



Shropshire Council  
Legal and Democratic Services  
Guildhall,  
Frankwell Quay,  
Shrewsbury  
SY3 8HQ

Date: 18 June 2025

My Ref:

Your Ref:

**Committee:**  
**Audit Committee**

**Date:** Thursday, 26 June 2025

**Time:** 10.00 am

**Venue:** Council Chamber, Guildhall, Frankwell Quay, Shrewsbury SY3 8HQ

You are requested to attend the above meeting. The Agenda is attached

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email [democracy@shropshire.gov.uk](mailto:democracy@shropshire.gov.uk) to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard  
Assistant Director – Legal and Governance

**Members of Audit Committee**

Kate Halliday  
Duncan Kerr  
Carl Rowley

Rhys Gratton  
Malcolm Myles-Hook

Independent Member: Jim Arnold

Your Committee Officer is:

**Michelle Dulson** Committee Officer

Tel: 01743 257719

Email: [michelle.dulson@shropshire.gov.uk](mailto:michelle.dulson@shropshire.gov.uk)

# AGENDA

## **1 Apologies for Absence / Notification of Substitutes**

## **2 Disclosable Pecuniary Interests**

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

## **3 Minutes of the previous meetings held on the 6 February 2025 and 22 May 2025 (Pages 1 - 16)**

The Minutes of the meetings held on the 6 February 2025 and 22 May 2025 are attached for confirmation.

Contact Michelle Dulson (01743) 257719

## **4 Public Questions**

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12noon on Friday 20<sup>th</sup> June 2025.

## **5 Member Questions**

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12noon on Friday 20 June 2025.

## **6 First line assurance: NWRR Management Update (Pages 17 - 24)**

The report of the Assistant Director of Growth and Infrastructure is attached.

Contact: Andy Wilde (01743) 256401

## **7 First line assurance: Internal Audit Resource Update (Pages 25 - 28)**

The report of the Section 151 Officer is attached.

Contact: James Walton (01743) 258915

## **8 Third line assurance: Internal Audit Performance Report (Pages 29 - 44)**

The report of the Head of Policy and Governance is attached.

Contact: Barry Hanson 07990 086409

## **9 Third line assurance: Internal Audit Annual Report 2024/25 (Pages 45 - 70)**

The report of the Head of Policy and Governance is attached.

Contact: Barry Hanson 07990 086409

**10 Overall assurance: Annual Governance Statement and Code of Corporate Governance 2024/25 (Pages 71 - 148)**

The report of the Section 151 Officer is attached.  
Contact: James Walton (01743) 258915

**11 Third line assurance: External Audit, Audit Plan**

The report of the Engagement Lead is to follow.  
Contact: Avtar S Sohal (0121) 232 6420

**12 First line assurance: Customer Journey Project Management Update (Pages 149 - 154)**

The report of the Executive Director of Health is attached.  
Contact: Rachel Robinson (01743) 258918

**13 Second line assurance: Risk Annual Report (Pages 155 - 166)**

The Report of the Assistant Director of Transformation and Efficiency is attached.  
Contact: Billy Webster (billy.webster@shropshire.gov.uk)

**14 First line assurance: Short Breaks Service Management Update (Pages 167 - 174)**

The report of the Service Manager for Commissioning is attached.  
Contact: Lesley Brown (01743) 254276

**15 Date and Time of Next Meeting**

The next meeting of the Audit Committee will be held on the 16 July 2025 at 10.00 am.

**16 Exclusion of Press and Public**

To RESOLVE that in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations and Paragraphs 2, 3 and 7 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

**17 Exempt Minutes of the previous meeting held on the 6 February 2025 (Pages 175 - 176)**

The Exempt Minutes of the meeting held on the 6 February 2025 are attached for confirmation.  
Contact Michelle Dulson (01743) 257719

**18 Third line assurance: Contract Rules Exemptions Update (Exempted by Categories 1,2,3 and 7 ) (Pages 177 - 194)**

The report of the Assistant Director of Legal and Governance is attached.  
Contact: Tim Collard (01743) 252756



## Committee and Date

Audit Committee

26 June 2025

### **MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 6 FEBRUARY 2025 10.00 AM - 12.45 PM**

**Responsible Officer:** Michelle Dulson

Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

#### **Present**

Councillor Brian Williams (Chairman)

Councillors Roger Evans and Kate Halliday and Nigel Lumby (Substitute)

Independent Member: Jim Arnold

#### **84 Apologies for Absence / Notification of Substitutes**

An apology was received from Councillor Simon Harris. Councillor Nigel Lumby substituted for him.

