowing.	N/A. Capital Spend will be reported on in the quarterly monitoring reports going to CPRC.	Financial management
Financial reporting – Member scrutiny - Ensure that arrangements are in place to secure effective Member scrutiny of the Council's financial policies and procedures.	Ensure that there is the appropriate and timely member oversight of financial management and reporting, through CP&R and the Audit Committee.	**Altin Bozhani**- Interim Deputy Chief Finance Officer	30/10/2026	**Amber**	Progress has been made. There are still issues with the quality of the information contained in reports which are being addressed.	The budget monitoring timetable has been agreed and successfully implemented. The revised process now incorporates online monitoring, improving efficiency and accessibility. Reporting has been streamlined, reducing duplication and enhancing the focus on key financial information. There is clear evidence that the quality, consistency, and accuracy of information included in monitoring reports have improved. Further work is ongoing in a small number of areas, notably the Capital Financing Requirement	Financial management

						(CFR) and Minimum Revenue Provision (MRP), where historical records are being reviewed and validated to ensure the accuracy and completeness of prior-year balances and calculations.	
Budget holder training / financial competency framework - Ensure there is comprehensive training provided and undertaken by all budget holders and that they meet the requirements of the financial competency framework.	Deputy CFO undertook a number of training sessions with budget holders in May. Ensuring the Budget holders have received comprehensive training and meet the requirements of the financial competency framework is an essential element of good financial management. We will review further as part of the CIPFA FM Self Assessment.	**Altin Bozhani**- Interim Deputy Chief Finance Officer	30/11/2026	**Green**	Process, system, culture change and training has been provided for finance and budget holder side. We now need to allow time for that become embedded and to evaluate the impact of that training. Training presentation for Councillors has been held 23rd September. Feedback collected and valuated.	Allow impact to become embedded and then review.	Financial management
Capacity and expertise of the Finance Team - Ensure that the Finance Team has sufficient capacity and expertise to support effective financial management.	Having a Finance Team with the necessary capacity and capability is essential to support effective financial management. Such capacity and expertise should be reviewed regularly and improvements / changes made in a timely manner.	**Terry Collier**- Deputy Chief Executive	30/10/2026	**Amber**	Significant work undertaken. Additional team members with significant experience and skills recruited included part time collection fund accountancy consultant, TM accountant, closing accountants, new DCFO. Finance team structure reviewed and restructured in November 2025. A really productive team away day took place in May. Internal recruitment to fill a vacant role was successful. The newly recruited colleague started on 14/09/2026. CFO has agreed with Interim S151 for West Surrey a list of internal postholders for which West Surrey will issue a general consent order to confirm appointments to end of June 2027. Workload is being monitored and evaluated to identify further recruitment and training needs if necessary.	Continuously refresh the skills of the team.	Workforce management / HR

Financial management arrangements align with CIPFA's Financial Management Code - Undertake regular reviews of the Council's financial management arrangements to ensure they align with CIPFAs FM Code.	It is important to be able to demonstrate compliance / conformance with best practice guidance to provide assurance regarding the appropriateness and effectiveness of the Council's financial management arrangements.	**Altin Bozhani**- Interim Deputy Chief Finance Officer	30/10/2026	**Amber**	Work done on the accounts closing confirmed it was in line with CIPFA FM code. Further validations are being done as part of the internal and external auditors' review and will be used to validate further compliance.	Undertake a refresh of the self-assessment against the FM Code in autumn 2026. Given the close proximity to Vesting Day, decision has been made to focus on LGR and key IRP deliverables.	Financial management
Improving the robustness of the statement of accounts - Progress improving the robustness of the statement of accounts and move to position where external audit are able to issue a positive (non-disclaimer opinion).	Address prior year auditor recommendations and ensure minimal audit findings for 2025-26.	**Altin Bozhani**- Interim Deputy Chief Finance Officer	30/10/2026	**Amber**	It will be assessed during the 2025-26 accounts closing process and auditor's feedback. Draft Outturn report approved by CPRC May 26th.	Being managed through close of accounts plan. Following external review of Collection Fund entries, draft Statement of Accounts published on 4th September. Grant Thornton has commenced their detail audit work at end of September and has been progressing at speed during October.	

