



Please reply to:

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Date: 07 May 2026

Notice of meeting

Audit Committee

Date: Tuesday, 19 May 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)

K. Howkins (Vice-Chair)

G. Neall

L. E. Nichols

H.R.D. Williams

P.N. Woodward

R. Chandler

P. Briggs

Substitute Members: Councillors C. Bateson, J.R. Boughtflower and T. Burrell

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.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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Agenda

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1. Apologies and Substitutes

To receive any apologies for absence and notification of substitutions.

2. Minutes

3 - 10

To confirm the minutes of the meeting held on 26 March 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. Governance Assurance Register update

To Follow

To note the overall assurance level for the 12 Governance Assurance Areas, which will form the new Governance Assurance Register and review the following six Governance Assurance Areas:

- Ensuring an inclusive and prosperous economy
- Ensuring we address affordable housing supply and demand to meet local need
- 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

5. Draft Governance Assurance Statement

11 - 48

To consider the draft Governance Assurance Statement and advise officers of the changes required for submission to the June meeting.

6. Committee Forward Plan

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To consider and approve the work programme.

**Minutes of the Audit Committee
26 March 2026**

Present:

Councillor J. Button (Chair)

Councillors:

G. Neall

H.R.D. Williams

P. Briggs

L. E. Nichols

P.N. Woodward

Apologies: Councillors K. Howkins, R. Chandler and S. Seehra

In Attendance: Councillor Bateson

17/26 Apologies and Substitutes

Apologies were received from Councillors Clarke and Howkins and Sati Seehra.

The Clerk noted that due to technical issues audio only was being streamed for the meeting.

18/26 Minutes

The minutes of the meeting held on 24 February 2026 would be considered at the next scheduled meeting.

19/26 Disclosures of Interest

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

20/26 Internal Audit Charter and Annual Audit Plan 2026-27

Iona Bond, Deputy Head of Southern Internal Audit Partnership (SIAP) attended the meeting to present the Committee with the report to consider the

Internal Audit Charter 2026/27 and the Internal Audit Annual Audit Plan 2026/27.

The Deputy Head of SIAP explained that the Internal Audit Charter was presented annually alongside the Audit Plan and set out the mandate, purpose, roles and responsibilities of internal audit, including those of senior management, the Audit Committee, and the audit provider. Members were reminded that the Charter had been substantially updated in the previous year to reflect the Global Internal Audit Standards, and that no further changes had been made since its approval in September.

It was suggested by Councillor Neall that a clearer distinction or glossary explaining the relationship between the audit mandate, strategy and plan would be helpful. He also sought assurance regarding the independence of internal audit, particularly in the context of reviewing the new risk management and governance arrangements being developed with the support of a governance consultant also engaged by the Council. He enquired how the Committee would be assured if the new framework proved less effective than its predecessor.

In response the Deputy Head of SIAP explained that the new governance assurance framework (risk management) was included in the Audit Plan for Quarter 3 and would be subject to a full internal audit review. This would assess how well the framework was embedded, how it operated in practice, and how assurance mapping had changed. The review would be undertaken independently, and findings would be reported transparently through the audit opinion. Comparison would also be made with the previous framework, which had received a limited assurance opinion.

In response to Councillor Nichols' query whether SIAP met regularly with the new Chief Executive it was confirmed that while the Deputy Head of SIAP did not meet routinely with the Chief Executive on a one-to-one basis, engagement took place through senior management forums and meetings involving the Chair of the Audit Committee. The Charter provided for direct access to the Chief Executive or Chair of the Committee where required.

There were no further questions on the Internal Audit Charter.

The Deputy Head of SIAP explained that the Plan had been developed in the context of a unique and exceptional year, with the Council approaching vesting day as part of Local Government Reorganisation (LGR). Despite this, the Plan followed a risk-based approach, informed by the risk register, assurance mapping, previous audit coverage, the Improvement and Recovery Plan as well as horizon scanning.

Key points highlighted included:

- The audit year would be nine months, as the annual internal audit conclusion for 2026/27 would need to be reported in March 2027.

- All audits contributing to the annual conclusion were therefore scheduled for Quarters 1 to 3, with Quarter 3 focusing largely on follow-up work where previous audits had resulted in limited assurance.
- Certain high-risk areas, including risk management (governance assurance) and procurement, were scheduled for full re-audit due to their significance and previous limited assurance opinions.
- A contingency allocation had been included to allow flexibility to respond to emerging risks, particularly those arising from LGR.
- Any work undertaken in Quarter 4 would not contribute to the annual conclusion but could provide assurance over key financial controls ahead of vesting day.
- The Plan was recognised as subject to change, with any amendments to be reported to the Committee through progress reports. It was noted that no further adjustments had been made to the plan since the previous progress report.

Committee members expressed a desire for greater visibility of audit scope, particularly in relation to governance-critical audits such as corporate performance management and the governance assurance framework. The Deputy Head of SIAP explained that audit scopes were finalised during detailed planning meetings with senior officers immediately prior to each audit and could not be defined in detail at plan stage. She undertook to explore alternative ways of providing members with greater insight, potentially through additional information in progress reporting or appendices.

Councillor Nichols queried the value of auditing areas where significant improvement activity was already underway, including the Medium term Financial Strategy, savings realisation and homelessness temporary accommodation.

The Deputy Head of SIAP explained that these audits would focus on the frameworks and processes supporting decision-making and assurance, rather than duplicating operational work. In relation to homelessness, she confirmed that audit timing had been deliberately scheduled to allow new arrangements to be sufficiently embedded before review, ensuring the audit added value. The Deputy Chief Executive confirmed that additional resources had been put in place to support homelessness work and that independent audit assurance would be beneficial to stakeholders, including Commissioners.

Councillor Nichols asked about audit coverage of IT risks in the context of LGR. The Deputy Head of SIAP explained that a placeholder had been included in the Plan, with the detail of the scope to be confirmed. Given the dynamic environment and scale of change, a targeted IT audit would be developed following further discussion with senior IT officers to focus on priority risks such as data security, retention and transition arrangements.

Councillor Neall queried whether Quarter 1 was the appropriate timing for the homelessness audit, given ongoing engagement with A2 Dominion and the need to allow sufficient time for improvements to take effect. The Deputy Chief Executive confirmed that while A2 Dominion itself would not be audited,

the Council's arrangements and approach to managing the relationship and improving outcomes would form part of the audit review.

RESOLVED:

1. That the Internal Audit Charter 2026/27 be approved.
2. That the Internal Audit Annual Audit Plan 2026/27 be approved.

21/26 Internal Audit Progress Report

The Committee received the Internal Audit progress Report for February 2026 from Iona Bona, Deputy Head of Southern Internal Audit Partnership (SIAP) providing an overview of internal audit activity against assurance work completed in accordance with the approved audit plan for 2025-26 and outstanding management actions.

The Committee were advised that no audit fieldwork would be carried forward into 2026/27 which represented a significant improvement compared with the previous year and would support a robust annual internal audit conclusion. Officers' engagement with the audit process had improved, contributing to timely delivery. It was confirmed that all audits for 2025/26 would be included in the annual audit conclusion.

Updates were provided on the following audits:

- The draft report for the Improvement and Recovery Plan audit had been issued and management responses were expected shortly.
- The Cyber Security Training and Awareness audit report had been drafted and would be completed following quality review process.
- The Treasury Management audit draft report had been issued for officer consideration.
- The Budget Monitoring audit draft report had been issued four weeks ahead of schedule.
- The Community Infrastructure Levy audit draft report was at the final quality review stage before being issued.
- The Commercial Property Management audit fieldwork was nearing completion which would conclude all audit fieldwork for 2025/26.

There had been no further amendments to the audit plan since the previous progress report. No limited or no assurance opinions had been issued since the last report. There were two low priority management actions running behind time but implementation of improvements was very good and prompt by the Council's officers. One high-priority action nearing completion, delayed only by committee cycle timing.

The Deputy Chief Executive confirmed focus had been on ensuring prioritising responding to audits, with more focused approach around assurance focus on responses and this had been enforced by the Improvement and Recovery Plan. Regular liaison meetings had been held with SIAP and the Council was on track to have comprehensive conclusion for the audit plan, annual audit

opinion and Annual Governance Statement. He also advised that management responses had been submitted the previous Friday on the Improvement and Recovery Plan audit.

