



# Runnymede Borough Council

Auditor's Annual Report  
Year ending 31 March 2025

October 2025  
20 March 2026 Final



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# 01 Introduction and context

# Introduction

This report brings together a summary of all the work we have undertaken for Runnymede Borough Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

## Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- Have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

## Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

## Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

# Local government – context

Local government has remained under significant pressure in 2024/25

## National

### Past



#### Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



#### Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

## Local

### Present



#### Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



#### External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

### Future



#### Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



#### Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Runnymede Borough Council (the Council) is a council in Surrey with a population of 88,100 residents, which borders with five neighbouring local authorities and is close to London and Heathrow Airport. The M25 motorway runs through the borough from north to south and the M3 motorway runs through the borough from west to east. The Council will be impacted by the Government's final decision on Local Government reorganisation, expected in the Autumn, which aims to reorganise the Surrey local government organisations of the one county council and 11 districts into two or three unitaries from 1 April 2027.

**It is within this context that we set out our commentary on the Council's value for money arrangements in 2024/25.**

# 02 Executive Summary

# Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
<b>Financial sustainability</b>	<b>R</b> Significant weakness in arrangements for financial sustainability identified. One key recommendation and two improvement recommendations made.	One risk of significant weakness identified in relation to scenario planning of investment income in the Medium-Term Financial Plan and reporting of savings at a corporate level.	<b>G</b> No significant weaknesses in arrangements identified and no improvement recommendations made. The Council’s Non-Statutory Best Value Notice (NSBVN) Response Programme was successful as the NSBVN was not reissued, by central government, in December 2024. There is now scenario planning of investment income and savings reported at a corporate level.
<b>Governance</b>	<b>R</b> Significant weakness in arrangements for preparing unaudited accounts identified. One key recommendation and one improvement recommendation made.	One risk of significant weakness identified in relation to the preparation of the unaudited 2024/25 financial statements by the statutory deadline of 30 June 2025.	<b>G</b> No significant weaknesses in arrangements identified and no improvement recommendations made. The 2024/25 unaudited accounts were published on the Council’s website ahead of the statutory deadline of 30 June 2025 which removed the prior year significant weakness in financial reporting arrangements.
<b>Improving economy, efficiency and effectiveness</b>	<b>A</b> No significant weaknesses in arrangements identified, but three improvement recommendations made.	No risks of significant weakness identified	<b>A</b> No significant weaknesses in arrangements identified and no improvement recommendations made. One improvement recommendation raised on the use of a Data Quality Policy and commissioning internal audit to test a sample of KPIs for accuracy.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



## Financial sustainability

The Council received a non-statutory Best Value Notice (NSBVN) in December 2023 due to concerns over high debt levels and reliance on commercial income of some £20 million per annum. In response, the Council established a moratorium on new debt-funded asset investments and a measured approach to reducing its level of borrowing. Central government was satisfied with the response and lifted the NSBVN in December 2024. The Medium-Term Financial Strategy published in October 2024 highlights a financial gap in the revenue budget of £3.9 million by the end of 2027/28. However general fund balances are strong so the Council can balance its budgets for 2026/27 and 2027/28.

There are no significant weaknesses in the Council's arrangements for financial sustainability as the scenario planning of investment income and reporting of savings at a corporate level has been improved.



## Governance

The Local Government Association (LGA) Corporate Peer Challenge of October 2024, reported on a Council with "a strong shared agenda across the political and managerial leadership of being a Council that wants to do things well."

There has been a continued focus on risk management. The Council's annual budget setting process is effective. The Overview and Scrutiny Committee plays a key role in good governance with its focus on service improvement and financial oversight and sustainability. Internal audit arrangements are effective with a move to a new partnership arrangement involving several other councils.

There are no significant weaknesses in the Council's governance arrangements as the Council published its 2024/25 accounts on time.



## Improving economy, efficiency and effectiveness

The Council maintains an effective performance monitoring framework. The Council is proactive and has used the NSBVN as a catalyst for ongoing improvement. Notable practice includes the establishment of the monthly Continuous Improvement Programme Board which focusses on continuous improvement activity.

The Council has engaged partners in delivering its strategic priorities. The Council's capacity and approach to procurement is strengthening. The Council has effective contract management practices to ensure commissioned services deliver expected benefits.