Assurance Title	Ensuring there are effective governance arrangements in place to deliver the IRP						
Assurance Description	The appointment of Commissioners by MHCLG has required the Council to develop an Improvement and Recovery Plan (IRP). This is a significant programme of reviews and improvements to create stability in key operational areas and address underlying financial sustainability issues. The IRP has its own governance framework and is overseen by the CP&R Cttee. It is however a major challenge for the Council and one that requires effective governance to deliver.						
Assurance Assessment	The Council's ability to deliver effective and sustainable improvement and recovery is directly linked to robust performance monitoring, evidence-based decision making and active risks management.						
Assurance Committee	Corporate Policy and Resources Committee	**Assurance Owner**	Linda Heron	**Focus/Issue/Concern**	Focus	**High/Medium/Low**	

Assurance Actions

Title and Description	Purpose/Outcome	Owner/Job Title	Comp/Review Date	R/A/G/B	Status	Corrective Action	Governance Theme
Tracking actions and milestones - Maintain a tracker of actions and milestones to ensure the delivery of the IRP.	To deliver a major project like the IRP is a significant challenge and it is therefore essential that there are arrangements in place for timely and accurate performance monitoring.	**Dan Dredge** - Programme Manager	11/01/2027	**Green**	Key actions and milestones are maintained through Plans on a Page and reported to the Improvement and Recovery Board. Delays in delivery are identified through regular monitoring and mitigating actions are agreed where required.	Continue to monitor delivery against milestones and review the effectiveness of mitigation actions where delivery issues arise.	
Change request management - Ensure robust arrangements are in place to manage change requests.	Many programmes and projects require changes as they progress. It is critical that any changes proposed are agreed and implemented effectively. This requires appropriate performance monitoring, transparency and risk management.	**Dan Dredge**- Programme Manager	11/01/2027	**Blue**	Change logs are maintained alongside Plans on a Page. A documented change management approach is in place, including defined change categories and formal change request processes. At theme level, change requests are managed through established change control arrangements. At programme level, proposed changes are presented to the Improvement and Recovery Board for approval and significant changes to delivery are progressed through the Council's formal decision-making process in line with the Council's constitution. Formal change processes have been used to support programme delivery.	All measures are now in place and embedded - no further corrective action required. We will continue to monitor the effectiveness of change control arrangements and ensure significant changes are escalated through the appropriate governance route.	Project and programme management

Reporting arrangement to the Improvement and Recovery Board - Ensure that the arrangement to provide monthly reports to Improvement and Recovery Board are in place and effective.	Having robust governance in place for a major programme as the IRP is essential. The Improvement and Recovery Board rely on timely and accurate performance monitoring, transparency and risk management.	**Dan Dredge**- Programme Manager	11/01/2027	**Blue**	Monthly reports are being produced to and presented at Improvement and Recovery Board; the form and the contents of the reports are refined as necessary to address feedback from the Board.	All measures are now in place and embedded - no further corrective action required.	Performance management and data quality
Reporting to Audit Committee, CP&RC and Council - Ensure there are appropriate and timely reports to the Audit Committee, CP&R Committee and full Council to enable them to discharge their specific responsibilities.	Ensure that the arrangements to support the roles of the Audit Committee, CP&R Committee and full Council are in place and effective to ensure appropriate oversight and assurance.	**Dan Dredge**- Programme Manager	11/01/2027	**Green**	Reports to Audit Committee, CPRC and Council have been presented in line with the required timescales	Add further dates to Forward plan for reporting to Audit Committee, CPRC and Council	
Reflect actions in Annual Governance Statement - Ensure that the governance arrangements relating to the delivery of the IRP are considered and reflected in the Council's Annual Governance Statement.	The IRP is a significant programme and relies on effective governance. In light of this it is appropriate that the effectiveness of those governance arrangements are included in the Council's Annual Governance Statement.	**Linda Heron/Terry Collier**- Group Head Corporate Governance/ Deputy Chief Executive (s.151)	11/01/2027	**Amber**	Arrangements for monitoring, tracking and reporting on delivery of IRP outcomes within the context of AGS are in place. Draft AGS for 2026/27 is being prepared; this will test effectiveness of the arrangements.	Assess effectiveness of arrangements for monitoring, tracking and reporting.	Legislative compliance
Maintain decisions log - Ensure that the decisions needed to ensure the effective delivery of the IRP are recorded in a decisions log.	The successful delivery of the IRP will involve many specific decisions and to ensure transparency, accountability and evidence-based decision making it is essential that these are captured in a decisions log.	**Dan Dredge**- Programme Manager	11/01/2027	**Green**	A decisions log is maintained and reviewed through Board governance arrangements. Work is underway to define the threshold for recording key programme decisions, ensuring that decisions with strategic, governance or delivery implications are captured appropriately while avoiding the inclusion of routine operational matters.	This has been implemented and embedded - continue to review the decisions log to ensure significant programme and strategic decisions are captured consistently.	Decision making
Programme risks and issues are reported to the Improvement and Recovery Board - Ensure that programme risks and issues are identified, managed and reported to the Improvement and Recovery Board.	The successful delivery of any major programme needs to have effective arrangements in place to identify and manage risks.	**Dan Dredge**- Programme Manager	11/01/2027	**Green**	Programme risks are maintained by the PMO and key risks are reported to the Improvement and Recovery Board. Key issues are escalated to the Board where appropriate and reporting arrangements have been refined in response to Board feedback.	Continue to assess and refine the effectiveness of risk and issue reporting arrangements.	Risk management

