

## Appendix D: Use of Resources Best Value Theme- Assessment against characteristics of a well performing authority

Description	Characteristics of a well-functioning authority	How we assess ourselves
<p>An authority must have in place and properly deploy an effective internal control environment to safeguard the use of resources, and clear and effective processes to secure value for money. It must have appropriate financial management, reporting and regulation arrangements in place, in accordance with CIPFA's Financial Management Code, to govern the strategic and operational management of its investments, funding, assets and companies. This includes ensuring it has the appropriate skills and capacity in place, commensurate with the complexity of its finances, using specialist expertise when needed. Authorities must appropriately comply with the Prudential Framework in making investment and</p>	<p>(a) Annually the Chief Finance Officer requests that Group Heads and senior management complete an assurance statement, reinforcing the importance of internal control. Management is accountable for implementing and operating adequate systems of internal control in managing risk.</p> <p>(b) An effective internal audit service that produces a risk based audit plan (programme of work) approved by the Audit Committee, and provides independent assurance on the adequacy of systems of internal control, governance and risk</p>	<p>(a) Signed declarations from Managers</p> <p>(b) External Quality Assessment of Internal Audit's conformance to professional auditing standards at least once every 5 years. This is a key measure used in the internal audit sector to ascertain quality, professionalism and effectiveness of Internal Audit. The</p>

<p>borrowing decisions and not take on excessive risk. They should have effective systems for identifying, reporting, addressing and reviewing financial risk and have consideration of CIPFA's Financial Resilience Index. Investment decisions must have a commensurate level of scrutiny, transparency and approval to make sure that officers and members fully understand the risks. Financial management and reporting should be supported by robust financial systems, record keeping and quality assurance, with appropriate use of specialist expertise when needed. Authorities should respond to audit recommendations and address issues identified in a timely way. Capacity constraints should be identified and recruitment to fill key posts prioritised. Succession planning needs should be considered, with a longer-term view as to when there might be a gap in senior, experienced officers</p>	<p>management arrangements. Recommendations issued if deemed necessary, aimed to enhance internal controls.</p> <p>(c) Monitoring system to ascertain status of audit recommendations (implementation).</p> <p>(d) Strategic risk register maintained, monitored and regularly reported. This aims to focus on the most significant risks facing the authority that impact the effective achievement of the Council's corporate priorities.</p>	<p>Independent assessment undertaken in 2023 concluded an overall positive rating for Spelthorne's Internal Audit based on universal gradings.</p> <p>Annual review of Internal Audit Effectiveness also highlights any continuous improvement measures.</p> <p>(c) Internal Audit recommendations are periodically followed up and status reported to Management Team and Audit Committee.</p> <p>(d) Strategic risk register (Corporate Risk Register) maintained, monitored and regularly reported (3 times a year) to the senior executive management team, Audit Committee and wider Members. It takes into account the Council's risk exposure to wider externalities, including financial risk and the impact on delivery of corporate priorities.</p>
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	<p>The financial strategy and budgets are clearly aligned with strategic priorities and there is a robust process for reviewing and setting the budget.</p>	<p>We have done a considerable amount of work to make Budget process more transparent and engage more with councillors and work through the Committees. In 2024-25 we have prioritised addressing housing pressures which is both a statutory pressure and is also in line with one of our corporate priorities</p>
	<p>Human resources and fixed assets are managed efficiently and effectively.</p>	<p>The Council commissioned an independent review of its establishment by SEE which reported in 2023 to Corporate Policy and Resources Committee. Human Resources recruitment and retention risks are highlighted on the Corporate Risk Register.</p> <p>The Council has significantly grown its Assets team by setting aside some of the income from investment assets to fund posts. A number of experienced professionals have been recruited from the private sector. The Assets team pro-actively manages the investment assets portfolio which is reflected with a consistent collection rental rate in excess of 99.8% throughout the pandemic and cost of living crisis and a current void rate of less than 9%. The Council continually reviews and refines</p>

		governance arrangements for oversight of assets activity
	A robust system of financial controls and reporting exists, which provide clear accountability and ensure compliance with statutory requirements and accounting standards.	<p>The Finance team has been strengthened over the last few years with the addition of new posts and creation of two apprentice posts to grow new talent.</p> <p>Internal audit resilience is being strengthened by outsourcing to Southern Internal Audit Partnership to give the Council to a greater range of internal audit expertise and resource</p>
	Compliance with the Prudential Framework, a clearly presented Investment Strategy, Capital Strategy and Minimum Revenue Provision (MRP) policy exists.	<p>We focus on complying with the Prudential Code, and have in place Investment Strategy, Capital Strategy which are approved on annual basis. The Capital Strategy particularly focused on risk management. We have a Minimum Revenue Policy (MRP) in Place and regularly liaise with our Treasury Management advisers to ensure that our approach is compliant. Our advisers provide periodic training for councillors with the last session being in January 2024</p>
	A clear strategy exists to maintain adequate reserves.	Reserves Strategy is reviewed and approved on an annual basis by

		Corporate Policy and Resources. We have an approved strategy for sinking funds reserves
	There is collective accountability for the budget and medium-term financial plan, rather than a siloed approach to management.	Under the Committee governance system at a political level there is ownership for the budget and Medium Term Financial Plan across the Committees with Corporate Policy and Resources Committee taking the Strategic lead. At an officer level MATplus takes ownership. We review our self-assessment against the CIPFA Financial Management Code to ensure that there is collective ownership for financial management issues
	There are regular financial reports to Cabinet and training for all members on finance.	Regular monitoring reports go to all service committee and to Corporate Management. The financial system has been upgrade to enable managers to more easily monitor and revise budget projections and to encourage ownership. A Members Financial Reporting Group was set up to focus on how we can make financial reports easier to understand for councillors. This has led to the implementation of the "four square" summary methodology for reports. Moving forwards we are looking

		to implement dashboard reporting.
	Robust systems are in place to identify, report, address and regularly review financial risk.	The Council's Corporate Risk Management Policy was refreshed and approved by Audit Committee a few years ago. We have a section on risk in all reports going to committee. We are in the process of embedding a risk appetite methodology and have developed a framework for taking this forward, communicated with Senior Managers and Audit Committee. Service Plans are required to focus on risk mitigation. The Corporate Risk Register is reviewed quarterly by Corporate Management Team, Audit Committee and Policy and Resources Committee
	Sustainable, competitive corporate functions including procurement and IT which deliver value for money.	In recent years we have expanded the procurement function to 3 posts. ICT is a challenging area to recruit to and to retain staff because we do not offer salaries in line with neighbouring authorities or the private sector.
	The Audit Committee has the knowledge, skills and independent expertise to provide robust challenge and ensures effective	We have in place an independent member on the Audit Committee. Current such member has 30 plus years of audit experience, to help enhance the knowledge

	controls are in place and issues addressed.	and expertise of the Committee. Regular training has been provided to the Audit Committee on the role of audit committees, risk management and understanding local authority accounts. The Audit Committee has within its remit the authority to call Managers to account before the Committee.
	Effective project management of projects to enhance governance and effective use of resources.	The Council's Project methodology requires Project Initiation Documents to be completed. The Council's projects team tracks projects and reports on progress to councillors