

**Minutes of the Audit Committee
26 March 2026**

Present:

Councillor J. Button (Chair)

Councillors:

G. Neall

H.R.D. Williams

P. Briggs

L. E. Nichols

P.N. Woodward

Apologies: Councillors K. Howkins, R. Chandler and S. Seehra

In Attendance: Councillor Bateson

17/26 Apologies and Substitutes

Apologies were received from Councillors Clarke and Howkins and Sati Seehra.

The Clerk noted that due to technical issues audio only was being streamed for the meeting.

18/26 Minutes

The minutes of the meeting held on 24 February 2026 would be considered at the next scheduled meeting.

19/26 Disclosures of Interest

Councillor Nichols declared he was a board member of Knowle Green Estates. Councillor Woodward declared he was a board member of Spelthorne Direct Services.

20/26 Internal Audit Charter and Annual Audit Plan 2026-27

Iona Bond, Deputy Head of Southern Internal Audit Partnership (SIAP) attended the meeting to present the Committee with the report to consider the

Internal Audit Charter 2026/27 and the Internal Audit Annual Audit Plan 2026/27.

The Deputy Head of SIAP explained that the Internal Audit Charter was presented annually alongside the Audit Plan and set out the mandate, purpose, roles and responsibilities of internal audit, including those of senior management, the Audit Committee, and the audit provider. Members were reminded that the Charter had been substantially updated in the previous year to reflect the Global Internal Audit Standards, and that no further changes had been made since its approval in September.

It was suggested by Councillor Neall that a clearer distinction or glossary explaining the relationship between the audit mandate, strategy and plan would be helpful. He also sought assurance regarding the independence of internal audit, particularly in the context of reviewing the new risk management and governance arrangements being developed with the support of a governance consultant also engaged by the Council. He enquired how the Committee would be assured if the new framework proved less effective than its predecessor.

In response the Deputy Head of SIAP explained that the new governance assurance framework (risk management) was included in the Audit Plan for Quarter 3 and would be subject to a full internal audit review. This would assess how well the framework was embedded, how it operated in practice, and how assurance mapping had changed. The review would be undertaken independently, and findings would be reported transparently through the audit opinion. Comparison would also be made with the previous framework, which had received a limited assurance opinion.

In response to Councillor Nichols' query whether SIAP met regularly with the new Chief Executive it was confirmed that while the Deputy Head of SIAP did not meet routinely with the Chief Executive on a one-to-one basis, engagement took place through senior management forums and meetings involving the Chair of the Audit Committee. The Charter provided for direct access to the Chief Executive or Chair of the Committee where required.

There were no further questions on the Internal Audit Charter.

The Deputy Head of SIAP explained that the Plan had been developed in the context of a unique and exceptional year, with the Council approaching vesting day as part of Local Government Reorganisation (LGR). Despite this, the Plan followed a risk-based approach, informed by the risk register, assurance mapping, previous audit coverage, the Improvement and Recovery Plan as well as horizon scanning.

Key points highlighted included:

- The audit year would be nine months, as the annual internal audit conclusion for 2026/27 would need to be reported in March 2027.

- All audits contributing to the annual conclusion were therefore scheduled for Quarters 1 to 3, with Quarter 3 focusing largely on follow-up work where previous audits had resulted in limited assurance.
- Certain high-risk areas, including risk management (governance assurance) and procurement, were scheduled for full re-audit due to their significance and previous limited assurance opinions.
- A contingency allocation had been included to allow flexibility to respond to emerging risks, particularly those arising from LGR.
- Any work undertaken in Quarter 4 would not contribute to the annual conclusion but could provide assurance over key financial controls ahead of vesting day.
- The Plan was recognised as subject to change, with any amendments to be reported to the Committee through progress reports. It was noted that no further adjustments had been made to the plan since the previous progress report.

Committee members expressed a desire for greater visibility of audit scope, particularly in relation to governance-critical audits such as corporate performance management and the governance assurance framework. The Deputy Head of SIAP explained that audit scopes were finalised during detailed planning meetings with senior officers immediately prior to each audit and could not be defined in detail at plan stage. She undertook to explore alternative ways of providing members with greater insight, potentially through additional information in progress reporting or appendices.

Councillor Nichols queried the value of auditing areas where significant improvement activity was already underway, including the Medium term Financial Strategy, savings realisation and homelessness temporary accommodation.

The Deputy Head of SIAP explained that these audits would focus on the frameworks and processes supporting decision-making and assurance, rather than duplicating operational work. In relation to homelessness, she confirmed that audit timing had been deliberately scheduled to allow new arrangements to be sufficiently embedded before review, ensuring the audit added value. The Deputy Chief Executive confirmed that additional resources had been put in place to support homelessness work and that independent audit assurance would be beneficial to stakeholders, including Commissioners.