#### **85 Disclosable Pecuniary Interests**

Members were reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

#### **86 Minutes of the previous meeting held on the 20 December 2024**

Paragraph 79 (First line assurance: Final Approval Statement of Accounts 2023/24)

For accuracy, Councillor Evans wished it to be noted that he had voted against this item which had therefore been approved by a majority decision.

#### **RESOLVED:**

That the Minutes of the meeting of the Audit Committee held on the 20 December 2024 be approved as a true record and signed by the Chairman, subject to the above.

#### **87 Public Questions**

There were no public questions.

#### **88 Member Questions**

A member question had been received from Councillor David Vasmer in relation to the North West Relief Road (NWRR). Page 11  
Councillor Vasmer was in attendance to ask

his question, and the Executive Director of Resources (Section 151 Officer) read out the response. The Executive Director of Resources (Section 151 Officer) confirmed that the budget, from inception of the project for the Oxon Link Road and the NWRR in its entirety, was £44.8m however, expenditure was significantly below that at that point in time and by year end.

A full copy of the question and response provided are attached to the web page for the meeting.

## **89 First line assurance: NWRR Management Update**

The Assistant Director for Growth and Infrastructure gave a verbal update in terms of the recommendations from the external audit including the governance and management of the project. He confirmed that some work had already started in these areas, and he gave some examples. He explained that he had taken the principles of the commercial model that sat in his current service area and applied it to this project, and they had since taken some measures to improve and increase the level of transparency and substantiation around payments and so strengthening the commercial arrangements that sat within the project in its current form. They had also done some analysis on data management to ensure they had a good robust handle on all of that information before undertaking an assessment of the risks.

The Assistant Director for Growth and Infrastructure drew attention to the governance arrangements and he informed the Committee that an initial meeting had taken place to start to review the existing governance as this was something that was highlighted in the audit report and that needed to be revisited in order to strengthen and improve arrangements, taking into consideration all of the points raised in that external audit report. The findings from the audit report would be a key instrument in shaping what progress looked like and the areas for himself and his team to focus in on. He went on to explain that this work would come to a natural conclusion as the Business Case was finalised prior to going to Full Council for approval.

Finally, he wished to reassure the Committee that work around the governance arrangements had been started, along with work around the other areas highlighted in Internal Audit's report and were very much on the agenda for his team to focus on and would be moved forward as the project developed. Once the Business Case was approved by Council, they would need to look at how they would set the project up should it move into the construction phase because the governance arrangements would need to look different for that phase of the project.

The Chairman felt that the Assistant Director for Growth and Infrastructure seemed to have a grasp of the concerns of many Members around the governance of the NWRR. Members raised concerns around the seriousness of some of the recommendations contained within the audit report and were disappointed that they would not be getting any of the financial information at this meeting. In response to a query the Assistant Director for Growth and Infrastructure assured the Committee that the first new Executive Board, chaired by himself, had taken place, the appropriate officers were in attendance, and he was reassured that Minutes and Actions were captured. As the governance arrangements were being revisited, the things that could be changed quickly had been, and other issues, including the Terms of Reference, were coming together.

In response to further comments, the Assistant Director for Growth and Infrastructure assured the Committee that he was fully cognisant of the work of the Audit Committee and the need to work closely with both internal and external audit. He was committed to the organisation going forward and making sure that the whole council felt like it had the transparency that it was seeking, that audit recommendations were factored in quickly and that the correct procedures were in place.

Councillor Evans expressed his disappointment that no papers had been received for today's meeting and that the Business Case, which was due to be discussed at Council on 27 February, was still not available to the Audit Committee. The internal audit was undertaken some 15 months ago, and he had stated that it was the worst audit he had even seen. He understood that the NWRR would form part of the Medium-Term Financial Strategy, papers for which were due to be published that day, then going to Scrutiny and Cabinet the following week but the NWRR would not be referred to in detail before going to Council. It was a multi-million pound project that was at risk, the business case still needed to go to Government to decide whether they were going to fund it or not and in the meantime Shropshire Council was still spending millions, with no planning permission yet having been issued.

