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**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

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**Internal Audit Progress Report**  
**Spelthorne Borough Council – February 2026**

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## 1. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

*'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*

*(a) make available such documents and records; and*

*(b) supply such information and explanations*

*as are considered necessary by those conducting the internal audit.'*

The role of internal audit is best summarised through its definition within the Standards, as an:

*'An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.'*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

## 2. Internal Audit Standards

With effect from 1 April 2025, the 'Standards' against which internal audit within the public sector must conform are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

### 3. Purpose of Report

In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to Senior Management and the Audit Committee, summarising:

- The monitoring of 'live' internal audit reports
- an update on progress against the annual audit plan and any subsequent revisions
- acknowledgement of any actual or perceived impairments to internal audit independence
- internal audit performance, planning and resourcing issues
- results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

**Substantial**

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

**Reasonable**

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

**Limited**

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**No**

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

#### 4. Resourcing

As Chief Internal Auditor I maintain responsibility for ensuring that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan (2025-26) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- **Human Resource** - the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- **Financial Resource** - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.
- **Technological Resource** - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

#### 5. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2025-26 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed. I can confirm there has been no interference encountered relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

#### 6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

## 7. Rolling Work Programme

The internal audit plan for 2025-26 was originally presented to Senior Management and approved by the Audit Committee in May 2025. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed below.

It remains imperative that through the remainder of the year audit work is progressed timely and therefore any delays we experience will continue to be escalated promptly to relevant management.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
<b>2024-25</b>								
Contract Management	Deputy Chief Executive and S151 Officer	06.02.25	25.02.25	04.06.25	01.09.25	28.10.25	Reasonable	
Risk Management	Deputy Chief Executive	05.02.25	04.03.25	10.03.25	04.06.25	04.11.25	Limited	
<b>2025-26</b>								
Decision Making and Accountability	Deputy Chief Executive and S151 Officer	21.05.25	17.07.25	17.07.25	30.09.25	06.11.25	Reasonable	
Contract Management – Leisure Centres	Deputy Chief Executive and S151 Officer	01.08.25	09.09.25	22.09.25	10.11.25	27.02.26	Reasonable	
Main Accounting	Deputy Chief Executive and S151 Officer	25.07.25	07.08.25	11.08.25	24.09.25	15.10.25	Reasonable	
National Non Domestic Rates	Deputy Chief Executive and S151 Officer	23.07.25	01.08.25	15.09.25	29.01.26	19.02.26	Reasonable	
Annual Governance Statement	Deputy Chief Executive and S151 Officer	28.08.25	02.10.25	01.10.25	18.11.25	01.12.25	Reasonable	

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Improvement and Recovery Plan – Governance Framework	MAT	22.10.25	06.01.26	08.01.26	02.03.26			
Cyber Security training and Awareness	Deputy Chief Executive and S151 Officer	20.10.25	05.11.25	27.11.25				
Disabled Facilities Grant	Deputy Chief Executive and S151 Officer	05.11.25	26.11.25	08.12.25	16.01.26	30.01.26	Substantial	
Treasury Management	Deputy Chief Executive and S151 Officer	26.11.25	17.12.25	02.02.26				
Budget Monitoring	Deputy Chief Executive and S151 Officer	25.09.25	20.10.25	02.03.26				
Community Infrastructure Levy	Deputy Chief Executive	05.12.25	29.01.26	26.01.26				
Commercial Property Management	Deputy Chief Executive and S151 Officer	15.01.26	21.01.26	02.02.26				

## 8. Adjustment to the Internal Audit Plan 2025-26

Internal Audit focus continues to be proportionate and appropriately aligned. The plan remains fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, Senior Management, and Audit Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Such amendments to the 2025-26 internal audit plan are detailed below with explanations for the proposed amendments.

Additions	Audit Review	Reason for inclusion in the plan
	Annual Governance Statement	Replacement for Savings Proposals and Realisation. Taken from contingency list.
	Disabled Facilities Grant	This has been added to the plan (from the contingency list of audits) due to the cancellation of other audit reviews.
	Community Infrastructure Levy	This has been added to the plan (from the contingency list of audits) due to the cancellation of other audit reviews.