Councillor Nichols returned to Philip Briggs' earlier query regarding detail of audit scope and particularly in relation to completed audits and the basis on which assurance levels were awarded. Specific reference was made to contract management, where Committee members noted confusion between audits of individual contracts and the wider corporate framework. The Deputy Chief Executive acknowledged that greater clarity on audit scope for completed reviews would be helpful and agreed to consider with SIAP how this information might be shared with the Committee.

In response to questions on the National Non-Domestic Rates (NNDR) audit, it was explained that the high-priority management action that had been raised was due to weaknesses in data retention functionality, resulting in records being held beyond statutory periods. The management actions included a data cleansing exercise, particularly in preparation for Local Government Reorganisation (LGR).

RESOLVED:

1. That the Committee noted the Internal Audit Progress Report for February 2026.
2. That the Committee approved the adjustments to the Internal Audit Plan 2025/26.

22/26 External Quality Assessment - Final Report

The Committee considered the report reflecting the outcome from the External Quality Assessment of the Southern Internal Audit Partnership (SIAP) against the new Global Internal Audit Standards (GIAS) in the UK Public Sector.

Iona Bond, Deputy Head of Southern Internal Audit Partnership reminded Members that internal audit providers are required to undergo an external quality assessment at least once every five years and that SIAP's assessment was due in 2025/26.

The Committee noted the key findings of the assessment, in particular that:

- SIAP had achieved an excellent result of 'generally achieves' in the EQA in relation to the GIAS.
- The assessors had concluded that SIAP fully achieved 46 of the 52 standards and generally achieved the remaining six. There were no partial conformances or areas where the team did not confirm with any standards. No formal recommendations were made.
- A small number of suggestions for improvement were included in the report and had been incorporated into an action plan, attached as Appendix 2 to the agenda report.

Members of the Committee welcomed the positive outcome of the assessment and congratulated SIAP on the results. The Deputy Head of SIAP concluded that the assessment process provided useful insight into the experience of being audited and reinforced the importance of a constructive and proportionate audit approach.

RESOLVED:

1. That the Committee noted the report of the external assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards (UK public sector).
2. That the Committee noted the associated action plan addressing suggested opportunities for future development.

23/26 Governance Assurance Update

Rob Winter, External Advisor attended the meeting remotely to provide the Committee with an update on the Governance Assurance approach to risk management.

The External Advisor provided an update on progress in implementing the Governance Assurance approach, noting that Members had received regular updates and that a number of Committee Members had attended recent training sessions. The training had outlined how the new approach had been developed, how it would operate in practice, and the format of reports to be received by both the Audit Committee and service committees. A worked example had also been shared with Members in advance of the meeting.

The Committee was advised that all Group Heads had engaged with the process and devoted appropriate time to providing the required information. Senior managers and other officers had also contributed, enabling the assurance system to be populated effectively. Senior Management (MAT+) would consider all 12 governance assurance areas for moderation and quality control, ensuring ownership at the top of the organisation.

It was explained that, following this moderation process, governance assurance reports would be ready for presentation to the Audit Committee and relevant service committees from the start of the new municipal year. Some minor refinements might arise from moderation, but the approach would be sufficiently embedded to allow reporting to proceed.

The Committee were advised that training had already been delivered to approximately 50 officers and 22 Councillors, demonstrating a strong level of engagement. A further “mop-up” training session would be provided for any Councillors or officers unable to attend earlier sessions.

The system was designed to be largely self-sufficient, with managers able to access and review their own information. Reports could be generated easily and were formatted to be incorporated directly into committee agenda packs. It was anticipated that, initially, all 12 governance assurance areas might be presented to the Audit Committee, over two meetings of the Committee, with two to three assurance areas phased to be considered at each subsequent meeting. Over time, this would provide Members with clearer insight into governance arrangements, progress against actions, and the overall direction of travel. Service committees would be better equipped to undertake scrutiny and performance oversight using this information.

It was emphasised how important councillor feedback was during the early reporting cycles, to ensure that both the content and presentation of reports met the Committee's needs.

In response to a query regarding engagement by all individuals critical to the success of the new approach it was confirmed that mop-up sessions would ensure any remaining key individuals, including Committee Chairs and Vice-Chairs if required, were covered and that the new Chief Executive had been briefed.

Councillor Nichols asked whether the Governance Assurance reports would support ad hoc scrutiny by service committees, particularly in relation to Local Government Reorganisation (LGR). It was explained that the Governance Assurance process provided insight into the strength of governance arrangements, rather than detailed operational progress. However, one of the assurance areas related to programme and change management, which would give assurance on how well the Council's arrangements were supporting the LGR transition. Detailed progress on LGR activity would continue to be scrutinised through the relevant service committee, alongside this governance assurance.

RESOLVED that the Committee noted the update on the Governance Assurance approach to risk management.

24/26 Committee Forward Plan

The Committee considered its Work Programme.

The Committee noted that work would shortly commence on the Annual Governance Statement (AGS) 2025/26. It was proposed that an additional meeting was scheduled in May to support early consideration of the AGS, with the aim of addressing concerns raised by the Committee in relation to the previous year's statement. Prior to that meeting, the officer drafting the AGS would meet informally with members of the Committee to gather early feedback and identify any key concerns to be addressed in the initial draft. Members were advised that this approach was intended to ensure the Committee was in a position to approve the draft AGS in good time for publication alongside the draft Statement of Accounts, ahead of the statutory

deadline of 30 June. This would avoid the risk of significant changes being required at the scheduled June meeting.

During discussion, the following amendments to the Forward Plan were identified:

- It was agreed that updates on the Governance Assurance Register should be added to the Forward Plan, to be presented in two batches of six reports, across the first two meetings of the new municipal year.
- Members noted that the draft Statement of Accounts was not currently shown on the Forward Plan. It was agreed that this item should be added, subject to confirmation of the most appropriate meeting date.
- Members queried whether the External Audit Plan should be considered earlier than currently scheduled. Officers confirmed that, following discussions with Grant Thornton, the External Audit Plan would be brought forward from the July meeting to the June meeting.

Members also noted that this rebalancing of items would result in a more even distribution of business and it was agreed that officers would reissue the Forward Plan, incorporating the agreed additions and amendments. A proposed date for the additional May meeting would be circulated to members following confirmation of availability with Democratic Services.

RESOLVED:

1. That the Forward Plan, subject to the additions and amendments agreed at the meeting, be approved.
1. That the revised Forward Plan be reissued to Members.



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	Yes	Various
Relevant Group Head review	Yes	Various
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)	AB	27/04/26
Risk comments (circulate to Lee O'Neil)	LON	05/05/26
Legal comments (circulate to Legal team)	LH	23/04/26
HR comments (if applicable)	NA	

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	23/04/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	20/4/26
Commissioner engagement		
	Delete as applicable:	o issues
Confirm final report cleared by MAT		05/05/26

Audit Committee

19 May 2026

Title	Draft Annual Governance Statement 2025-2026
Purpose of the report	To make a decision
Report Author	Kirsty Hunt, Governance Support Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	NA
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Consider and provide comments for improvement of the draft Annual Governance Statement (AGS) appended to this report
Reason for Recommendation	<p>To provide early feedback so an acceptable version of the document can be approved by 30 June to ensure the Council complies with the statutory requirements to produce an Annual Governance Statement (AGS).</p> <p>The Council's Constitution (Part 3 section (b)) requires the Audit Committee to be satisfied that the Council's Annual Governance Statement properly reflects the risk environment and to take actions required to improve it.</p>

1. Executive summary of the report

What is the situation	Why we want to do something
The Council has a statutory duty to produce an Annual Governance Statement reviewing risks and appropriateness of controls and mitigations. This is due to be submitted by 30 June 2026 to accompany the draft statement of accounts.	It is important to seek feedback early in the process to address any concerns raised and create a fit for purpose version.
This is what we want to do about it	These are the next steps
Present draft AGS for the Committee's constructive review, challenge and refinement as appropriate.	Incorporate any amendments in the final draft, finalise formatting in readiness for publication and bring revised document back to

2. Key issues

- 2.1 The Council has adopted a local code of corporate governance which reflects guidance contained in the Chartered Institute of Public Finance and Accountability (CIPFA) and Society of Local Authority Chief Executives (SOLACE) governance framework 'Delivering Good Governance in Local Government'.
- 2.2 The Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements for the financial year 2025-26 operate, provides an assessment of their effectiveness, identifies areas of weaknesses and outlines the actions the Council will take over the next year to strengthen its governance arrangements.
- 2.3 The AGS forms a key piece of evidence for external auditor's work and subsequent opinion on the control and governance arrangement of the Council.
- 2.4 Since going into intervention governance improvements have been integrated into and monitored through the Improvement and Recovery Plan. The AGS provides an update on progress towards addressing the recommendations in the Best Value Inspection report.
- 2.5 Further information and supporting detail are required to finalise the AGS. These have been identified in yellow and will be circulated for review and comment in due course.

