



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	Yes	Various
Relevant Group Head review	Yes	Various
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	Yes	
	Reviewed by	
Finance comments (circulate to Finance)	AB	27/04/26
Risk comments (circulate to Lee O'Neil)	LON	05/05/26
Legal comments (circulate to Legal team)	LH	23/04/26
HR comments (if applicable)	NA	

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 rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	23/04/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	20/4/26
Commissioner engagement		
	Delete as applicable:	o issues
Confirm final report cleared by MAT		05/05/26

Audit Committee

19 May 2026

Title	Draft Annual Governance Statement 2025-2026
Purpose of the report	To make a decision
Report Author	Kirsty Hunt, Governance Support Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	NA
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Committee decision
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Consider and provide comments for improvement of the draft Annual Governance Statement (AGS) appended to this report
Reason for Recommendation	<p>To provide early feedback so an acceptable version of the document can be approved by 30 June to ensure the Council complies with the statutory requirements to produce an Annual Governance Statement (AGS).</p> <p>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.</p>

1. Executive summary of the report

What is the situation	Why we want to do something
The Council has a statutory duty to produce an Annual Governance Statement reviewing risks and appropriateness of controls and mitigations. This is due to be submitted by 30 June 2026 to accompany the draft statement of accounts.	It is important to seek feedback early in the process to address any concerns raised and create a fit for purpose version.
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 in the final draft, finalise formatting in readiness for publication and bring revised document back to

	Committee for consideration at the meeting scheduled for 25 June.
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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 The Annual Governance Statement (AGS) provides an overview of how the Council's governance arrangements for the financial year 2025-26 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 The AGS forms a key piece of evidence for external auditor's work and subsequent opinion on the control and governance arrangement of the Council.
- 2.4 Since going into intervention governance improvements have been integrated into and monitored through the Improvement and Recovery Plan. The AGS provides an update on progress towards addressing the recommendations in the Best Value Inspection report.
- 2.5 Further information and supporting detail are required to finalise the AGS. These have been identified in yellow and will be circulated for review and comment in due course.

3. Options appraisal and proposal

- 3.1 Option 1 (Preferred option). It is proposed that the Committee give a clear indication of the changes or improvements required to shape the draft AGS into an acceptable document for approval at its June meeting. This will be in readiness for inclusion within the Statement of Accounts for 2025-26.
- 3.2 Option 2 (Not recommended). The Audit Committee does not raise concerns at this opportunity resulting in the final draft not being acceptable for approval. This non-compliance would have significant further complications for the Council. 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 Risk 1: Production of a substandard AGS may invite further negative attention from external auditors, oversight bodies including Commissioners.

Mitigation: The draft has undergone rigorous internal review process and input from a wide range of stakeholders including senior management, member of the Audit Committee and Commissioners to ensure that concerns are addressed.

- 4.2 Risk 2: A poor AGS suggests weak transparency and questionable decision-making, harming the organisation's credibility.
- Mitigation: The 2025-26 statement has been drafted with the public in mind to ensure that it not only follows CIFPA/SOLACE best practice in terms of content but is written to be accessible to Spelthorne residents.
- 4.3 Risk 3: The AGS process is treated as a once-a-year exercise rather than a continuous learning and improvement activity, which may result in missed insights, repeated issues, and limited organisational learning.
- Mitigation: Progress against the actions identified will be monitored on a monthly basis by MAT to keep the effectiveness of controls under review and the Improvement and Recovery Plan includes a key theme aimed at Improving Governance and Assurance to address the weaknesses highlighted.

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. The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council's annual Statement of Accounts.

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. The Regulations also require that the AGS is included in the Council's Statements of Accounts.
- 6.2 Consideration of the Council's Annual Governance Statement falls within the remit of the Audit Committee (part 3(b) of the Constitution).

Corporate implications

7. Commissioners' comments

- 7.1 Commissioners noted that, given the early draft stage, they will provide a thorough and considered response on the next iteration of the Statement.

8. S151 Officer comments

- 8.1 The S151 Officer confirm that all financial implications have been taken into account. The S151 recognises the key importance of having a robust AGS which contributes towards a continuous focus on improving governance including financial control and management arrangements.

9. Monitoring Officer comments

9.1 Good governance is critical to the Authority responding to the Secretary of States Best Value Directives and its objectives as set out in the Improvement and Recovery Plan. High profile governance failures in local authorities across the country in recent years have illustrated the need to ensure governance structures, and processes are fit for purpose and kept under constant review.

10. Procurement comments

There are no procurement implications arising from this report, however, actions for improvement as identified in the AGS will require resource and possibly budgetary allocation.

11. Equality and Diversity

11.1 There are no equality or diversity implications arising from this report.

12. Sustainability/Climate Change Implications

12.1 There are no Sustainability or Climate Change implications arising from this report.

13. Other considerations

13.1 As detailed within the draft AGS the following individuals have been consulted during the drafting of this document:

- Group Heads
- Management team
- Members of the Audit Committee
- Commissioners – further review to be undertaken on the next version of the statement.

14. Timetable for implementation

14.1

Date	Activity
Audit Committee on 19 May 2026	Consideration of draft AGS
Audit Committee on 25 June 2026	Consideration of revised draft AGS for approval
Before 30 June 2026	Submission of AGS within the Council's annual Statement of Accounts for review by the external auditors as part of their annual review

15. Contact

15.1 Kirsty Hunt, Governance Support Officer khunt2@spelthorne.gov.uk

15.2 Linda Heron, Monitoring Officer and Head of Governance and Legal Services
lheron@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: There are none.

Appendices:

Appendix A – Draft Annual Governance Statement