Councillor Nichols asked about audit coverage of IT risks in the context of LGR. The Deputy Head of SIAP explained that a placeholder had been included in the Plan, with the detail of the scope to be confirmed. Given the dynamic environment and scale of change, a targeted IT audit would be developed following further discussion with senior IT officers to focus on priority risks such as data security, retention and transition arrangements.

Councillor Neall queried whether Quarter 1 was the appropriate timing for the homelessness audit, given ongoing engagement with A2 Dominion and the need to allow sufficient time for improvements to take effect. The Deputy Chief Executive confirmed that while A2 Dominion itself would not be audited,

the Council's arrangements and approach to managing the relationship and improving outcomes would form part of the audit review.

RESOLVED:

1. That the Internal Audit Charter 2026/27 be approved.
2. That the Internal Audit Annual Audit Plan 2026/27 be approved.

21/26 Internal Audit Progress Report

The Committee received the Internal Audit progress Report for February 2026 from Iona Bona, Deputy Head of Southern Internal Audit Partnership (SIAP) providing an overview of internal audit activity against assurance work completed in accordance with the approved audit plan for 2025-26 and outstanding management actions.

The Committee were advised that no audit fieldwork would be carried forward into 2026/27 which represented a significant improvement compared with the previous year and would support a robust annual internal audit conclusion. Officers' engagement with the audit process had improved, contributing to timely delivery. It was confirmed that all audits for 2025/26 would be included in the annual audit conclusion.

Updates were provided on the following audits:

- The draft report for the Improvement and Recovery Plan audit had been issued and management responses were expected shortly.
- The Cyber Security Training and Awareness audit report had been drafted and would be completed following quality review process.
- The Treasury Management audit draft report had been issued for officer consideration.
- The Budget Monitoring audit draft report had been issued four weeks ahead of schedule.
- The Community Infrastructure Levy audit draft report was at the final quality review stage before being issued.
- The Commercial Property Management audit fieldwork was nearing completion which would conclude all audit fieldwork for 2025/26.

There had been no further amendments to the audit plan since the previous progress report. No limited or no assurance opinions had been issued since the last report. There were two low priority management actions running behind time but implementation of improvements was very good and prompt by the Council's officers. One high-priority action nearing completion, delayed only by committee cycle timing.

The Deputy Chief Executive confirmed focus had been on ensuring prioritising responding to audits, with more focused approach around assurance focus on responses and this had been enforced by the Improvement and Recovery Plan. Regular liaison meetings had been held with SIAP and the Council was on track to have comprehensive conclusion for the audit plan, annual audit

opinion and Annual Governance Statement. He also advised that management responses had been submitted the previous Friday on the Improvement and Recovery Plan audit.

Councillor Nichols returned to Philip Briggs' earlier query regarding detail of audit scope and particularly in relation to completed audits and the basis on which assurance levels were awarded. Specific reference was made to contract management, where Committee members noted confusion between audits of individual contracts and the wider corporate framework. The Deputy Chief Executive acknowledged that greater clarity on audit scope for completed reviews would be helpful and agreed to consider with SIAP how this information might be shared with the Committee.

In response to questions on the National Non-Domestic Rates (NNDR) audit, it was explained that the high-priority management action that had been raised was due to weaknesses in data retention functionality, resulting in records being held beyond statutory periods. The management actions included a data cleansing exercise, particularly in preparation for Local Government Reorganisation (LGR).

RESOLVED:

1. That the Committee noted the Internal Audit Progress Report for February 2026.
2. That the Committee approved the adjustments to the Internal Audit Plan 2025/26.

22/26 External Quality Assessment - Final Report

The Committee considered the report reflecting the outcome from the External Quality Assessment of the Southern Internal Audit Partnership (SIAP) against the new Global Internal Audit Standards (GIAS) in the UK Public Sector.

Iona Bond, Deputy Head of Southern Internal Audit Partnership reminded Members that internal audit providers are required to undergo an external quality assessment at least once every five years and that SIAP's assessment was due in 2025/26.

The Committee noted the key findings of the assessment, in particular that:

- SIAP had achieved an excellent result of 'generally achieves' in the EQA in relation to the GIAS.
- The assessors had concluded that SIAP fully achieved 46 of the 52 standards and generally achieved the remaining six. There were no partial conformances or areas where the team did not confirm with any standards. No formal recommendations were made.
- A small number of suggestions for improvement were included in the report and had been incorporated into an action plan, attached as Appendix 2 to the agenda report.

