Southern Internal Audit Partnership

Assurance through excellence and innovation

Internal Audit Progress Report

Spelthorne Borough Council – October 2026

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October 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	08.10.26	Limited	
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	20.04.26	24.06.26	06.07.26	09.09.26	16.11.26	Reasonable	
Corporate Performance Management Framework	DCE	20.07.26	11.08.26	24.08.26	14.10.26	06.11.26	Reasonable	
Procurement	CGMO	20.05.26	19.06.26	13.07.26	06.11.26			
Medium Term Financial Planning and Savings Realisation	DCE/S.151	12.06.26	16.07.26	20.07.26	18.09.26	07.10.26	Reasonable	
Follow Up – Accounts Receivable and Debt Management	DCE/S.151	23.07.26	23.07.26	04.08.26	15.09.26	05.10.26	N/A	All original management actions implemented. One additional management action identified.
Follow Up – Tree Maintenance	DCE	11.08.26	11.08.26	20.08.26	06.10.26	05.11.26	N/A	Revised target date for one management action. All others implemented.
IT – Security Information and Event management	DCE	11.06.26	09.09.26	21.09.26	28.10.26			
Nightly Paid Accommodation Delivery Plan	DCE/S.151	25.08.26	11.09.26	06.10.26	06.11.26			
Council Tax	DCE/S.151	02.11.26						

Senior Management Sponsors	
DCE/S.151	Deputy Chief E 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.
	Governance Assurance	No added benefit in undertaking a review on this area at this time. Significant work is currently underway via the relevant LGR workstream to amalgamate all sovereign risk registers for vesting day. The Council is also separately commissioning a post implementation review following the change to the governance assurance framework methodology the results of which will be reported in due course to the Audit Committee. We will seek to place reliance on this work where possible for the purposes of our annual audit conclusion.

	Follow Up – Building Control	Constraints on resourcing within the service mean are such that the follow up review cannot be accommodated. We are aware that an independent review has recently been undertaken by the Building Safety Regulator and actions arising from this review are being progressed. We will seek to place reliance on this work where possible for the purposes of our annual audit conclusion.

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.

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

There has been one report published concluding with a 'limited' assurance opinion for inclusion within this progress report.

Title: Accounts Payable		
Audit Sponsor	**Assurance opinion**	**Management Actions**
Deputy Chief Executive	Limited	2 High, 6 Medium, 0 Low

Summary of key observations:

The purpose of the audit was to review the framework of control in place for creditor payments.

Positively we were able to confirm that overall appropriate documentation was in place for payments made and setting up new suppliers. We also established that routine reports are used to prompt for timely authorisation of expenditure. We also confirmed that payments over £500 and payments made within 30 days were being appropriately reported in line with transparency requirements.

However, we also identified that payment runs are not consistently authorised prior to actioning and there is an absence of segregation of duties regarding the processing of the BACs file. Additionally, although there is a system of control in place to verify suppliers we identified a number that had been set up on the system more than once. We also identified that the secondary review of bank account detail changes had not been completed in one of the three cases selected

Appropriate management actions were identified and have been implemented to mitigate the risks/issues identified.

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																		
Community Infrastructure Levy	May 2026	DCE	Reasonable	-	3	4	-	1		-	2	3	-	-	1	-	-	-
2026/27																		
Follow Up – Accounts Receivable and Debt Management	Oct 2026	DCE/S.151	N/A	-	4	-	-	1	-	-	3	-	-	-	-	-	-	-
Homelessness – Supported Accommodation	Nov 2026	DCE	Reasonable	4	4	-	2	2	-	2	2	-	-	-	-	-	-	-
Corporate Performance Management Framework	Nov 2026	DCE	Reasonable	4	1	-	3	1	-	1	-	-	-	-	-	-	-	-
Follow Up – Tree Maintenance	Nov 2026	DCE	N/A	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Total				**8**	**13**	**4**	**5**	**6**	**-**	**3**	**7**	**3**	**-**	**-**	**1**	**-**	**-**	**-**

Annex 1

Overdue 'High Priority' Management Actions

There are no overdue 'high'priority management actions.

Annex 2

Overdue 'Low & Medium Priority' Management Actions

There are no overdue 'low' or 'medium' priority management actions.

Annex 3

Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 26/27	Status
1. Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	91%	
2. Audits delivered within agreed timescales (% year to date)				
○ To issue of draft report	Ongoing	80%	50%	
○ To issue of final report	Ongoing	80%	37%	
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	