

Audit Committee



Date of meeting: 8 May 2025

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

1. Summary of the report

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

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

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

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

2. Key issues

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

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

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

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

3. Options analysis and proposal

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

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

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

4. Financial management comments

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

5. Risk management comments

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

6. Procurement comments

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

7. Legal comments

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

8. Other considerations

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

9. Equality and Diversity

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

10. Timetable for implementation

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

11. Contact

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

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

Background papers:

Annual Audit Report 2023-24

Appendices:

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

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