3. Options appraisal and proposal

- 3.1 Option 1 (Preferred option). It is proposed that the Committee give a clear indication of the changes or improvements required to shape the draft AGS into an acceptable document for approval at its June meeting. This will be in readiness for inclusion within the Statement of Accounts for 2025-26.
- 3.2 Option 2 (Not recommended). The Audit Committee does not raise concerns at this opportunity resulting in the final draft not being acceptable for approval. This non-compliance would have significant further complications for the Council. Failure to publish an AGS breaches statutory regulations, may result in a negative external audit opinion and will demonstrate lack of transparency and accountability.

4. Risk implications

- 4.1 Risk 1: Production of a substandard AGS may invite further negative attention from external auditors, oversight bodies including Commissioners.

Mitigation: The draft has undergone rigorous internal review process and input from a wide range of stakeholders including senior management, member of the Audit Committee and Commissioners to ensure that concerns are addressed.

- 4.2 Risk 2: A poor AGS suggests weak transparency and questionable decision-making, harming the organisation's credibility.
- Mitigation: The 2025-26 statement has been drafted with the public in mind to ensure that it not only follows CIFPA/SOLACE best practice in terms of content but is written to be accessible to Spelthorne residents.
- 4.3 Risk 3: The AGS process is treated as a once-a-year exercise rather than a continuous learning and improvement activity, which may result in missed insights, repeated issues, and limited organisational learning.
- Mitigation: Progress against the actions identified will be monitored on a monthly basis by MAT to keep the effectiveness of controls under review and the Improvement and Recovery Plan includes a key theme aimed at Improving Governance and Assurance to address the weaknesses highlighted.

5. Financial implications

- 5.1 None arising directly from this report, however, actions for improvement as identified in the AGS will require resource and budgetary allocation. The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council's annual Statement of Accounts.

6. Legal comments

- 6.1 The Accounts and Audit Regulations 2015 ("the Regulations") require the Council to undertake an annual review of its governance arrangements and to prepare an annual governance statement in accordance with proper practices. The Regulations also require that the AGS is included in the Council's Statements of Accounts.
- 6.2 Consideration of the Council's Annual Governance Statement falls within the remit of the Audit Committee (part 3(b) of the Constitution).

Corporate implications

7. Commissioners' comments

- 7.1 Commissioners noted that, given the early draft stage, they will provide a thorough and considered response on the next iteration of the Statement.

8. S151 Officer comments

- 8.1 The S151 Officer confirm that all financial implications have been taken into account. The S151 recognises the key importance of having a robust AGS which contributes towards a continuous focus on improving governance including financial control and management arrangements.

9. Monitoring Officer comments

9.1 Good governance is critical to the Authority responding to the Secretary of States Best Value Directives and its objectives as set out in the Improvement and Recovery Plan. High profile governance failures in local authorities across the country in recent years have illustrated the need to ensure governance structures, and processes are fit for purpose and kept under constant review.

10. Procurement comments

There are no procurement implications arising from this report, however, actions for improvement as identified in the AGS will require resource and possibly budgetary allocation.

11. Equality and Diversity

11.1 There are no equality or diversity implications arising from this report.

12. Sustainability/Climate Change Implications

12.1 There are no Sustainability or Climate Change implications arising from this report.

13. Other considerations

13.1 As detailed within the draft AGS the following individuals have been consulted during the drafting of this document:

- Group Heads
- Management team
- Members of the Audit Committee
- Commissioners – further review to be undertaken on the next version of the statement.

14. Timetable for implementation

14.1

Date	Activity
Audit Committee on 19 May 2026	Consideration of draft AGS
Audit Committee on 25 June 2026	Consideration of revised draft AGS for approval
Before 30 June 2026	Submission of AGS within the Council's annual Statement of Accounts for review by the external auditors as part of their annual review

15. Contact

15.1 Kirsty Hunt, Governance Support Officer khunt2@spelthorne.gov.uk

15.2 Linda Heron, Monitoring Officer and Head of Governance and Legal Services
lheron@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 – Draft Annual Governance Statement

Annual Governance Statement

2025/26



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Assurance statement

Spelthorne Borough Council continues to work to deliver the actions set out in the Improvement and Recovery Plan and the Corporate Plan 2024-28. We remain committed to rebuilding trust and ensuring effective governance as we prepare for structural transition to West Surrey Council. This work is being undertaken alongside the ongoing delivery of core council services for our residents.

The Annual Governance Statement (AGS) describes the governance arrangements in place during the year 2025/26 and provides an assessment of how effectively these operated. It offers assurance where arrangements are working well and identifies areas where further improvement is required. This Statement is reviewed and formally approved each year by the Council's Audit Committee and reviewed by the Council's external auditors.

During 2025/26, we made progress in responding to the findings of the Best Value Inspection and addressing the resulting Best Value Directions and matters raised by External Auditors. This has included constructive engagement with the Commissioners to identify requirements, priorities and agree impactful changes needed to strengthen governance and financial management. While the Council continues to face significant challenges, there is greater clarity around expectations and the steps required to address them.

Local Government Reorganisation has required the Council to operate at pace, while maintaining essential services and prioritising the delivery of savings to address its debt position. Whilst engaging with the Future Surrey Programme Board the Council remains focused on achieving best value for our residents, and on ensuring that we address the Best Value and external audit recommendations to strengthen the inheritance we pass onto West Surrey Council.

Overall, the Council recognises, from increased scrutiny during intervention, that while its governance arrangements in 2025/26 supported significant recovery activities, more needs to be done to ensure these processes work well consistently and help the Council identify risks, weaknesses, and area for improvement as it continues to learn and improve. The governance issues set out in this document have been captured within the Improvement and Recovery Plan. Progress will continue to be monitored and reported and reflected in the 2026-27 Annual Governance Statement.

Gordon Mitchell
Chief Executive

Signed:

Date:

Councillor Joanne Sexton
Leader of the Council

Signed:

Date:

Purpose

- The Annual Governance Statement explains how the Council checks that it is run properly and lawfully.
- It meets the legal requirement to review how well our internal controls and governance arrangements work and to publish this review every year and include in the Statement of Accounts. As per process set out at **Appendix 1**.
- It's an objective and honest appraisal of that review.
- The Statement shows that we have appropriate governance arrangements in place, sets out what we achieved during 2025/26, and highlights what we still need to improve to support delivery in 2026/27.
- It focuses on how the Council is governed and managed, identifying strengths and any significant weaknesses in our systems and controls, rather than measuring our performance.



Diagram 1: Spelthorne Borough Council's current Corporate Governance framework

What is Corporate Governance?

The Council's Local Code of Governance sets out how the Council is run. It describes the way decisions are made, how the Council is managed, and how it involves and is accountable to the community it serves. Spelthorne Borough Council's current Corporate Governance framework is defined by the following elements in Diagram 1.

The work following intervention has helped the Council understand that strong governance comes from a culture of continuous improvement and open challenge. We will keep reviewing our work honestly and take action where needed to make sure our governance remains strong.

Corporate Plan

The Council's Corporate Plan for 2024/28 sets out our vision and strategic priorities: Community, Addressing housing need, Resilience, Environment and Services. Progress of delivering these priorities is reviewed and published each year in our Annual Report. To avoid duplication the tracking of progress against priorities has been integrated into the Improvement and Recovery Plan process.

Improvement and Recovery Plan (IRP)

The IRP was originally approved by Council in October 2025 as the Council's action plan for addressing the Government's Best Value Directions. The Plan was updated by Corporate Policy and Resources Committee in February 2026. The IRP incorporates the governance actions captured in the Annual Governance Statement 2024/25. Progress is shown in **Appendix 2**.