Councillor Evans wished to be assured that all of the recommendations from the internal audit were being carried out as the Committee had been assured on a previous occasion that they were, but the Committee had seen no proof of this, they had also been told that the NWRR was going to the September Council, then the December Council and now the February Council. This project seemed to be drifting, whilst the Council was spending money it could ill afford to lose, and it could have dire consequences for the Council.

The Internal Audit Manager gave an update from an internal audit perspective. She reported that they were scheduled to start the follow-up audit in quarter 4 and the terms of reference for the audit had been agreed with the Assistant Director and the field work had been commenced. As part of the audit, they would be following up all of the recommendations contained in the previous audit along with those raised by the External Auditors. It was hoped that this would be finalised and ready for the next meeting in June or possibly July. This would provide independent assurance on the actions taken to implement the recommendations.

In response to a query, the Assistant Director for Growth and Infrastructure explained the governance changes that had been put in place. The Chairman felt that all information that was available would be published later that month for discussion at Council on 27 February. The Assistant Director for Growth and Infrastructure was currently not sure when the Business Case would be ready to be presented to Council.

#### **RESOLVED:**

To note the contents of the verbal update.

#### **90 First line assurance: Social Media Management Update**

The Committee received the report of the Head of Communications and Engagement which provided Members with an update on the progress against recommendations

following an audit review of the Council's social media presence to ensure accounts were as effective as possible and properly managed by services.

The Head of Communications and Engagement explained that a 2017/18 audit had given a limited assurance rating whilst the latest audit gave an unsatisfactory opinion and identified six significant risks and one that requires attention. He explained that the Communications team took responsibility for social media from Digital Services in March 2024, very shortly before the audit was undertaken and that the issues identified were around the governance of the social media platforms rather than around the content of social media.

The Head of Communications and Engagement informed the meeting that the Communications team together with the Digital Services team were looking at swift action to address the identified risks and to implement the recommendations, as set out in the report. A restructure of the Communications team was also underway and would look at creating a specific role with responsibility for overseeing compliance with social media guidelines.

In conclusion, the Head of Communications and Engagement reported that there was a clear plan to address the audit recommendation, good progress was being made, and further improvements would be made to ensure a more consistent and effective approach to the Council's social media activities.

The Internal Audit Manager reported that a follow up audit would be undertaken after the target implementation date.

In response to a query, the Head of Communications and Engagement was confident that the restructure would not affect their ability to manage the Council's social media presence. He explained that the bulk of the day-to-day content had been devolved to those services that run the accounts, and they were provided with the governance, training and measures to help improve their presence. They would then report back to senior management who had oversight of the whole social media picture happening across the Council.

## **RESOLVED:**

To note the updates as set out in the report and to endorse the responsibility on services to adhere to social guidelines and policies.

### **91 First line assurance: The Lantern Management Update**

The Committee received the report of the Property Services Group (PSG) Facilities and Maintenance Manager which updated Members on the 2024/25 follow-up audit of The Lantern, assessed progress on the 2021/22 audit, and set out next steps to improve the assurance level.

The Head of Property and Development introduced and amplified the report. He explained that the 2021/22 audit identified control weaknesses around the booking and management of the centre. The 2024/25 audit had again highlighted that the improvements had not been made leading to the audit remaining unsatisfactory. He explained that the Facilities and Maintenance Manager had recently moved into the role following a restructure, and he was able to provide assurance that the



recommendations were now being dealt with, as set out in the report, with 70% having been addressed and completed, with the remainder (30%) being linked to the launch of a new booking system later that month, which would be a Council-wide system supporting many of the Council's assets including the Guildhall.

In conclusion, he informed Members that the processes had been significantly improved, and they looked forward to a follow-up audit to confirm that all recommendations had been addressed and that there was a stronger system of control in place at The Lantern.

The Internal Audit Manager reported that the follow-up audit would be agreed with the Head of Property and Development, to allow time for the changes to be embedded. In response to a query, she confirmed that it was quite common to have two action owners, depending on the size of the team.