Withdrawals	Audit Review	Reason for removal from the plan
	Savings Proposals and Realisation	The 24-25 audit review has only recently been finalised with the majority of management actions due for implementation during Q3. Therefore no added value re-auditing at this time.
	Knowle Green Estates	Following the commissioning of independent assurance work by the Board around health and safety statutory compliance no additional internal audit work is considered necessary at this time.
	Governance of Companies – Knowle Green Estates	At our detailed scoping we were informed that the Council had commissioned an independent review of Knowle Green Estates. In reviewing the scope of this review it was clear that there would be duplication in the work we had scheduled to undertake.  We have agreed with senior management that as part of the 2026/27 audit plan we will undertake a follow up review of actions arising from the externally commissioned review.
	Homelessness	Due to capacity within the Council this review has been cancelled.
	Asset Management	The scheduled coverage on the Improvement Recovery Plan, Corporate Plan and commercial property will crosscut into asset management. Further consideration of this as an audit area will be considered as part of the 2026/27 planning process when the results of the aforementioned reviews will be taken into account.

## 9. Acceptance of Risk

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues are considered by internal audit to fall outside of the Council’s risk tolerance, these will be escalated to Senior Management and Audit Committee as deemed necessary.

There are no such instances to report from our delivery of the 2025–26 internal audit plan to date.

## 10. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no reports published concluding with a ‘limited’ assurance opinion for inclusion within this progress report.

## 11. Analysis of ‘Live Audit Reviews’

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions													
				Agreed			Pending			Complete			Overdue				
				L	M	H	L	M	H	L	M	H	L	M	H		
<b>2024/25</b>																	
Equality, Diversity and Inclusivity	June 2025	DCE	Limited	2	2	4				1	2	3	1			1	
Savings Realisation	Sept 2025	DCE/S151	Limited		6	8		1			5	8					
Accounts Receivable and Debt Management	Oct 2025	DCE/S151	Limited	7	4		1	2		5	2		1				
<b>2025/26</b>																	
Decision Making and Accountability	Nov 2025	DCE/S151	Reasonable	1	9		1	4			5						
Annual Governance Statement	Dec 2025	DCE/S151	Reasonable		4			2			2						
National Non Domestic Rates	Feb 2026	DCE/S151	Reasonable	2	1	1	2	1	1								
Contract Management – Leisure Centres	Feb 2026	DCE/S151	Reasonable		7	1		7	1								
<b>Total</b>				<b>12</b>	<b>33</b>	<b>14</b>	<b>4</b>	<b>17</b>	<b>2</b>	<b>6</b>	<b>16</b>	<b>11</b>	<b>2</b>			<b>1</b>	

## Overdue 'High Priority' Management Action

## Equality, Diversity and Inclusivity - Limited

**Observation:**

The Council do not have a Strategy in place for Equality, Diversity and Inclusion. Within the Council's Corporate Plan (2024- 2028) there is an action for this to be completed by the end of 2025. We were not provided with any evidence to indicate that this action was being developed at the time of the audit.

Without an approved strategy in place for Equality, Diversity and Inclusion there is a lack of strategic direction which could present limitations in terms of enabling a coordinated and holistic approach across the Council.

**Risk:**

Lack of strategic direction for EDI.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
To develop and finalise strategy for EDI including Committee approval	31.12.25	30.04.26	The draft Strategy has been written and now needs to go through the committee reporting and approval process.

## Overdue 'Low &amp; Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Equality, Diversity and Inclusivity	June 2025	Limited	1		31.12.25	30.04.26
Accounts Receivable and Debt Management	Oct 2025	Limited	1		01.11.25	28.02.26
<b>Total</b>			<b>2</b>			

## Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 25/26	Status	Direction of Travel
<b>1. Percentage of the agreed audit plan completed (issue of draft / final report)</b>	Ongoing	90%	58%*		n/a
<b>2. Audits delivered within agreed timescales (% year to date)</b>					
○ To issue of draft report	Ongoing	80%	71%*		n/a
○ To issue of final report	Ongoing	80%	50%*		n/a
<b>3. Conformance with the Global Internal Audit Standards in the UK Public Sector</b>	Annual	Generally conforms	Generally conforms		
<b>4. Audits conducted optimising the effect use of data analytics (% year to date)</b>	Ongoing	60%	60%*		n/a
<b>5. Stakeholder satisfaction (annual survey)</b>					
○ Audit Committee	Annual	90%	97%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a
<b>6. Internal audit effectively communicates with key stakeholders</b>					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a
<b>7. Sufficiency of input to and discussion of the internal audit plan</b>					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
<b>8. Appropriate focus on key risks</b>					
○ Audit Committee	Annual	90%	75%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a

\* Cumulative throughout the year