Constitution

This has been reviewed during the year to ensure it remains relevant and effective, responding to changes in legislation and implementing recommendations on improvements. It defines the roles/responsibilities of the Council, service and regulatory committees, and statutory officers and sets out how these roles are discharged, and the delegations extended to officers and Councillors.

Council & Committees

The Council moved to a Committee System form of governance in 2021, and the current remits and structure have been in place since 2024. The Internal audit of the Council's decision making and accountability recommended 18 governance improvement recommendations, and these were incorporated into the Improving Governance workstream within the IRP. Some of the recommendations require changes to the Council's Constitution and will be implemented in time for the May 2026 Annual Council Meeting, the Standards and Audit Committee Chairs' will present Annual Report on behalf of their Committees to July Council.

Improvement and Recovery Board

This non-decision-making board monitors progress against the Improvement and Recovery Plan. The meeting is chaired by the Lead Commissioner and involves the Commissioners, the Leader, Leader of the Conservative Group, the Chair of Audit Committee and the Senior Responsible Officers for the delivery of the workstreams within the IRP as well as the Programme Director co-ordinating the Plan.

Scrutiny of decisions

During this period the majority of decisions were made by the Committees or delegated to officers. There are structures and processes in place to hold these to account. Further improvements to levels of scrutiny are planned in 2026/27 as the new Governance Assurance framework is embedded and each Service Committee will be able to scrutinise the risks for projects within its scope.

Governance Assurance

The Council recognises that the effective identification, assessment and management of strategic and operational risk is essential to good governance. Robust risk management arrangements are necessary to support the Council's ability to meet its statutory duties, deliver corporate priorities and provide high-quality public services. However, the effectiveness of these arrangements has not been consistently demonstrated during the year.

At the start of the year, the Council operated a traditional risk management approach supported by a Corporate Risk Register (CRR), which identified key strategic risks and was subject to periodic review by officers and Councillors. In response to recommendations from the Best Value Inspection and Grant Thornton's External Audit, the Council initiated a programme of improvements to its risk management arrangements, supported by an external governance expert. Rather than undertaking a comprehensive revision of its existing policies and processes, the Council made a strategic decision to transition to a governance assurance-based approach. While this reflects an intention to strengthen oversight, it has yet to be fully implemented to demonstrate clear, consistent benefits in practice.

During the transition period, there has been a hiatus in the regular review of the Corporate Risk Register, reducing the level of Councillor oversight, challenge and transparency. This has limited the Council's ability to maintain a clear and up-to-date understanding of its risk profile. Although a new Governance Assurance Framework has been adopted, implementation remains at an early stage. Work is ongoing to embed understanding, clarify roles and responsibilities, and support the cultural change required for the framework to operate effectively. By the end of April 2026, 49 officers and 24 councillors had received targeted training. Further detail on the Governance Assurance Framework is provided in **Appendix 6**.

Statutory Officers

Statutory officers are responsible for delivering and overseeing the financial management and governance of the council:

The Chief Executive is the Council's Head of Paid Service who is responsible for the overall functioning of the council and the allocation of resources. There was a change of postholder during 2025-26 with the Deputy Chief Executive acting as interim between December and March. The new Chief Executive, Gordon Mitchell, was confirmed in March 2026.

The Deputy Chief Executive is the Council's S151 Officer responsible for financial governance, risk and control frameworks.

The Head of Corporate Governance is the Council's Monitoring Officer responsible for the ethical framework for both officers and councillors.

Partnerships

There are a number of organisations which are independent from the Council, but have an impact on its service areas.

In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected Councillors, sit on the various committees and forums that are responsible for them. Further details are set out at **Appendix 7**.

Spelthorne Direct Services Ltd (SDS)

The Council set up SDS to provide a locally based commercial waste service for businesses in and around the Borough. SDS's aim is to help the local business community recycle more, lower waste collection costs, and reduce their carbon footprint.

SDS accounts are independently audited, and the auditors have issued a clean audit opinion for the 2024-25 Accounts.

Work has begun on preparing for the audit of the 2025/26 Accounts.

SDS is looking to position itself so that it can grow the business under LGR.

Knowle Green Estates Ltd (KGE)

External experts were commissioned to review KGE's long-term viability and to propose options. The findings will be reported to CPRC at its July meeting. Approval of the draft Business Plan is therefore pending consideration of those options.

KGE accounts are independently audited, as well as being reviewed by the Council's external auditors when they audit the Council's consolidated Group Accounts.

Text to follow re. current position. Example text from 2025 AGS: The independently audited accounts for 2023-24 received a clean audit opinion and show on the Total Comprehensive Income and Expenditure statement a £1.2m total comprehensive income for the year, and net equity in the company of £5.6m.

Previous Board membership concerns have been fully addressed. Two experienced Non-Executive Directors have been in post since December 2020, providing independent challenge and scrutiny, with one acting as Chair. Since January 2025, there have been no senior council officer Board members with the Company Secretary role is provided by the legal team.

Performance Management

The Council recognises that effective performance management is an important component of good governance, supporting the efficient use of resources, delivery of priorities and achievement of outcomes for residents. However, the extent to which current arrangements provide consistent and reliable assurance remains variable.

In principle, performance management should provide assurance that the Council is delivering its priorities effectively and identifying areas for improvement. The Corporate Performance Management Framework is intended to link strategic priorities, service plans, performance indicators and risk management. However, the effectiveness of these links in practice, and the extent to which performance information consistently informs decision-making by officers and Councillors, still requires improvement.

Performance is monitored through a range of measures, including corporate KPIs, statutory and regulatory indicators, local service measures, and individual performance through the Continuous Performance Management (CPM) process. While these mechanisms are in place, there is variability in their application and in the quality and consistency of performance information. This can limit the Council's ability to identify underperformance early and take timely and effective corrective action.

Further detail on the Performance Management Framework is provided in **Appendix 5**.

Ethical Framework

There are a number of policies that support this framework:

[Members Code of Conduct](#)

[Member Officer Relations Protocol](#)

[Protocol on relations between Members](#)

[Staff Code of Conduct](#)

The 7 Principles of Good Governance

There are seven principles and sub-principles of Corporate Governance incorporated within the CIPFA/SOLACE framework and as set out in Diagram 2.

Below is our assessment of our effectiveness and any significant issues identified for inclusion in the improvement actions to be taken.

Appendix 1 sets out the process undertaken in the assessment taken with the sources of information considered. Whilst many of our policies, processes and strategies link to many of the Good Governance Principles, below are those that are particularly relevant.

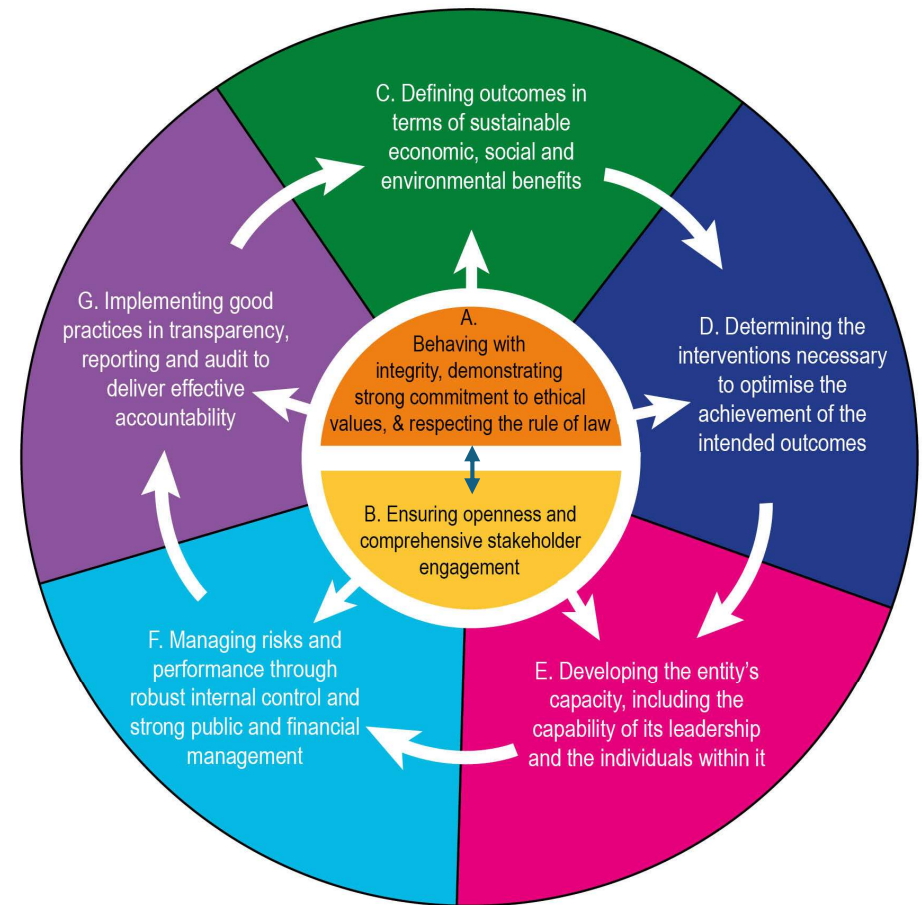


Diagram 2: 'Delivering Good Governance in Local Government Framework 2014' Published by CIPFA/SOLACE

