

# Audit Committee [CPRC 12<sup>th</sup>]



**Date of meeting: 8th May 2025**

<b>Title</b>	Consolidated Action Plan to Address External Reviews' Recommendations
<b>Purpose of the report</b>	To provide assurance to the Committee that the Actions relating to the various external reviews are making suitable progress and to inform discussions with Commissioners.
<b>Report Author</b>	Terry Collier, Chief Finance Officer, and Linda Heron, Monitoring 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>Consider the draft Consolidated Action Plan relating to recommendations made in key external reviews of the Council and to acknowledge the progress to date.</li></ul>
<b>Reason for Recommendation</b>	<p>The Council accepts the need to ensure that all the recommendations in the following reports are fully addressed:</p> <ul style="list-style-type: none"><li>Public Interest Report 2022- Action Plan agreed by Audit Committee July 2023 and reviewed by July 2024</li><li>Chartered Institute of Public Finance and Accounting (CIPFA) Capital Assurance Report 2023</li><li>Local Government Association (LGA) Corporate Peer Challenge Follow Up Review 2023, previously reported to Corporate Policy and Resources Committee</li><li>Grant Thornton Annual Audit Report 2023-24, Action Plan agreed at last Audit Committee</li><li>Grant Thornton Audit Findings Report 2023-24, considered by last Audit Committee</li><li>Best Value Inspection Report 2025</li></ul>

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"><li>• Audit Committee has previously requested that monitoring of actions relating to the various external reviews should be pulled together for the Committee</li><li>• The Best Value Inspection Report recommends that the Council should develop a comprehensive improvement and recovery plan, integrating recommendations from KPMG, CIPFA, the LGA, and the external auditor as per their January 2025 reports, with quarterly progress reports to both the Audit Committee and the Corporate Policy and Resources Committee, alongside an annual report to full Council.</li></ul>	<ul style="list-style-type: none"><li>• The various external reviews have identified a range of issues which the Council needs to ensure are fully addressed and that the Actions are appropriately tracked.</li><li>• To ensure that suitable progress is being made to address improvements required relating to financial processes, governance, risk management and value for money.</li></ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"><li>• Pull the recommendations from individual reviews into a Consolidated Action Plan</li><li>• Use the Consolidated Action Plan as a basis for a conversation with the Commissioners to agree by end of September 2025 an Improvement and Recovery Action Plan</li><li>• To provide regular updates to both this Committee and Corporate Policy and Resources Committee (CPRC)</li><li>• To provide an annual report on progress to Council</li></ul>	<ul style="list-style-type: none"><li>• Continue to implement the Actions set out in the Consolidated Action Plan</li><li>• To report the Consolidated Action Plan to CPRC</li><li>• To use the Consolidated Action Plan to inform conversations with the Commissioners with the aim of progressing towards an agreed Improvement and Recovery Action Plan by 30<sup>th</sup> September 2025.</li></ul>

