

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		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)		
Relevant Group Head review	N/A	
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	Y	
	Reviewed by	
Finance comments		
Risk comments	LH	07/09/25
Legal comments	LH	07/09/25
HR comments (if applicable)		

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
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	07/09/25
S151 Officer commentary – at least 5 working days before MAT	T.Collier	14/9/25
Confirm final report cleared by MAT		

Audit Committee

25 September 2025

Title	Annual Governance Statement 2024-25
Purpose of the report	To make a decision
Report Author	<i>Terry Collier, Deputy Chief Executive and Linda Heron, Monitoring Officer</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision
Recommendations	Committee is asked to: Review and approve the draft Annual Governance Statement at Appendix 1
Reason for Recommendation	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.

1. Executive summary of the report

What is the situation	Why we want to do something
Councils have a statutory duty to prepare and publish an Annual Governance Statement (AGS) reviewing risks and the appropriateness of controls and mitigations	To comply with statutory requirements
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 to the AGS in readiness for the preparation of

	the final statement and publication alongside the annual accounts
--	---

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 Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements for the financial year 2024-25 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 AGS describes how the Council complied with seven core principles contained within its code of corporate governance.
- 2.4 AGS forms a key piece of evidence for external auditor's work and subsequent opinion on the control and governance arrangement of the Council.
- 2.5 From May to December 2024 the Council has been the subject of the Best Value Inspection commissioned by the Department for Levelling up Housing and Community.
- 2.6 The Best Value Inspection report was published in March 2025 containing 13 recommendations as follows:
 1. *Commissioner-led intervention*
 2. *Comprehensive commercial strategy*
 3. *Review and strengthen assets function*
 4. *Review of MRP provision (Minimum Revenue Provision) and accounts treatment for suspended capital projects*
 5. *Revised Medium-Term Financial Strategy (MTFS)*
 6. *Debt reduction strategy*
 7. *Transformation strategy development*
 8. *Review and strengthen finance function*
 9. *Improvement and recovery plan*
 10. *Revised Corporate Plan*
 11. *Audit Committee structure*
 12. *Culture reset and relationship building*
 13. *Housing delivery*

- 2.7 The recommendations in the Best Value Inspection report are reflected in the AGS as actions for improvement for 2025-26 and will be reported to this Committee.

3. Options appraisal and proposal

- 3.1 Option 1 (recommended) – it is proposed that the Audit Committee approve the AGS as drafted for inclusion within the Statement of Accounts for 2024-25.

The draft has undergone rigorous internal review process and input from a wide range of stakeholders including senior management, chair of the Audit Committee and the Commissioners.

- 3.2 Option 2 (not recommended) – the Audit Committee propose amendments to the AGS and approve inclusion of the revised AGS within the Statement of Accounts for 2024-25.

Please see comments in para 3.1 above.

- 3.3 Option 3 – the Audit Committee does not approve the AGS.

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 The system of internal control forms a significant part of the Council's governance framework and is designed to manage and prioritise risks associated with the delivery of the Council's aims and objectives.

- 4.2 By preparing the AGS, the Council provides an assessment and assurance to the Audit Committee and to the Council as to the arrangements for governance and risk management in place for the financial year 2024-25, as well as actions for improvement for financial year 2025-26 aimed at focussing attention at significant risks and thus working towards reducing the Council's exposure to identified risks.

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.

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.

- 6.2 The Regulations also require that the AGS is included in the Council's Statements of Accounts.

Corporate implications

7. S151 Officer comments

- 7.1 The Annual Governance Statement (AGS) is a key component of the Annual Statement of Accounts. The AGS for 2024-25 directly addresses the recommendations made by both the External Auditors and by the Best Value Inspection Report and aligns with the emerging draft Improvement and Recovery Plan. As such the S151 Officer is supportive of the draft AGS.

7.2

8. Monitoring Officer comments

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9. Procurement comments

- 9.1 None arising directly from this report, however, actions for improvement as identified in the AGS will require resource and possibly budgetary allocation.

10. Equality and Diversity

- 10.1 None arising directly from this report.

11. Sustainability/Climate Change Implications

- 11.1 None arising directly from this report.

12. Other considerations

- 12.1 None.

13. Timetable for implementation

- 13.1 Any amendments proposed by the Committee (if any) will be incorporated into the AGS in the draft Statement of Accounts for 2024-25 prior to the review by the external auditors as part their annual review.

14. Contact

- 14.1 Terry Collier t.collier@spelthorne.gov.uk and
Linda Heron 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: None

Appendices:

Appendix A - Draft Annual Governance Statement for 2024-25