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Whilst all newly elected Councillors and officers receive training on expected behaviours, there have been few opportunities arranged during the period to support Councillors or Officers in refreshing and reinforcing this understanding.
- An induction for Spelthorne representatives on the new West Surrey Council will be delivered to highlight local issues and equip Councillors for the transition to unitary decision making.
- The Council's Standards Committee, guided by an Independent Chair, is responsible for upholding high standards of behaviour from the elected members. In line with best practice an Annual report is being prepared to highlight 2025-26 activities to Council.
- A new protocol defining Councillor to Councillor conduct was agreed in March 2025. This included a new process for submitting complaints between elected members to achieve informal resolution through conciliation where possible.
- In the period from 1 April 2025 to 31 March 2026, there were 7 complaints against Councillors, a decrease from 22 in the previous year. This reduction can be seen to be directly linked to the new protocol. The limited powers available to respond to substantiated concerns may also affect individuals' willingness to make complaints however a number of complaints were rejected by the Monitoring Officer on the grounds that they were politically motivated or lacked sufficient supporting evidence. The Standards Committee received regular updates during the year on the number and types of complaints.
- In response to an internal audit on Equality and Diversity in June 2025 a new Equality, Diversity and Inclusion strategy has been agreed by CPRC in April 2026.
- The review of internal management meetings introduced a quarterly assurance meeting to focus on performance activities, including reviewing complaints, analysing trends, and sharing learning from outcomes to ensure that service improvements are made promptly. Work is ongoing to ensure this approach is fully effective.

GOOD GOVERNANCE PRINCIPLE A:		
Policy, framework or process	Owner	Last reviewed
The Constitution	Group Head of Corporate Governance	2026
Members Code of Conduct	Group Head of Corporate Governance	
Member Officer Relations Protocol	Group Head of Corporate Governance	2021
Protocol on relations between Members	Group Head of Corporate Governance	2025
Council values	Deputy Chief Executive	2025
Counter-Fraud Bribery and Corruption Strategy	Group Head of Corporate Governance	2026
Modern Slavery Statement		2023
Equality, Diversity and Inclusion Strategy	Group Head Commissioning and Transformation	2026
Gifts and Hospitality Policy	Group Head of Corporate Governance	

B. Ensuring openness and comprehensive stakeholder engagement

- All Council and Committee meetings are held in public except where confidential or exempt information is being presented. As the public are excluded for those items the Council continues to strive to keep these instances to a minimum. Advice is required from the Monitoring Officer whether an exemption from public disclosure is appropriate to ensure that the majority of decision-making takes place in the public domain.
- All Committee reports are published on the Council's website in advance of the relevant meeting. In response to the Best Value Inspection Report comments on the timeliness of some of the Council's reports the Council has reviewed internal processes. There continues to be occasions where report information is not available on time or is updated following publication. It is acknowledged that further scheduling and prioritisation is required to ensure that all reports are published within the required timescales to afford sufficient time for the Councillors and the public to read reports.
- Regular Pulse Surveys are being undertaken to monitor and track motivation, wellbeing, support, and clarity amongst the council employees. *Text to follow re. results.*
- Responsiveness to freedom of information requests is monitored by the Data Protection Officer and the Council's Management Team. *Text to follow re. status*
- It has been fed back that communication on the implications of the Best Value review and how the Council was responding to the Directions was not shared widely enough with staff in order to secure engagement and investment in the outcomes. This is being addressed as part of the refresh of the Improvement and Recovery Plan incorporating the acceleration of local government reorganisation activity towards vesting day.
- During 2024-25, the Council undertook a Residents' Survey and when comparing with the Local Government Association benchmark for how well residents feel informed by the Council, 65% of the people that participated were satisfied, well above the average of 54%.
- The Council proactively engages with residents, businesses, and partners to maintain the Council's reputation and keep users informed about priorities, services and campaigns and consultations via digital, in person and social media channels. The Council's website provides considerable transparency information.
- We are always reviewing the most appropriate ways to communicate, from formal statutory consultations through to the Council's use of social media, website, borough magazine, the Customer Portal, Borough noticeboards and direct mail. In October 2025 the Council's new website was launched with a focus on accessibility, increased search tools and a drive to self-service via online forms. Additional

digital platforms were also created for the business community to promote the jobs and skills hub, Business Spelthorne and the awards.

- We hold frequent consultations about various issues and topics, including housing developments, health and wellbeing, arts and culture, budget setting and community safety. Significant consultations during 2025/26 included local government reorganisation, community safety, HMO planning guidance, off-street parking, playground survey,

Local Plan main modifications, Design Code and Housing, homelessness strategy.

- The Spelthorne Partnership Assembly (launched in 2024) continues to facilitate residents, Councillors and representatives from organisations in the Borough to meet four times in a year to discuss concerns with the Leader of the Council and Council Officers. The last meeting took place in February 2026 and the next one scheduled for May with guest speaker Borough Commander Inspector Walton.

GOOD GOVERNANCE PRINCIPLE B		
Policy, framework or process	Owner	Last reviewed
Customer Charter	Head of Communications and Customer Experience	2025
Guide to information	Group Head Commissioning and Transformation	2026
Engagement Strategy	Head of Communications and Customer Experience	2025

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- The Council has an approved Corporate Plan for the period 2024/28. Supported by 136 actions which are tracked on a regular basis by senior leadership team.
- The Council has approved a Social Values Strategy which agreed a set of parameters to evaluate any purchase offers for regeneration sites. Prior to any site disposal the Council will agree a minimum site value and attach weightings to individual criterium to aid decision making and to ensure that the Council consider the social value to the Borough's residents.
- Local Plan was signed off by the Planning Inspector as sound and approved by Council in March 2026.
- The Council has introduced hybrid mail producing a sustainable saving on each letter sent and the delivery of annual billing by email to residents saved £13,000 which had the additional environmental benefit of reducing printing.
- The Council's data focused approach to Climate Change and Sustainability activities has seen significant reductions in production of greenhouse gases, the introduction of a hydromix within radiators in council buildings has yielded a 10% saving on heating costs during the autumn of 2025 and flooding prevention activities are monitored in terms of impact.
- The MHCLG review of homelessness reflected positively on the Council's focus on customer service. However, previously identified improvements, as outlined in the IRP, remain a priority, particularly the need to balance this focus with the economic pressures facing the Council and managing down the cost of temporary accommodation.

GOOD GOVERNANCE PRINCIPLE C		
Policy, framework or process	Owner	Last reviewed
Corporate Plan	Deputy Chief Executive	2024
Economic Strategy		
Net Zero programme	Group Head Commissioning and Transformation	
Medium Term Financial Strategy	Chief Finance Officer	2026
Capital Programme and Capital Strategy	Chief Finance Officer	2026
Corporate Debt Policy	Chief Finance Officer	2026

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Interventions

- The Improvement and Recovery Plan, agreed in October 2025 and revised in February 2026, details how the Council is approaching the response to the Secretary of State's Directions as part of the Government Best Value intervention process.
- The Action Plan compiled to address areas of improvement identified in the Grant Thornton external audit report for the period 2023-24 has been subsumed into the Improvement and Recovery Plan. This included setting up a central database of strategies, which set out who the document owner is, when the document needs to be reviewed, and who has responsibility for sign-off.