Members of the Committee welcomed the positive outcome of the assessment and congratulated SIAP on the results. The Deputy Head of SIAP concluded that the assessment process provided useful insight into the experience of being audited and reinforced the importance of a constructive and proportionate audit approach.

RESOLVED:

1. That the Committee noted the report of the external assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards (UK public sector).
2. That the Committee noted the associated action plan addressing suggested opportunities for future development.

23/26 Governance Assurance Update

Rob Winter, External Advisor attended the meeting remotely to provide the Committee with an update on the Governance Assurance approach to risk management.

The External Advisor provided an update on progress in implementing the Governance Assurance approach, noting that Members had received regular updates and that a number of Committee Members had attended recent training sessions. The training had outlined how the new approach had been developed, how it would operate in practice, and the format of reports to be received by both the Audit Committee and service committees. A worked example had also been shared with Members in advance of the meeting.

The Committee was advised that all Group Heads had engaged with the process and devoted appropriate time to providing the required information. Senior managers and other officers had also contributed, enabling the assurance system to be populated effectively. Senior Management (MAT+) would consider all 12 governance assurance areas for moderation and quality control, ensuring ownership at the top of the organisation.

It was explained that, following this moderation process, governance assurance reports would be ready for presentation to the Audit Committee and relevant service committees from the start of the new municipal year. Some minor refinements might arise from moderation, but the approach would be sufficiently embedded to allow reporting to proceed.

The Committee were advised that training had already been delivered to approximately 50 officers and 22 Councillors, demonstrating a strong level of engagement. A further “mop-up” training session would be provided for any Councillors or officers unable to attend earlier sessions.

The system was designed to be largely self-sufficient, with managers able to access and review their own information. Reports could be generated easily and were formatted to be incorporated directly into committee agenda packs. It was anticipated that, initially, all 12 governance assurance areas might be presented to the Audit Committee, over two meetings of the Committee, with two to three assurance areas phased to be considered at each subsequent meeting. Over time, this would provide Members with clearer insight into governance arrangements, progress against actions, and the overall direction of travel. Service committees would be better equipped to undertake scrutiny and performance oversight using this information.

It was emphasised how important councillor feedback was during the early reporting cycles, to ensure that both the content and presentation of reports met the Committee's needs.

In response to a query regarding engagement by all individuals critical to the success of the new approach it was confirmed that mop-up sessions would ensure any remaining key individuals, including Committee Chairs and Vice-Chairs if required, were covered and that the new Chief Executive had been briefed.

Councillor Nichols asked whether the Governance Assurance reports would support ad hoc scrutiny by service committees, particularly in relation to Local Government Reorganisation (LGR). It was explained that the Governance Assurance process provided insight into the strength of governance arrangements, rather than detailed operational progress. However, one of the assurance areas related to programme and change management, which would give assurance on how well the Council's arrangements were supporting the LGR transition. Detailed progress on LGR activity would continue to be scrutinised through the relevant service committee, alongside this governance assurance.

RESOLVED that the Committee noted the update on the Governance Assurance approach to risk management.

24/26 Committee Forward Plan

The Committee considered its Work Programme.

The Committee noted that work would shortly commence on the Annual Governance Statement (AGS) 2025/26. It was proposed that an additional meeting was scheduled in May to support early consideration of the AGS, with the aim of addressing concerns raised by the Committee in relation to the previous year's statement. Prior to that meeting, the officer drafting the AGS would meet informally with members of the Committee to gather early feedback and identify any key concerns to be addressed in the initial draft. Members were advised that this approach was intended to ensure the Committee was in a position to approve the draft AGS in good time for publication alongside the draft Statement of Accounts, ahead of the statutory

deadline of 30 June. This would avoid the risk of significant changes being required at the scheduled June meeting.

During discussion, the following amendments to the Forward Plan were identified:

- It was agreed that updates on the Governance Assurance Register should be added to the Forward Plan, to be presented in two batches of six reports, across the first two meetings of the new municipal year.
- Members noted that the draft Statement of Accounts was not currently shown on the Forward Plan. It was agreed that this item should be added, subject to confirmation of the most appropriate meeting date.
- Members queried whether the External Audit Plan should be considered earlier than currently scheduled. Officers confirmed that, following discussions with Grant Thornton, the External Audit Plan would be brought forward from the July meeting to the June meeting.

Members also noted that this rebalancing of items would result in a more even distribution of business and it was agreed that officers would reissue the Forward Plan, incorporating the agreed additions and amendments. A proposed date for the additional May meeting would be circulated to members following confirmation of availability with Democratic Services.

RESOLVED:

1. That the Forward Plan, subject to the additions and amendments agreed at the meeting, be approved.
1. That the revised Forward Plan be reissued to Members.