

Independent auditor's report to the members of Spelthorne Borough Council

In our auditor's report issued on 26 February 2025, we explained that we could not formally conclude the audit and issue an audit certificate for Spelthorne Borough Council ('the Authority') for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- the National Audit Office (NAO) had concluded their work in respect of Whole Government Accounts WGA for the year ended 31 March 2024. The NAO has now concluded their work in respect of WGA for the year ended 31 March 2024 and confirmed that audit certificates that are open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.
- The predecessor auditor has formally issued their audit certificates covering the accounting periods from year ended 31st March 2019 to year ended 31st March 2023. The predecessor auditor has now formally issued their audit certificates covering the accounting periods from year ended 31st March 2019 to year ended 31st March 2023.

Disclaimer of opinion

In our auditor's report for the year ended 31 March 2024 issued on 26 February 2025 we reported that, we did not express an opinion on the accompanying financial statements of the Authority or the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our auditor's report, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Report on other legal and regulatory requirements - the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

In our auditor's report for the year ended 31 March 2024 issued on 26 February 2025 we reported that:

- we have nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024 except on 28 January 2025 we identified

Financial sustainability

Three significant weaknesses in how the authority manages its finances due to: inadequate medium term financial planning, insufficient plans to address future funding gaps and inadequate management of financial risks.

We recommended that the Authority should ensure:

- all financial reports that are relevant to decisions regarding short-term and medium-term planning are accurate and consistent, and that the root causes of budget growth are identified and explained to members to ensure accuracy of financial plans.
- urgent review of the options for the suspended housing projects and assess the impacts for Knowle Green Estates
- a sustainable business plan for Knowle Green Estates is approved.
- a sustainable plan for the sinking funds reserve is approved.

- robust plans are approved to address the medium-term budget gaps and to reinstate its transformation programme as a matter of urgency.

Governance arrangements

Three significant weaknesses in the Authority's governance arrangements in relation to decision making and scrutiny, governance relating to subsidiary undertakings and maintaining appropriate standards.

We recommended that the Authority should:

- ensure that the Financial Reporting Working Group is appropriately resourced to enable it to quickly provide guidance and training to officers in report writing.
- Consider the governance and oversight of Knowle Green Estate Ltd to avoid perceived conflicts of interest and to conform to best practice.
- review its strategic risk register to consider risks arising from previous external scrutiny reports as well as procurement and ensure that risks and mitigations reflect the latest position with regard to actions taken.

Improving economy, efficiency and effectiveness

Lastly, three significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness in relation to the use of financial and performance information, a failure to secure improvement following external review and a failure to deliver efficiency and performance improvements when managing significant outsourced contracts.

We recommended that the Authority should:

- ensure corporate performance monitoring of its strategic priorities is undertaken and reported to the Corporate Policy Resource Committee or Full Council on a quarterly basis.
- implement a system of review and monitoring of all action plans arising from external reviews. Appropriate updates should be provided to the Audit Committee on a quarterly basis.
- ensure that the necessary changes to procurement and contract management arrangements are put in place to ensure that efficiencies and economies are maximised.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and

- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Spelthorne Borough Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanne Brown

Joanne Brown, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

16 December 2025