Optimise the achievement of the intended outcomes

- A performance management framework is in place to support delivery of the Corporate Plan and individual service plans, although further development is required to ensure consistent and effective application.
- There is also an organisational development framework in place including Continuous Performance Management (CPMS) reviews, one-to-ones, and clear job descriptions (which have all been reviewed as part of the preparation for local government reorganisation). A recognised inconsistent application and variable quality undermines its effectiveness.

- The Improvement and Recovery Plan (IRP) has been monitored through a series of project dashboards tracking progress through the recovery phase. The achievements in this period can be viewed at **Appendix 2**. The Revised IRP agreed in January 2026 whilst refocusing on the next implementation and improvement phase was criticised for not containing explicit milestones. A health check delivered by Newtrality who act as the Programme Director, identified the need to develop delivery plans to support each theme within the plan. Activity in 2026/27 will be focused on prioritising deliverables within the timeframe available.
- As part of the review of the IRP, it was identified that the existing suite of key performance indicators required refreshing to ensure the data provided meets the needs of the Senior Leadership Team, councillors and Commissioners in monitoring the impact of improvement activity.
- The delivery of themes within the IRP are supported by sub-boards involving workstream leads, the relevant lead commissioner and lead councillors. An internal audit of IRP Governance was completed in this period and the findings are yet to be reported
- It was identified within the risk assurance review that individual Service committees should be provided with more risk information in order to undertake scrutiny relating to their service areas.

GOOD GOVERNANCE PRINCIPLE D		
Policy, framework or process	Owner	Last reviewed
Financial Regulations & Standard Financial Procedures	Chief Finance Officer	2026
Contract Standing Orders	Chief Finance Officer	2026
Asset Management Strategy	Group Head Assets	2023

E. Developing the entity's capacity, including the capacity of its leadership and with individuals within it

- In response to the Best Value Inspection process the Finance team structure was reviewed and additional resources were brought in where there were gaps in specialist technical knowledge. This has enabled the significant progress against the objectives within the Improvement and Recovery Plan with further activity planned in 2026/27 to support budget holders with budget monitoring using the Council's Integral 2 system.
- The resource pressures associated with the preparations for transition to West Surrey are steadily increasing and lead officers have been identified. Further resource planning to be explored in 2026/27 to utilise LGR funding to ensure key officers have capacity to respond to requests from the Surrey First programme within the required timescales and maintain business as usual activity within services.
- In relation to Councillor development beyond the initial induction programme this has not been progressed in 2025/26. Targeted activities for the new Governance Assurance approach and specifically for committees such as the Audit Committee has successfully supported the refocusing of its remit. Regular all member briefings take place fortnightly and information is shared via the Member Information Pack.
- The e-learning programme manages the updating and roll out of a wide variety of subjects, management training with specific ICT training highlighting aspects of cyber security.
- In response to concerns about capacity pressures within the Senior Leadership Team, a review was undertaken and a revised approach adopted for weekly MAT meetings. An Assurance MAT was also introduced to provide a quarterly focus on monitoring performance across a range of service areas. While further refinements may be required, an immediate reduction in meeting length has been achieved.
- There are areas within the Council where improvement activity has been impacted, and delivery is put at risk by staff absence and vacancies. Recruitment and retention remain challenging during periods of uncertainty. In response, an updated Recruitment and Retention Policy was updated in March, affected teams are diversifying approaches to support under-resourced areas, and proposals are being developed to access agency staff frameworks in order to make the workforce more resilient.
- The Surrey Learn learning and development framework gives officers access to training opportunities with additional sessions focused on Change management, managing resilience and dealing with challenging customers as examples of sessions delivered on location. Staff were given the opportunity to identify courses to upskill them. The focus for 2026/27 will be identifying the skills needed by staff in readiness for their transition to West Surrey and commissioning bite-sized sessions to make attendance easier within busy schedules.

- During 2025/26 a customer webchat system was implemented utilising Artificial Intelligence capabilities and redirecting residents to the relevant online form or connecting them to a member of staff.

GOOD GOVERNANCE PRINCIPLE E		
Policy, framework or process	Owner	Last reviewed
Equalities, Diversity and Inclusion Policy	Group Head Commissioning and Transformation	2026
Recruitment and Retention Policy	Group Head Commissioning and Transformation	2026
Staff training	Group Head Commissioning and Transformation	2026
Councillor training	Group Head of Corporate Governance	2026
Scheme of delegation	Group Head of Corporate Governance	2026
Pay policy statement	Group Head Commissioning and Transformation	2025

F. Managing risks and performance through robust internal control and strong public financial management

- Financial Procedure Rules together with the Contract Standing Orders, set the framework of internal controls. Internal audit has a programme of work designed to assess how this framework operates in practice and reports to the Audit Committee.
- The Council received a 'Disclaimed Opinion' on the Statement of Accounts 2024-25 from its External Auditors, Grant Thornton, as prior assurance was not in place in relation to the opening balances. The Council received significantly fewer external audit recommendations than for 2023-24 and is making good progress on the journal of rebuilding assurance in the accounts with the aim to achieve a clean audit opinion for the 2026-27 Accounts.
- The Council in February approved a revised treasury management strategy including an investment strategy and Minimum Revenue Provision policy. The strategy demonstrates how the Statutory Direction regarding reducing borrowing and setting a prudent level of MRP are being addressed in practice. The Minimum Revenue Provision (MRP) Policy Statement for 2025/26 increased MRP to a prudent level in line with statutory guidance.
- A robust timetable for processing year end accounting information has been introduced but it is acknowledged will take time to see improved performance.
- The project to refine budget monitoring processes began in 2025/26 to enable direct budget holder scrutiny, monthly reporting to the senior leadership team and timely data to be available for councillors. Training for officers and councillors will be rolled out during May/June 2026. The increased use of the Council's Integral 2 system will improve the quality of forecasting and reporting.
- During 2025/26 a sector expert in risk management was engaged to introduce a governance assurance-based Risk Management Framework and Policy. This was approved by CPRC in January 2026, work is ongoing to implement this.
- A Corporate Assurance Register (previously the Corporate Risk Register) was in place at the start of the year to outline the Council's key strategic risks. While this was previously subject to regular review by officers and councillors, this has lapsed during the transition to the new Governance Assurance framework, resulting in reduced visibility and oversight of strategic risks by Councillors.
- The Council's Emergency Planning and Resilience arrangements are supported by Applied Resilience but with changes in staffing a programme of training has been delivered in 2025/26 to ensure readiness including incident management, internal management and rest centre training.

- Cyber Security Audit in April 2025 confirmed policies were in place and eLearning continues to be rolled out to staff including and simulated phishing exercises to test their knowledge.
- An audit in Sundry Debt confirmed the improvements required that had already been identified by the service. A new post has been created to lead on the aged debt process incorporating a lower threshold to implement stop checks and the new Corporate Debt Policy due to be considered by CPRC in April 2026.
- The AGS review process confirmed that further improvements are required to the Council’s procurement procedures to expedite processes. Long-standing concerns about the incompleteness of the contracts register have been brought into sharper focus through information requests from Surrey First, and the need for greater rigour in services’ contract management has become a higher priority.

GOOD GOVERNANCE PRINCIPLE F		
Policy, framework or process	Owner	Last reviewed
Governance Assurance Process part of Performance Management Framework	Deputy Chief Executive	2026
Information Governance & Security Policies	Group Head Commissioning and Transformation	2026
Health & Safety Policy	Chief Executive	2026
Confidential Reporting Code (Whistleblowing)	Group Head of Corporate Governance	2025
Sundry Debt Policy	Group Head Commissioning and Transformation	2026

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

- In response to a recommendation from the External Auditor an independent sector expert undertook a self-assessment of the Audit Committee against CIPFA guidance for Audit Committees in 2025/26. A second independent member to be recruited to the Committee and the adoption of the revised terms of reference were agreed at Council in February 2026. An annual report on the Committee's activities in 2025/26 is being prepared for submission to Council.
- Budget reporting continues to be subject to challenging timescales. Although this is a known issue, late reports or late amendments can adversely affect councillors' ability to scrutinise information effectively. Strengthened forward planning and meeting scheduling will be key to reducing reliance on late circulation and improving governance arrangements.
- A further enhancement planned for 2026/27 is the production of budget reports on a monthly basis for the senior leadership team to review the current position and be able to respond promptly to emerging issues.
- A new report template was devised to improve transparency and decision making. Its effectiveness has been periodically reviewed during 2025/26 with further amendments to the template being made in response to feedback. [Commissioners' observations in December 2025](#) indicated that further work was still required to improve both the timeliness and quality of reporting. The AGS review process has reaffirmed the challenges experienced in delivering the required improvements in relation to this objective within the Improvement and Recovery Plan. Officers have noted that the current review, quality assurance and committee timetable processes can significantly extend the time taken to implement activities. While progress has been made providing training and coaching, further work is needed to clarify the refined approval process, including when draft reports should be shared and the requirements of the template, in order to fully embed improvements and better support officers to be ready for Local Government Reorganisation.