There are no significant weaknesses in the Council's arrangements for improving economy, efficiency and effectiveness. We have raised one improvement recommendation.

# Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

## Auditor’s responsibility

## 2024/25 outcome

### Opinion on the Financial Statements

Our audit of your financial statements is scheduled to take place between mid September and December. Thereafter we will issue our audit opinion, following the Standards and Audit Committee meeting on 29 January 2026. We issued the disclaimer opinion on 20 March 2026.

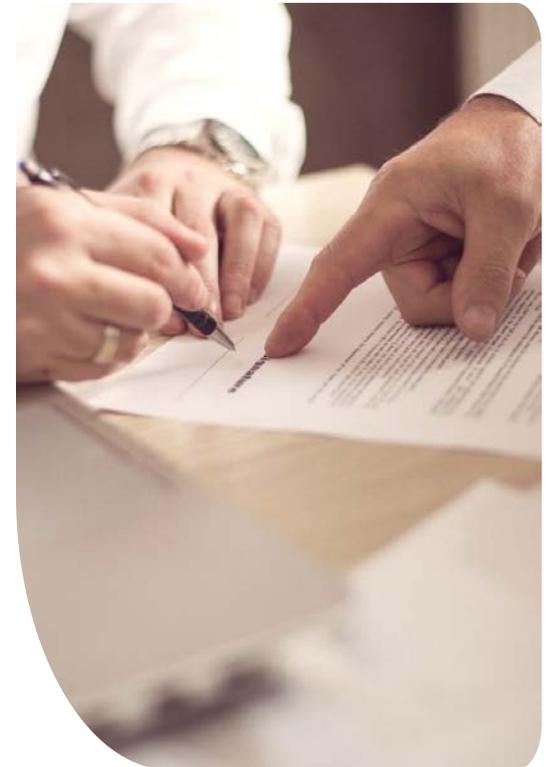
### Use of auditor’s powers

We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



# **03 Opinion on the financial statements and use of auditor's powers**

# Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

## Audit opinion on the financial statements

Our audit of your financial statements is scheduled to take place between mid September and December. Our opinion will be included in the Council's Audit Findings Report for 2024/25, which can be obtained from the Council's website.

### Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline of 30 June 2025. We present our findings at the Standards and Audit Committee on 29 January 2026, caveating that while some areas of work is complete, some areas had limited or no audit coverage due to time constraints, notably grant income and other contributions, rent and lease income, employee benefit expenditure, other service expenditure, and the collection fund.

Owing to the challenges of undertaking an audit where the previous years audits were subject to backstop-related disclaimed audit opinions, we have been unable to undertake sufficient work to support an unmodified audit opinion in advance of the backstop date of 27 February 2026. The limitations imposed by not having assurance on opening balances mean that we will be unable to form an opinion on the financial statements. Our financial statements audit report opinion will be disclaimed due to the lack of assurance over opening balances and unresolved issues in 2024/25. We issued the disclaimer opinion on 20 March 2026.

### Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Council's Standards and Audit Committee on 29 January 2026. Requests for this Audit Findings Report should be directed to the Council.

# Other reporting requirements

## Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Due to the disclaimer of opinion on the financial statements, we are unable to issue an unmodified opinion on the other information. However, nothing has come to our attention that would indicate material inconsistencies or misstatements in this respect.



# **04 Value for Money commentary on arrangements**

# Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



## Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

# Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

For 2024/25, the Council achieved a surplus of £4.7million compared to the £650k surplus originally estimated or the revised estimate of £2.6m indicated in the 2025/26 budget report in February 2025. The underspend was largely driven by staff vacancy savings, reduced debt provisions and increased commercial property income. This allowed the Council to boost key reserves to support its property assets, set aside additional voluntary provision for the repayment of debt and to fully provide against the risk that the Council’s wholly owned company would be unable to make future repayments of its loan. This left the Council with a broadly balanced outturn position, utilising just £60k from its working balances. The Council ended 2024/25 with a strong General Fund balance of over £21 million which is four times the Council’s minimum target. The Council’s Housing Revenue Account (HRA) also performed well, generating a £0.9 million surplus and increasing working balances to £39.6 million in the same period.