Maintain records and logs of escalation procedure instances - Ensure that there are arrangements in place to record where matters have been escalated to senior management or the IRP Board or CP&R Committee for decision.	Good programme governance includes processes and procedures to ensure any issues are escalated appropriately to enable effective action to be taken.	**Dan Dredge**- Programme Manager	11/01/2027	**Green**	Risk management and change management procedures define escalation routes and responsibilities. Issues requiring senior management intervention have been escalated through the Improvement and Recovery Board where appropriate. Matters requiring formal decisions are progressed through established governance arrangements to relevant Committees.	This has been implemented - keep under review	
All activities comply with the Council's Contract Standing Orders - Ensure that any matters that require procurement or contract management to deliver the IRP comply with the Council's Contract Standing Orders.	Where procurement or contract management is required to deliver the IRP it is essential that the Council's Contract Standing Orders are complied with.	**Linda Heron**- Group Head Corporate Governance	11/01/2027	**Amber**	Tendency to rely on the waiver procedure to secure fast solutions jeopardise delivery of value for money.	Keep under review	Procurement and contract management
Budget monitoring - Ensure that there are monthly budget monitoring reports provided to the Improvement and Recovery Board.	It is essential that the IRP process has oversight of any associated costs through timely and accurate budget monitoring information.	**Terry Collier**- Deputy Chief Executive	11/01/2027	**Green**	Monthly budget monitoring updates have been presented at each Board meeting from April onwards; all expenditure to date is within the budget.	Keep under review	Financial management

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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 12 November 2026 to 31 March 2026

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 26 11 2026	External Audit Report	Key Decision	Public	Terry Collier, Deputy Chief Executive
Audit Committee 26 11 2026	Governance Assurance Register	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 26 11 2026	Improvement and Recovery Plan Progress Update	Key Decision	Public	Dan Dredge, Control and Systems Manager
Audit Committee 26 11 2026	Internal Audit Progress Report	Non-Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Audit Committee 28 01 2027	Audited Statement of Accounts	Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer
Audit Committee 28 01 2027	Governance Assurance Register	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 28 01 2027	Improvement and Recovery Plan Update	Key Decision	Public	Nic Fell, Programme Director
Audit Committee 28 01 2027	Review of Fraud Vulnerability	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 04 03 2027	Annual Governance Statement	Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Terry Collier, Deputy Chief Executive
Audit Committee 04 03 2027	Annual Audit Committee Report	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Terry Collier, Deputy Chief Executive
Audit Committee 04 03 2027	Governance Assurance Register	Non-Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 04 03 2027	Internal Audit Annual Conclusion 2026/2027	Non-Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership

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