GOOD GOVERNANCE PRINCIPLE G		
Policy, framework or process	Owner	Last reviewed
Performance Management Framework	Deputy Chief Executive	
Internal Audit Plan, Annual Internal Audit Opinion and Independent Assessment of Internal Audit	Deputy Head of Southern Internal Audit Partnership (SIAP)	2026
External Auditor's Annual Report	Chief Finance Officer	2026

Summary of key actions delivered in 2025/26 to strengthen governance

Updated Treasury Management Statement	Approved Medium Term Financial Strategy	Implemented Improvement and Recovery Board
Agreed Corporate Debt Policy	Minimum Revenue Provision Policy Statement	Agreed Improvement and Recovery Plan
Reviewed and reset internal MAT meetings	Revised report template and report writing training	Implemented IRB Sub Boards
Processes mapped for all landlord and tenant related matters	Agreed Equality, Diversity and Inclusion Strategy	Published information guides for Houses of Multiple Occupation (HMOs)
Approved Commercial Strategy	Agreed Protocol on relations between Members	Approved new Governance framework for Audit Committee
Approved Asset Rationalisation Strategy	Introduced new Governance Assurance Framework	Adoption of Local Plan
Introduced Staffing Panel	Supplementary Planning Document on HMOs	Adoption of Spelthorne Design Code SPD

Summary of actions focused on strengthening governance in 2026/27*

Delivery plans for each IRP theme	Engagement strategy for LGR and IRP	Preparations required by Surrey First (LGR)
Fortnightly staff briefings	Review of KPIs	Induction for West Surrey representatives
Procurement training	Pulse surveys with staff	Review of Corporate Plan
Climate Change SPD	Annual Report for Standards Committee	Affordable Housing SPD
Infrastructure Delivery Plan	Resource planning for LGR leads	Actions toward achieving unqualified audit opinion
Forward Planning and timeliness of reporting	Annual Report for Audit Committee being considered at Council	Rationalising the length of meetings
Refocus officer development programme to support LGR transition	Embedding budget monitoring processes by budget holders	Refine refocused MAT meetings

* to be incorporated into the IRP delivery plans

APPENDIX 1 - The process for development of the AGS for 2025/26 and information considered when developing the AGS

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APPENDIX 2 – Progress on 2025/26 Annual Governance Statement improvement actions integrated into the Improvement and Recovery Plan

IRP ACHIEVEMENTS



Improving financial sustainability

- Reset the Minimum Revenue Provision (MRP) policy
- Restructured debt
- Updated the Treasury Management strategy
- Approved new Reserves Strategy
- Set a Medium-Term Financial Strategy
- Set a balanced budget for 2026/2027



Improving governance & assurance

- Reviewed and reset internal MAT meetings and corporate governance
- Improving report writing processes
- Started an overhaul of the 'Council's assurance' and governance (risk) approach
- Updating contract registers
- Approved a new Governance framework for the Audit Committee



Improving commercial, regeneration and housing

- Agreed our social value strategy
- Began work on the Staines Masterplan
- Developing affordable housing Statutory Planning guidance
- Increased staff resources to monitor/manage the demand for emergency housing
- Approved terms for disposal of two assets
- Council approved new Local Plan and Design Code



Strengthening and improving leadership

- Supported the standing up of the Future Surrey Local Government Reorganisation programme
- Employee engagement on the Future Surrey programme
- Responsible, with partners, for defining the Future Surrey Procurement programme
- Developed KPIs to help measure our progress towards transition

APPENDIX 3 – Internal Auditor report to the Audit Committee

- Since April 2024 the Council has been part of the Southern Internal Audit Partnership (SIAP).
- Every year, the Internal Audit function (SIAP) issues an independent opinion in an annual report concluding on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and internal control. This comments on the risks facing the Council and the adequacy of the Council’s arrangements to manage those risks. It represents one of the key assurance statements the Council receives.
- A final internal audit opinion on the framework of governance, risk management and control for 2025/26 will be concluded for contribution to and incorporation within the final version of the Annual Governance Statement (2024/25) in June 2026 when it be reported to the Audit Committee.
- Text to follow

APPENDIX 4 – External Assurance

- Text to follow which will highlight the external opinion and responses / actions taken

APPENDIX 5 – Performance Management Framework

The Council recognises that effective performance management is a key element of good governance, supporting the use of resources, delivery of priorities and outcomes for residents. However, the effectiveness of current arrangements has been inconsistent across the organisation during the year and is a key priority within the Improvement and Recovery Plan.

The Council has a corporate Performance Management Framework in place which is intended to link strategic priorities, service plans, performance indicators and risk management. While this provides a clear structure, its application in practice is inconsistent, and it does not consistently support timely and well-informed decision-making by officers and Councillors.

Performance measures in place include:

- Key Performance Indicators (KPIs) linked to corporate priorities which are currently being refreshed
- Statutory indicators and regulatory requirements
- Local service indicators reflecting operational delivery and transformation activity
- Individual performance monitoring through the Council's Continuous Performance Management (CPM) processes

Although targets and tolerances are defined, data is not collected and reported consistently and as a result, the early identification of underperformance and the implementation of corrective actions is variable across services.

Monitoring, Reporting and Scrutiny

The refocusing of Management Team meetings to introduce a focused assurance session to include service managers in routine oversight arrangements is yet to be established and effective.

The quality, consistency and timeliness of performance information varies, and this can limit the ability of both officers and Councillors to maintain a clear and up-to-date understanding of performance and to apply effective challenge where needed. Recasting meeting and reporting schedules to better reflect data collection is ongoing.

Although Service Committees, the Corporate Policy and Resources Committee and the Audit Committee all receive performance-related information within their respective remits there continues to be significant improvement required in arrangements for them to consistently support robust oversight and accountability.

Integration with Risk and Governance Assurance

Underperformance and control weaknesses are not always systematically considered alongside strategic and operational risks. As a result, the Council does not consistently maintain a joined-up view of performance and risk, limiting its ability to identify, escalate and respond to emerging issues effectively. This disconnect during 2025/26 is being addressed through the new Governance Assurance framework but will require refinement to demonstrate full integration.

Continuous Review and Improvement

Performance information is used to support improvement activity where issues are identified. During the year, there has been a focus on strengthening performance management in key areas, including financial sustainability, service resilience and delivery of the Improvement and Recovery Plan. There are examples of good practice such as the prompt