Despite setting a balanced budget for 2025/26, the Council faces a medium-term funding gap of £3.9 million, with risks from pay pressures and cost-of-living awards. The Council has been mitigating financial risk through service reviews and a well-established savings programme which delivered £1.2 million of savings in 2024/25. Further savings are being identified. There are no significant weaknesses in the Council’s arrangements for financial sustainability as the prior year weakness of the scenario planning of investment income and reporting of savings at a corporate level has been improved. We have discussed the improvement in arrangements for the Financial Sustainability of the Council’s high value long-term borrowing and commercial property portfolio on page 18.

G

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	<p>The Council’s business planning process has established a strong organisational focus on savings and efficiencies through service reviews and a dedicated programme, supported by the newly created Service Transformation Reserve for ‘invest to save’ initiatives. These programmes are strategically important for delivering both financial savings and service improvements, with progress reported regularly to Committee. While the General Fund began the year in a healthier position than expected, achieving long-term sustainability remains a challenge. The Council has delivered £3.7million of savings over the past two years, but future savings will be harder to realise, requiring more complex initiatives. To balance the budget, £2.1million in savings must be achieved by the end of 2025/26, followed by a further £1.8million in 2026/27 to close the £3.9million gap forecast for 2027/28.</p>	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Council’s budget is closely aligned with its Corporate Business Plan 2022–2026, which outlines five strategic themes—Empowering Communities, Health and Wellbeing, Economic Development, Climate Change, and Organisational Development—each supported by detailed strategies and service area plans. A “golden thread” ensures that service delivery is planned and resourced to meet corporate priorities, with progress tracked through an internal action tracker used for performance and business planning. The Plan includes a dedicated section on financing, explaining whether the strategic themes can either be delivered within existing resources, supported by external funding, or whether require additional capital or revenue investment, and therefore integrated into future budget decisions and medium-term financial planning, risk management, and capital considerations.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Council has developed an internal Workforce Planning tool, currently being piloted, to help services assess resource needs which was endorsed by internal audit with a “reasonable” assurance rating. Financial management is supported by a comprehensive suite of reports including budget estimates, the Medium-Term Financial Strategy, Treasury and Investment Strategies, and the Capital and Asset Management Strategies, all of which guide decision-making and are monitored through regular reporting to Committees. There are no significant discrepancies between budget data, outturn reports, and financial statements. While no major service redesigns are underway, the Council anticipates potential impacts from the Government’s expected decision on Local Government reorganisation in Autumn 2025, which will restructure Surrey’s councils into unitary authorities from 1 April 2027.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Financial risk is mitigated through the annual approval of the Treasury Management Strategy and the Capital and Investment Strategy. This is further supported by the Council’s formal moratorium on new commercial investments. Debt repayment is planned through both the statutory Minimum Revenue Provision and additional voluntary repayments, with interest costs also accounted for. All borrowing has been undertaken at fixed interest rates to eliminate exposure to interest rate fluctuations. The favourable gap between current borrowing rates and those of existing loans enabled the Council to secure a £5.7 million discount on the early repayment of £12 million in debt and a £3.7million discount on the repayment of a £7.3 million debt. The level of working balances is set using a risk-based approach, ensuring that a sufficient buffer is maintained to absorb any variances in budget forecasts. This financial resilience is further strengthened by a programme of service reviews, efficiency savings, and income generation initiatives, all of which help to mitigate financial risk and support the Council’s long-term financial sustainability.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability - commentary on arrangements

## Financial sustainability of the Council's long-term borrowing and commercial property portfolio

**Key Finding:** The prior year significant weakness on the financial sustainability of the Council's long-term borrowing and commercial property portfolio has been addressed with the removal of central government's Non-Statutory Best Value Notice in December 2024.

**Evidence:** The Council received a non-statutory Best Value Notice (NS-BVN), from central government's Ministry of Housing, Communities and Local Government (MHCLG) in December 2023 due to concerns over high debt levels and reliance on net commercial income of some £20 million per annum. In response, the Council established a moratorium on new debt-funded asset investments and a measured approach to reducing its level of borrowing. MHCLG monitored the implementation of its NS-BVN Response Programme, through the Council's monthly NS-BVN Programme Board, and were satisfied with the response although the MHCLG stated that they "remain concerned about the significant debt held by the Council and the risk this carries. As a result, we [MHCLG] expect the Council to continue leading its own improvement journey and taking steps to reduce and manage its overall debt." The MHCLG lifted the NSBVN in December 2024 and continues to monitor the Council's progress on a quarterly basis throughout 2025/26.

