
**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Internal Audit Progress Report
Spelthorne Borough Council – August 2026

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August 2026

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 am of the opinion 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 (2026/27) 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.

I have not been made aware of any implications on organisational capacity that may adversely affect the delivery of the internal audit plan.

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 2026-27 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 2026-27 was originally presented to Senior Management and approved by the Audit Committee in March 2026. 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.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Accounts Payable	DCE/S.151	28.04.26	22.05.26	21.07.26	21.08.26			
HR – Vacancy Management inc. Capacity	DCE	31.03.26	05.05.26	27.04.26	18.06.26	05.08.26	Reasonable	
Homelessness – Supported Accommodation	DCE/S.151	20.04.26	24.06.26	06.07.26	09.09.26			
Corporate Performance Management Framework	DCE	20.07.26	11.08.26	24.08.26				
Procurement	CGMO	20.05.26	19.06.26	13.07.26				
Medium Term Financial Planning and Savings Realisation	DCE/S.151	12.06.26	16.07.26	20.07.26				
Follow Up – Accounts Receivable and Debt Management	DCE/S.151	23.07.26	23.07.26	04.08.26				
Follow Up – Tree Maintenance	DCE	11.08.26	11.08.26	20.08.26				
IT – Security Information and Event management	DCE	11.06.26	09.09.26					
Nightly Paid Accommodation Delivery Plan	DCE/S.151							Q3
Governance Assurance (Risk Management)	DCE							Q3
Council Tax	DCE/S.151							Q3
Follow Up – Building Control	DCE							Q3

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
LGR - Contingency								Q3

Senior Management Sponsors	
DCE/S.151	Deputy Chief Executive and S.151 Officer
DCE	Deputy Chief Executive
CGMO	Head of Corporate Governance and Monitoring (Monitoring Officer)

8. Adjustment to the Internal Audit Plan 2026-27

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 2026-27 internal audit plan are detailed below with explanations for the proposed amendments.

	Audit Review	Reason for inclusion in the plan
Additions	Homelessness – Nightly Paid Accommodation Delivery Plan	In lieu of a targeted audit on the sourcing of temporary accommodations costs a wider audit review of the Housing Savings Delivery Plan has been added.
		The indicative scope of this review will be to review the governance processes regarding the assumptions contributing towards forecasted savings and actions within the plan for delivery. We will also review the ongoing monitoring and management of actions towards overall delivery of the identified savings.

		As the Housing Savings Delivery Plan was only approved in June there is likely to be limited detailed testing on some of the elements that can be done. This change to the plan has been made following consultation with the Deputy Chief Executive/Section 151 Officer and the Chair of Audit Committee.
Withdrawals	Audit Review	Reason for removal from the plan
	Homelessness – Sourcing Temporary Accommodation	A Procurement Framework for the provision of nightly paid accommodation has not yet been established. Additionally, an external consultant has been commissioned to assist with the negotiation of nightly paid accommodation charges. Therefore, at this time there is no added benefit of a full audit review being conducted. The reduction of nightly paid accommodation costs is a key element of the Council's savings delivery plan for which there is an ongoing internal audit review, so there will be an element of audit review and testing on this. This change to the plan has been made following consultation with the Deputy Chief Executive/Section 151 Officer and the Chair of Audit Committee.

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 2026–27 internal audit plan to date.

10. Fraud & Irregularity

In accordance with the internal audit charter and the audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Whilst not responsible for the detection of fraud within the Council, Southern Internal Audit Partnerships work during 2026/27 has not identified, and we have not been made aware of, any significant control deficiencies that may pose a significant fraud risk.

11. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

There have been no reports issued with a limited or no assurance opinion in this reporting period.

12. Analysis of 'Live Audit Reviews'

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions														
				Agreed			Pending			Complete			Retired			Overdue		
				L	M	H	L	M	H	L	M	H	L	M	H	L	M	H
2025/26																		
Contract Management – Leisure Centres	Feb 2026	DCE/S151	Reasonable	1	7					1	6						1	
Improvement and Recovery Plan	April 2026	DCE/S151	Limited	7	2	3				7	1	3		1				
Community Infrastructure Levy	May 2026	DCE	Reasonable		3	4		1	1		2	1						2
Total				8	12	7	-	1	1	8	9	4	-	1	-	-	1	2

Overdue 'High Priority' Management Actions

Community Infrastructure Levy (CIL)

Observation:

The CIL Team is required to issue a late payment letter to developers 14 days after the payment was due should one not have been received. A sample of five CIL liable developments that received a late payment letter was selected from the CIL monitoring spreadsheet to ensure that this process was being followed.

Whilst we were able to ascertain that in all instances late payment letters were being issued, none were issued in line with the 14-day timeframe.

Risk:

CIL payments are not collected timely from developers.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
3.1 We will utilise software (i.e. Teams or Exacom) to set reminders for when late payment letters need to be issued.	29.05.26	TBC	

Community Infrastructure Levy (CIL)

Observation:

As part of our audit testing of liability notices, we looked to ensure that they were being issued 'as soon as practicable after the day on which a planning permission first permits development' as per CIL regulation 65. Our sample of 10 found that six were issued timely however, four took between two months and eight months to issue.

While assessing if this is timely, we noted there is no guideline or expectation set by the Council to indicate a timeline that should be followed for this. Without this expectation being set or guideline being provided it is hard for the Council to analyse and ensure that this process is followed as soon as practicable possible.

Risk:

The CIL Process is not followed in line with regulations.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
4.1. We will soon be liaising with the Development Management team to improve the process of timely issuing of Liability Notices.	29.05.26	31.10.26	Process mapping has been undertaken identifying where the improvements have been made and to capture where roles and responsibilities now rest. Additional training has been organised for the Development Management Team.

Annex 2

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Contract Management – Leisure Centres	Feb 2026	Reasonable		1	30.04.26	31.07.26 30.09.26
Total			-	1		

Annex 3

Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 25/26	Status
1. Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	15%	
2. Audits delivered within agreed timescales (% year to date)				
○ To issue of draft report	Ongoing	80%	50%	
○ To issue of final report	Ongoing	80%	0%	
3. Audits conducted optimising the effective use of data analytics (% year to date)	Ongoing	60%	100%	
4. Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Generally conforms	Generally conforms	