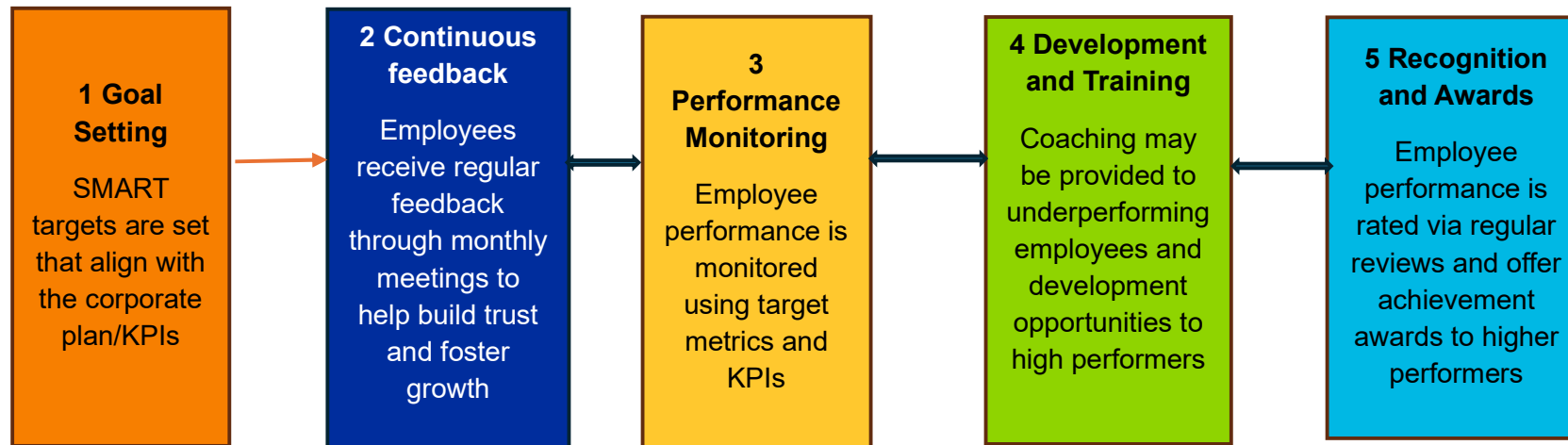
implementation of observations in internal audits. However, follow-through on agreed actions remains variable, and the approach of developing and monitoring action plans to deliver improvements is not applied consistently across the organisation.

Assurance

While performance management arrangements are in place they currently provide limited to moderate assurance and require further development to ensure they operate consistently and effectively across the organisation.

Employee Performance

The structured approach to managing employee performance, which links individual objectives to the Corporate Plan and relevant KPIs, has limited effectiveness in supporting organisational performance and accountability due to inconsistent application and variable quality.



APPENDIX 6 - Governance Assurance Framework

A new Governance Assurance Policy and Framework has been designed to:

- strengthen organisational awareness of good governance,
- clearly define roles and responsibilities for assurance and action,
- provide a consistent methodology for obtaining assurance across the organisation, and
- improve the proactive identification and management of governance risks.

The new Framework places reduced emphasis on numerical risk scoring, which can be inherently subjective, and which often became the focus of discussions about risk on the previous Corporate Risk Register, and instead focuses on:

- the effectiveness of governance arrangements,
- the adequacy of internal controls, and
- the strength and quality of assurance.

This enables risks to be managed through strong systems, clear accountability, effective decision-making and robust oversight, while providing Members and stakeholders with confidence that appropriate arrangements are in place to support delivery of the Council's objectives.

Governance Assurance Policy and Framework

The Framework explains how the Council obtains assurance over the effectiveness of its governance arrangements and how it manages the threats, challenges (risks) and opportunities it faces. In particular, the Framework:

- Sets out the Council's key governance assurance areas,
- Defines roles and responsibilities for assurance ownership and delivery,
- Establishes assessment, monitoring and review processes,
- Explains how assurance is reported to Members, and
- Identifies required training and development.

It covers all enabling and controlling strategies, policies and procedures, ensuring that resources are used effectively, efficiently and economically, and supports delivery of the Council's Improvement and Recovery Plan.

Development and implementation of the various elements of those arrangements have continued through to Quarter 4 of 2025/26 with the new approach due to take full effect from April/May 2026.

Roles	Responsibilities
Service Committees	<p>Service Committees now have a strengthened role in scrutinising governance and risk matters within their remit. In particular, they:</p> <ul style="list-style-type: none"> • Scrutinise detailed governance and risk assurance reports, and • Receive six-monthly assurance updates relevant to their portfolio areas.
Audit Committee	<p>The Audit Committee focuses on the overall effectiveness of the Council’s governance, risk management and internal control arrangements. It provides assurance that:</p> <ul style="list-style-type: none"> • Key governance and risk areas are clearly owned and effectively managed, • Governance arrangements are implemented, operating and monitored effectively, and • Officers and services are held to account for delivery. <p>To support this role, the Committee will receive:</p> <ul style="list-style-type: none"> • Regular governance assurance reports, and • In-depth “deep dive” presentations from Assurance Owners on specific governance areas and key strategic risks. <p>These sessions will enable the Committee to test controls, scrutinise action plans and obtain assurance on implementation and ongoing monitoring.</p>

Management Team Plus (MAT+)	<p>MAT+ is responsible for ensuring that the Governance Assurance Register reflects the Council’s most significant governance risks and strategic concerns. In particular:</p> <ul style="list-style-type: none"> • Strategic risks are reviewed quarterly, • Each governance assurance area is owned by MAT+, • Individual risks are assigned to named Assurance Owners, and • Actions are allocated to senior managers best placed to deliver improvements. <p>This leadership-led approach demonstrates a strong organisational commitment to embedding a positive and mature governance and assurance culture.</p>
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Governance Assurance Register/Risk Register

The presentation, structure and content of the Council’s Risk Register have been revised and re-established as a Governance Assurance Register. This reflects the shift towards identifying weaknesses, gaps or non-compliance within governance arrangements and internal controls, rather than focusing solely on likelihood and impact scoring. During the transition from a Corporate Risk Register to a Governance Assurance Register, the key risks to the Council have been kept under review by Risk/Governance owners, and MAT+, with regular updates on transitional arrangements provided to the Audit Committee.

All MAT, Service Committee and Council Reports contain a section on Risk Implications, with report authors required to outline the key risks associated with their proposals and any mitigation measures.

APPENDIX 7 – Bodies SBC works closely with and/or whose board SBC nominates members to

There are a number of organisations which are independent from the council, but have an impact on its service areas.

In order that the council can maintain effective partnerships with a number of these organisations, representatives of the council, usually elected councillors, sit on the various committees and forums that are responsible for them.

To find the contact details for the council's representative on a particular outside body please follow the relevant link.

- [A2Dominion Customer Insight Panel](#)
- [Ashford and St Peter's Hospitals NHS Foundation Trust](#)
- [Citizens Advice Runnymede and Spelthorne](#)
- [Council for the Independent Scrutiny of Heathrow Airport](#)
- [Heathrow Local Community Forum](#)
- [Heathrow Noise and Airspace Community Forum](#)
- [PATROL \(Parking and Traffic Regulations Outside London\) Adjudication Joint Committee](#)
- [Runnymede and Spelthorne SHMA - Joint Member Liaison group](#)
- [South East Employers](#)
- [South West Middlesex Crematorium Board](#)
- [Spelthorne Mental Health Association Management Committee](#)
- [Spelthorne Safer, Stronger Partnership Board](#)
- [Strategic Aviation Special Interest Group](#)
- [Sunbury Fuel Allotment](#)
- [Surrey Environment Partnership](#)
- [Surrey Museums Partnership](#)
- [Surrey Police and Crime Panel](#)
- [Surrey Traveller Community Relations Forum](#)
- [Sustainability and Transformation Plan Stakeholder Reference Group](#)
- [Thames Landscape Strategy Partnership Executive Review Board](#)



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 1 May 2026 to 31 May 2027

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 19 05 2026 Audit Committee 23 06 2026	Annual Governance Statement	Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer
Audit Committee 19 05 2026 Audit Committee 23 06 2026	Governance Assurance Register	Key Decision	Public	Lee O'Neil, Deputy Chief Executive
Audit Committee 23 06 2026	Annual Internal Audit Conclusion 2025/26	Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Audit Committee 23 06 2026	External Audit Plan for 25/26	Key Decision	Public	Joanne Brown, Audit Partner, Grant Thornton
Audit Committee 23 06 2026	Monitoring of Improvement and Recovery Plan	Key Decision	Public	Nic Fell, Programme Director
Audit Committee 23 07 2026	Draft Statement of Accounts	Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance 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 23 07 2026	Improvement and Recovery Plan Progress Updates	Key Decision	Public	Nic Fell, Programme Director
Audit Committee 23 07 2026 Council 22 10 2026	Report from Committee Chair on Work of the Audit Committee	Key Decision	Public	Councillor Jon Button, Leader of Labour Group
Audit Committee 24 09 2026	Internal Audit Progress Report	Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Audit Committee 26 11 2026	Internal Audit Progress Report	Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Audit Committee 04 03 2027	Internal Audit Annual Conclusion 2026/2027	Key Decision	Public	Iona Bond, Deputy Head of Southern Internal Audit Partnership

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