The Council continues to manage its large £350.8 million property portfolio and £598 million in long-term debt, which has reduced by £41 million in 2024/25 (as shown in the table on the right). Debt repayments, in the form of MRP and VRP, have increased by some £2 million per annum in 2023/24 and 2024/25. The Council's quarterly Investment Property Report, uses market benchmarking to highlight property portfolio performance as part of the treasury management committee reports. The properties generated £26 million in rental income, in 2024/25, which was used to deliver both statutory and discretionary services. In terms of notable practice, once the NS-BVN was lifted the Council reframed the NS-BVN Programme Board as the "Continuous Improvement Board" which continues to monitor the Council's improvement journey in all services.

	Latest available data at the time we completed our work (August 2025)			
	31 March 2022 £ million	31 March 2023 £ million	31 March 2024 £ million	31 March 2025 £ million
<b>Total Borrowings</b>	654.0	643.5	628.0	<b>598.0</b>
<b>Fair value of the investment property portfolio (Of, which, estimated as funded by borrowings)</b>	552.8 (474.9)	539.6 (474.9)	354.7 (474.9)	<b>350.8</b> <b>(455.6)</b>

	2021-22 £ million	2022-23 £ million	2023-24 £ million	2024-25 £ million
<b>Investment property income</b>	24.9	26.2	25.6	<b>26.0</b>
<b>Estimated gross income yield</b>	4.5%	4.9%	7.2%	<b>7.4%</b>
<b>Minimum revenue provision (MRP)</b>	3.5	3.7	3.8	<b>4.0</b>
<b>Voluntary revenue provision (VRP)</b>	0	0	1.0	<b>0.9</b>
<b>Financing costs</b>	10.6	11.3	11.5	<b>11.6</b>

# Governance – commentary on arrangements

## We considered how the Council:

## Commentary on arrangements

## Rating

monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council has effective arrangements for identifying and managing strategic risks, supported by a live Risk Register and biannual oversight from the Standards and Audit Committee. While the Annual Internal Audit for 2024/25 provided “reasonable” assurance, opportunities remain to streamline the risk register and increase reporting frequency, as suggested in our GT Insight on page 22. Internal Audit, now delivered by Southern Internal Audit Partnership, is compliant with professional standards and has shown high stakeholder satisfaction, with most audits receiving positive assurance.

Governance and internal control frameworks are considered effective, with collaborative efforts to address any weaknesses. Fraud prevention measures are adequate but require policy updates, with reviews underway. Strengths in the Council's fraud prevention measures include significant efforts to enhance staff culture and a well-maintained Code of Conduct for Members. The Council is also actively participating in initiatives like the National Fraud Initiative and reported notable savings from fraud detection, totalling £861,120 in notional savings and £13,895 in cashable savings during 2024/25. The Council has also strengthened complaint handling and governance through updated policies and procedures, including a revised Local Code of Corporate Governance for 2025/26.