- 1.1 This report seeks to share with the Committee a draft consolidated Action Plan tracking progress against recommendations arising from the following external reviews of the Council:
- Public Interest Report 2022- action plan previously agreed by Audit Committee July 2023 and reviewed July 2024
  - Chartered Institute of Public Finance and Accounting (CIPFA) Capital Assurance Report 2023
  - Local Government Association (LGA) Corporate Peer Challenge Follow Up Review 2023- previously reported to Corporate Policy and Resources Committee
  - Grant Thornton Annual Audit Report 2023-24 – Action Plan considered and approved by Audit Committee February 2025
  - Grant Thornton Audit Findings Report 2023-24- Action Plan considered by Audit Committee February 2025
  - Best Value Inspection Report 2025
- 1.2 These recommendations are designed to improve the governance, risk management, value for money and financial accounting control arrangements in place. It is important to monitor the implementation of these recommendations to ensure that the improvements are delivered.
- 2. Key issues**
- 2.1 Recommendation 9 of the Best Value Inspection (BVI) Report published at the end of February 2025 on the Council states “**Improvement and recovery plan:** The Council should develop a comprehensive improvement and recovery plan, integrating recommendations from KPMG, CIPFA, the LGA, and the external auditor as per their January 2025 reports, with quarterly progress reports to both the Audit Committee and the Corporate Policy and Resources Committee, alongside an annual report to full Council.” Under the Directions associated with the appointment of the Commissioners the Council is required within six months to agree the Improvement and Recovery Plan.
- 2.2 There is a considerable overlap between the recommendations of the various reviews, hence why it is agreed that it would be useful to pull together the recommendations into a single consolidated action plan summary. The direction of travel and speed of implementation will be influenced by conversations with the Commissioners as and when they are appointed.
- 2.3 As a first step towards the single Improvement and Recovery Plan required by the BVI process, officers have consolidated into a single Consolidated Action Plan the various recommendations from the relevant external reviews. The Action Plan is intended to identify the lead responsible individuals at both a Councillor and officer level, and to identify target timescales. It is anticipated that this initial Consolidated Action Plan will in time be superseded by a more developed Programme governance framework but will aid initial discussions with the Commissioners.
- 2.4 The draft Consolidated Action Plan has been discussed at the Reorganisation and Transformation Board.
- 2.5 Progress against target dates will continue to be monitored and reported back to the future meetings of both this Committee and CPRC. A key measure of progress will be quarterly reports to the Commissioners the external audit

reports for 2024-25 and 2025-26.

- 2.6 The draft Consolidated Action Plan 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 and CPR Committee meetings throughout the year, with an annual report to Council

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

- 3.1 Option 1 – Consider the draft Consolidated Action Plan and to acknowledge the progress to date.
- 3.2 Option 2 – suggest amendments to the attached Consolidated Action Plan and acknowledge the progress to date.
- 3.3 Option 3 – do not accept the Consolidated Action Plan.

### **4. Financial management comments**

- 4.1 A considerable number of the actions within the Plan have a significant focus on financial issues. The Action Plans seek to address the recommendations made.

### **5. Risk management comments**

- 5.1 The various external reviews identify a number of key corporate risks. The Corporate Risk Register is being updated to align and focus it on the risks identified in the reviews' report. Officers have done an initial review to identify how the Corporate Risk Register could be re-configured, which is in the process of being amended.

### **6. Procurement comments**

- 6.1 A number of the reviews recommendations focus on procurement efficiency.

### **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 The Council has a statutory requirement to engage fully with the Commissioners and ensure that the BVI Recommendations are delivered.
- 7.3 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.
- 7.4 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**

- 9. None.

### **10. Equality and Diversity**

10.1 Good governance underpins the 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

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

## **11. Timetable for implementation**

11.1 Action Plans continue to be on the Audit Committee Forward Plan as standing item

## **12. Contact**

- Daniel Mouawad – Sponsor of the overall programme; [dcm.cex@spelthorne.gov.uk](mailto:dcm.cex@spelthorne.gov.uk)
- Terry Collier – [t.collier@spelthorne.gov.uk](mailto:t.collier@spelthorne.gov.uk) ,
- Lee O’Neil, Deputy Chief Executive - [l.o'neil@spelthorne.gov.uk](mailto:l.o'neil@spelthorne.gov.uk)
- Linda Heron, Monitoring Officer – [l.heron@spelthorne.gov.uk](mailto:l.heron@spelthorne.gov.uk)

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

### **Background papers:**

KPMG Public Interest Report 2022

Local Government Association Corporate Peer Challenge Review Follow Up report

CIPFA Capital Assurance Report

Annual Audit Report 2023-24

Audit Findings Report 2023-24

Best Value Inspection Report 2025

### **Appendices:**

**Appendix A** – Consolidation Action Plan for Improvement and Recovery Action Plan