

# Audit Committee



**Date of meeting: 8 May 2025**

<b>Title</b>	Progress against the Action Plan to address the Audit Findings Report 2023-24 recommendations.
<b>Purpose of the report</b>	To provide assurance to the Committee that the Actions are making suitable progress.
<b>Report Author</b>	Terry Collier Chief Finance Officer and Ola Owolabi, Interim Deputy Chief Finance Officer
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	Not applicable
<b>Corporate Priority</b>	All
<b>Recommendations</b>	<b>Committee is asked to:</b> <ul style="list-style-type: none"><li>To be informed and assured as to the progress against the Action Plan (Appendix A) and responses to the 2023-24 External Auditor's Audit Findings Report.</li></ul>
<b>Reason for Recommendation</b>	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"><li>Audit Committee at its meeting on 25<sup>th</sup> February 2025 received from Grant Thornton, its external auditors, two reports relating to 2023-24, namely:<ul style="list-style-type: none"><li>Annual Audit Report (incorporating interim Value for Money conclusions)</li><li>Audit Findings Report (focused on Statement Accounts and underlying processes).</li></ul></li></ul>	<ul style="list-style-type: none"><li>A number of issues were identified, which need to be addressed, in order to rebuild assurance in financial and governance arrangements</li><li>To enable a smoother audit process for 2024-25 and to receive improved reports for 2024-25</li></ul>

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

1.1 This report seeks to provide members of the Committee with progress updates against the Action Plans to address the Annual Audit Report and Audit Findings Report 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 provides 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 Plan 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. To summarise majority of these actions were completed by the target date, while other actions are on track for completion. 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.

2.5 Since the Action Plan was previously considered by the Audit Committee, the partnership with Mole Valley has been brought to an end, a new full time interim Chief Accountant/Deputy Chief Finance Officer has been appointed, three members of the finance team have moved on, a significant amount of refresher training around journals and working papers has been undertaken and regular more frequent dialogue with Grant Thornton has been established by the Interim Deputy Chief Finance Officer.

### **3. Options analysis and proposal**

- 3.1 Option 1 – Note the attached Actions Plans 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 Audit Findings Report is focused on the financial Statement of Accounts and underlying financial processes, and a large element of the Annual Audit Report is also finance focused. The Action Plan addresses 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. The Consolidated Action Plan is later on the Agenda of this meeting.
- 8.2 There is a Gantt chart behind the items of the Action Plan to show anticipated timelines. The Gantt chart has not been shown to make the actions easier to view.

## **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.

## **10. Sustainability/Climate Change Implications**

- 10.1 Good governance underpins ability to make decisions to address the challenges of sustainability and climate change.

## **11. Timetable for implementation**

- 11.1 The Action Plan for the Audit Findings report will continue to be presented to the Audit Committee at every meeting of the Committee to provide oversight of progress.

## **12. Contact**

- Terry Collier, Chief Finance Officer – [t.collier@spelthorne.gov.uk](mailto:t.collier@spelthorne.gov.uk) ,
- Ola Owolabi, Interim Deputy Chief Finance Officer - [O.Owolabi@spelthorne.gov.uk](mailto: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  
Audit Findings Report 2023-24

### **Appendix:**

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