G

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
approaches and carries out its annual budget setting process	The Council’s annual budget setting process is effective, having been developed with reference to key financial risks outlined in the Medium-Term Financial Strategy, including inflation and economic conditions. Wherever possible, funding has been found to cover additional spending requests from external sources, use of earmarked reserves and provisions, or through the reprioritisation of budgets (virement process). Budget assumptions reflect both rising costs and the affordability of fees and charges to the consumer, and have been tested through challenge exercises using three years of financial data and input from service managers. Stakeholder engagement in budget setting has improved this year, with local businesses and partners invited to comment, and plans are underway to introduce a citizen’s panel to broaden public consultation. Descriptions of services in the 2025/26 budget book have been amended to indicate whether the service is statutory, discretionary or mixed.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Council maintains a robust system of budget monitoring and financial control, supported by comprehensive financial regulations and Contract Standing Orders within its Constitution, alongside a project management ethos and performance monitoring through KPIs. Regular financial reporting is provided to Committees, including updates on savings, efficiencies, and service reviews. The 2024/25 Financial Statements were published on the Council’s website by 30 June statutory deadline which is an improvement as the 2023/24 financial statements were delayed. Timely publication of the 2024/25 Statements of Accounts has removed the risk of significant weakness for 2024/25 at the time of writing this report. The 2024/25 financial statements audit will take place in September to November 2025, and if any significant issues emerge we will include these in the final Auditor’s Annual Report for 2024/25. At the time of writing the external audits for 2019/20 to 2022/23 remain incomplete as the previous external auditor has yet to complete their audit and issue their opinions.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>Council decisions are underpinned by detailed documentation that enables effective challenge and debate. The Constitution is reviewed annually, and agenda items are clearly presented, as seen in well-considered discussions at Council, Corporate Management Committee and other committee meetings. The Overview and Scrutiny Committee plays a key role in good governance with its focus on service improvement and financial oversight and sustainability. The Council's leadership is sound as affirmed by the Local Government Association Corporate Peer Challenge of October 2024. The Standards and Audit Committee is effective as it monitors the implementation of internal and external audit recommendations, ensuring that management action is taken to address any weaknesses. In line with good practice, the Committee carried out its self-assessment against the core audit committee functions set out in CIPFA's (Chartered Institute of Public Finance and Accountancy) best practice guide, which confirmed the Committee was effective.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Council has good arrangements in place to ensure compliance with legislative and regulatory requirements, supported by clear communication of expected behaviours to staff and elected members. Key governance tools include an annually updated Local Corporate Code of Governance, a Member Code of Conduct aligned with the Nolan principles, and a regularly reviewed Complaints Policy. Ethical standards are reinforced through guidelines on gifts and hospitality, conflict of interest safeguards in the Constitution, and ongoing training. The 2024/25 Annual Governance Statement confirms no significant breaches or non-compliance, with a sound internal control system and no reported data security incidents. Commendably, the number of requests for, and waivers granted, had reduced from 36 to 18 requests, and 36 to 15 approved for the period up to mid-March 2025 as a result of improved arrangements through the Procurement Team and Procurement Board.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of risk management, but could challenge itself to go further, based on the best arrangements we see across the sector

## What the Council is already doing

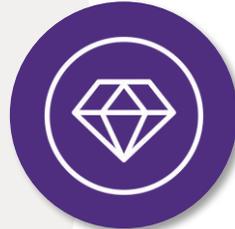
- Risk dashboard update to Standards and Audit Committee on a six-monthly basis to report on the Corporate Risk Register and associated activity, quarterly review by Senior Leadership team and on a regular basis by CLT.
- Risk management is embedded with the Council’s Corporate Risk Registers, service area risk registers, project risk registers and contract risk registers.

## What others do well

- Quarterly review of risk by their audit committee.
- Monthly review of risk and performance by the Head of Service at one of their four weekly meetings.

## The Council could consider

- Clarifying the actions to be taken to mitigate those 38 ‘significant’ risks, at the end of Quarter 4 2024/25, scoring above 15 (13%) in the Risk Dashboard Update to the Standards and Audit Committee .



# Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>The Council maintains an effective performance monitoring framework across operational services, workforce, and finance, using quarterly Corporate Performance Reports with Corporate Key Performance Indicators (CKPIs) to identify trends, risks, and areas for improvement. These reports, submitted to the Corporate Management Committee, include narratives and action plans for underperforming indicators. Of the 33 CKPIs reported this year, 17 were rated green, 5 amber, and 7 red. The Council also leverages benchmarking tools like MSCI to compare its property investment portfolio with other investors and is exploring benchmarking with other local authorities, recognising the need for tailored scopes that reflect varying risk appetites and strategies. This structured and data-driven approach underlines the Council’s commitment to continuous improvement, as defined by the terms of reference for the Council’s Continuous Improvement Board. We raised an improvement recommendation, on page 25, on the benefits of a Data Quality Policy and sample testing on the accuracy of CKPIs.</p>	A
evaluates the services it provides to assess performance and identify areas for improvement	<p>The October 2024 LGA Corporate Peer Challenge (CPC) affirmed the Council’s self-awareness and improvement focus, offering seven recommendations around the continuing response to the NS-BVN, revisiting the Corporate Business Plan to reflect the priorities of the Runnymede Council Alliance, its capacity to deliver the Asset Management Strategy, addressing underperformance in CKPIs, the development needs of members, keeping the committee and working group arrangements under review, and responding to the staff survey. The Council is proactively managing these areas, with its CPC improvement plan on track. A Continuous Improvement Programme Board (CIPB) has been set up following the NS BVN and the CPC. In addition to monitoring key programmes such as savings and efficiencies, Service Review and Digital Transformation, the Board also monitors the Council’s progress towards Local Government Reorganisation.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Council has engaged partners in delivering its strategic priorities, though it lacks a centralised corporate partnership register. We have discussed this further in our “Insight” on page 22. Oversight of integrated health and care partnerships is managed by the North-West Surrey Alliance team, while other multi-agency collaborations are typically reviewed by lead agencies with Council input. Reporting on partnership activities is conducted via service committees, with governance decisions routed through appropriate channels. Monitoring is supported by KPIs, and budget reviews, with performance tracked through the Corporate Key Performance Indicators Dashboard.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Council has effective contract management practices to ensure commissioned services deliver expected benefits. A contracts register is maintained, and a tiering tool is being introduced to prioritise key contracts. Service areas manage their own contracts using a toolkit from the Procurement Team, with KPIs like tenant repair completion rates supporting performance monitoring. Challenges with the housing repairs contractor are being addressed through legal consultation and collaborative efforts to improve service delivery, while alternative contractors are considered for specialised tasks. The Council evaluates commercial ventures, incorporating expert advice, member scrutiny, and lessons from past investments. Oversight is provided by committees and groups such as the Assets and Regeneration group and the Continuous Improvement Board. Large capital projects are closely monitored for cost and timeline adherence, with updates reported to the Housing Committee as appropriate and to the Corporate Management Committee. Procurement efficiencies are enhanced through collaboration with the Surrey Procurement Group to discuss joint procurement opportunities, use of a savings tracker, training, and contract reviews, all aligned with the LGR framework and supported by member briefings.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness

## Area for Improvement: data quality arrangements

**Key Finding:** The Council does not have a comprehensive Data Quality Policy nor has it recently tested the robustness of its corporate KPIs.

**Evidence:** The Council does not have a Data Quality Policy that outlines the standards, procedures, and responsibilities for ensuring the accuracy, consistency, and reliability of data within the Council.

Accurate data plays a vital role in better decision-making. When councils have access to accurate and reliable data, they can make informed decisions based on facts rather than assumptions or guesswork. Accurate data saves time. When data is accurate, employees can rely on it without wasting time double-checking or correcting errors.

During 2023/24, Internal Audit gave a reasonable audit assurance grading on quality of the Council's data but raised two recommendations on the consistency of policies and procedures within service areas and training for all staff. We recommend that the Council carries out a review of data quality, focusing on the effectiveness of data collection, validation, and reporting across key service areas. The independent assessment of service data sets, on a sample basis, could then be documented in the performance reporting to give officers and members the assurance they need that data is reliable.

**Impact:** Without assurance over the quality of its corporate data, the Council may not have the best evidence on which to base decisions and strive for operational efficiencies.

## Improvement Recommendation 1

**IR1:** The Council should produce a comprehensive Data Quality Policy to reflect the Council's commitment to robust data to support decision making.

The Council should conduct a review of data quality, focusing on the effectiveness of data collection, validation, and reporting processes across key service areas.



### Grant Thornton insight

#### Benefits of a data quality policy

A well-defined data quality policy is essential for organisations to maintain high quality data, which is crucial for informed decision making and operational efficiency.

The key components of a data policy could include purpose and scope, roles and responsibilities, data quality standards, data lifestyle management, training and awareness, compliance and governance, and review and revision.

# **05 Summary of Value for Money Recommendations raised in 2024/25**

# Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p data-bbox="188 636 588 858">The Council should produce a comprehensive Data Quality Policy to reflect the Council’s commitment to robust data to support decision making.</p> <p data-bbox="109 872 575 1143">IR1 The Council could conduct a review of data quality, focusing on the effectiveness of data collection, validation, and reporting processes across key service areas.</p>	<p data-bbox="606 743 802 982">Improvement economy, efficiency and effectiveness (page 25)</p>	<p data-bbox="817 508 2435 882"><b>Management comments:</b> The Council’s previous internal auditor (TIAA) undertook an assurance review of its Data Quality in January 2024, providing a “reasonable” assurance rating. Two recommendations were made, both of which have been implemented. These related to the development of templates to identify the data collected and reported by Business units and the systems for ensuring data quality, and to the inclusion of data quality within training modules for all staff. The report noted the Data Quality Standards that have been adopted at Runnymede and which form part of its Information Governance Framework. As part of the audit, a sample of KPIs were reviewed, to establish the existence of guidelines or procedure notes, the data collection and verification process, and training provision. The Council has a specific data quality tab within its Information Asset Register document for all services which sets out the data quality standards to be met. In addition, the standards are listed on the staff intranet within the Information Governance Framework pages.</p> <p data-bbox="817 901 2435 972"><b>Actions:</b> The Council will bring together the information referred to above in a comprehensive Data Quality Policy to reflect its on-going commitment to robust data to support decision making.</p> <p data-bbox="817 986 2244 1022"><b>Responsible Officer:</b> Mario Leo, Corporate Head of Law and Governance <b>Due Date:</b> 31<sup>st</sup> March 2026</p> <p data-bbox="817 1036 2435 1179"><b>Actions:</b> The Council has commenced discussions with its new internal auditor (SIAP) to consider the inclusion of a further review of data quality, focusing on the effectiveness of data collection, validation, and reporting processes across key service areas, as part of its 2026/27 audit plan. This will be considered within the risk-based approach taken to audit planning by the Council and its internal auditor.</p> <p data-bbox="817 1193 2435 1265"><b>Responsible Officer:</b> Amanda Fahey, Assistant Chief Executive and s151 officer <b>Due Date:</b> 2026/27 Audit Plan to be reviewed by 12<sup>th</sup> March 2026.</p>

# 06 Follow up of Key recommendations

# Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
KR1	<p>For future years, detailed scenarios for investment property income returns should be included in the medium-term financial plan.</p> <p>On an ongoing basis, regular information around progress with savings schemes would be helpful. As the savings programme moves into the “Determine” stage, clear reporting on savings achieved should be included in budget monitoring reports to the Corporate Management Committee. We understand that the Council is already considering making changes along these lines.</p>	<p>2023/24 (Jan 25)</p> <p>The 2025/26 Budget report, presented to Full Council on 6 February 2025, shows a strengthened Medium-Term Financial Forecast (MTFF), with General Fund balances projected to remain well above the minimum threshold until 2029/30. The Council is enhancing its financial modelling by developing long-term cash flow projections for individual investment properties and reviewing strategic assets with upcoming lease breaks. These efforts, part of the Non-Statutory Best Value Notice Response Programme, have supported improved financial planning and contributed to the successful outcome of the December 2024 review, where the Notice was not reissued.</p> <p>Savings plans are being reported to the Overview and Scrutiny Select Committee and budget monitoring reports already contain this information within the variance analysis. Management is, however, happy to further develop the monitoring reports moving forwards.</p>	Implemented in full	None

# Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR2	The Council should put arrangements in place to ensure that 2024/25 unaudited accounts (and the unaudited accounts for future years thereafter) are published annually in line with government deadlines, starting with 30 June 2025.	2023/24 (Jan 25)	The 2024/25 unaudited accounts were published on the Council's website ahead of the statutory deadline of 30 June 2025.	Implemented in full	None

# 07 Appendices

# Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

## Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



### A range of different recommendations can be raised by the Council’s auditors as follows:

**Statutory recommendations** – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

**Key recommendations** – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

**Improvement recommendations** – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

## Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Further action
IR1	The Council should consider increased external consultation around budget setting and clearer disclosure in the budget of which costs and services are statutory, and which are discretionary.	2023/24	The Council currently engages business rate payers in its budget planning through an annual business breakfast meeting, held in partnership with Business Runnymede and promoted via newsletters and social media, with the latest session on 15 January 2025. It is also developing a citizen’s panel to enhance public engagement, which may be used for future budget consultations. Additional consultation methods are under consideration for coming years. Furthermore, the 2025/26 budget book now categorises services as statutory, discretionary, or mixed, emphasising that all services—including statutory ones—should be reviewed for potential efficiencies and cost savings.	None
IR2	When adopting its thirty-year capital programme, the Council will need to consider the reliability of forecasting over the life of the programme. The approach towards borrowing, asset sales and capital receipts will also need to be considered.	2023/24	The Council acknowledges that its thirty-year financial forecast is not intended to be precise but serves as a strategic tool to guide decision-making. Key to this planning is understanding the lifecycle and replacement costs of short-life assets with rolling programmes now in place to support timely procurement decisions. Condition surveys for all operational buildings have been completed, informing maintenance schedules and capital planning, with further costs anticipated from 2027/28 following asset reviews. Long-term cash flow data for investment assets is being developed, and reserves for equipment and property repairs have been reviewed to ensure adequate future funding. The Council also maintains a long-term debt strategy, having secured a discount on early debt repayment in 2024/25, which will be reinvested to reduce capital financing requirements. The Medium-Term Financial Forecast highlights limited capital receipts and outlines mitigation strategies, while the thirty-year forecast complements the annually agreed ten-year Capital Programme to support sustainable financial planning.	None

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Further action
IR3	The Council should consider whether appointing Council members or officers to the board helps with managing conflicts of interest and with being able to make independent assessments of company board effectiveness.	2023/24	The Council commissioned an external review of the governance of its companies as part of its NS BVN Response Programme. The Corporate Management Committee endorsed the recommendations in the external reviewer's report in July 2024. The review does not recommend changes to the staff and Member appointments to the Board. Rather, it recommends additional governance measures such as clear written roles and responsibilities, a conflict-of-interest policy, Director training and other improvements to the governance framework. Significant work is now being undertaken to draft appropriate policies and protocols for both the Companies and the Council which will be brought back to the Corporate Management Committee for consideration. The Companies have appointed an experienced Company Secretary to support this work.	None
IR4	Scrutiny of corporate key performance indicators should revert to the Corporate Management Committee at the earliest opportunity.	2023/24	Enhanced Member scrutiny was approved in March 2024 and has been implemented (from September 2024 for Q1 performance results for April, May, June) via the quarterly reporting of performance against CKPIs directly to the Corporate Management Committee. The quarterly report presents a narrative against any CKPI that is reporting Red or Amber performance for that quarter, with the appropriate Corporate Head of Service attending the Committee to answer any Member questions. The full CKPI results pack continues to be provided to Members via the Members Teams area. The quarterly CKPI report is also discussed in detail at the Corporate Leadership Team to provide management oversight of any issues and a sense check against the Corporate Risk Register.	None

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Further action
IR5	Clear terms for extending one specific housing services contractor's Improvement Notice should be agreed and contractor performance against those terms should be monitored.	2023/24	In response to continued underperformance, a second Improvement Notice was issued to the Council's Reactive Repairs and Void Works contractor in August 2024 and accepted in September. Despite some progress in reducing the backlog, the contractor has not yet met minimum performance standards in key areas, particularly in servicing empty properties. To address this, the Council has reallocated certain works to Planned Works contractors and limited void property assignments to the original contractor while monitoring performance. An improvement plan was approved in October 2024, with a formal review of progress scheduled for January 2025. The Council is also procuring a minor works contract to build resilience, while ensuring the original contractor retains sufficient work to sustain their contract. Given sector-wide labour challenges, the Council continues to support the contractor to maintain service delivery, which is critical to meeting resident obligations.	None
IR6	Waivers should be reported to the Standards and Audit Committee on a regular basis. The number of waivers, contract values and reasons for waiver should be shared with the Committee.	2023/24	In March 2024, Members of the Standards and Audit Committee requested a report on procurement and contract management arrangements, including waiver approvals, and agreed that this should become an annual report. This recommendation was also reflected in a separate report proposing updates to the Committee's work programme for the new municipal year. Procurement training was delivered to Members in December 2024, covering waiver processes and approvals to date. The next annual procurement report was presented to the Committee in May 2025.	None



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