**RESOLVED:**

To note the corrective actions already undertaken and planned.

To report back on progress within six months to provide management assurance of improvements in governance and financial control to finalise the improvements with the new booking system implemented.

**92 First line assurance: External Catering Management Update**

The Committee received the report of the Shire Services General Manager which provided an update on the October 2024 audit follow up review for External Catering Contracts. It provided information on the action taken by Shire Services in response to a fundamental recommendation along with monitoring information of the external catering contracts.

The General Manager explained that during the audit of the external catering contracts, it had been identified that a number of schools did not have a signed, up to date contract in place and she drew attention to the table at 8.1 of the report which set out the different types of contracts along with how many were required and how many were in place. At the time of writing the report, out of the 118 schools, 93 had a contract in place along with 91 of the 92 external contracts. The remaining external contract was awaiting approval of the new budget proposals.

Councillor Evans congratulated the general manager for the considerable progress made in achieving budget targets. In response to a query, the general manager confirmed that there were some outstanding old contracts, one of which had been renegotiated, she had spoken to another one the previous day who were starting a new contract from September however, some still had another 18 months to run before going out to tender. She explained that the old contracts previously had not been fit for purpose and did not contain enough information in relation to deficits on the account and dispute resolution, but she did not anticipate any material financial impact from them. She confirmed that they had worked hard with the legal team on new contracts going forward which addressed those issues.

**RESOLVED:**

To note the position as set out in the report and the actions taken to address the recommendations from the audit report.

### 93 **Second line assurance: Strategic Risks Update**

The Committee received the report of the HR & OD Manager which set out the current strategic risk exposure following the December 2024 bi-annual review, subsequent discussions and amendments.

The Executive Director of Resources (Section 151 Officer) introduced and amplified the report. He informed the Committee that there were currently 11 strategic risks on the Strategic Risk Register which were reviewed every six months, in conjunction with the named risk owner, they were all scored, and a year-end target score identified. The controls and mitigations put in place throughout the year were then measured against that target score to see whether the year end target had been achieved. He drew attention to the Strategic Risk List (set out in paragraph 7.5 of the report) and explained that risk exposure was then plotted on a matrix (set out in paragraph 7.6).

The Executive Director of Resources (Section 151 Officer) explained that as all risks were either high or medium, and as such above the Council's tolerance level, these were actively managed on a regular basis. The emerging risk around the change in political balance had been considered but had not been added as a strategic risk. The Executive Management team met every two weeks and considered these risks one by one, and this was outside of the regular review of the risk process.

Members expressed concern at the number of risk scores that were increasing, several of which having increased to the highest risk score. This was felt to be synonymous with the Council's current position, and although no reference to the NWRR, it was felt that this was a great risk to the Council. A query was raised as to how the project risk scores were arrived at. In response, the Executive Director of Resources (Section 151 Officer) explained that the risks around the financial implications of delivery, or indeed non-delivery, of the NWRR were considered every month and were presented to Cabinet along with the risks around other external projects and all other financial risks of the whole authority. It would therefore be inappropriate to put all of those as separate strategic risks. He went on to discuss the three levels of risk (operation, project and strategic) and how these were defined and reviewed.

Councillor Evans requested that the Committee have a more detailed examination of the 'Inability to contain overall committed expenditure within the current available resources within this financial year' risk along with the 'failure of officers and members to adhere to Governance arrangements' risk. In response, the Executive Director of Resources (Section 151 Officer) explained that it was in order for the Committee to do so, but he queried what the scope of that consideration would be, so as not to duplicate work that was already being undertaken elsewhere, because the financial position was already reported to Cabinet each month, was considered by Scrutiny Committee who consider the impact of expenditure, including under and overspends, and it was also considered at the weekly collaborative budget group meetings which were attended by all group leaders.

The Executive Director of Resources (Section 151 Officer) explained that the 'failure of officers and members to adhere to Governance arrangements' had been identified as high risk related in part to the review that was undertaken every year on the internal control environment which was currently considered to have limited assurance, along with the Annual Governance Statement which had identified 9 or 10 governance issues that needed to be addressed. Based on that information, it would be inappropriate to not consider that to be a significant strategic risk and, until all of the actions were in place and improvements were being seen, the level of risk would not be reduced. He clarified that although a risk, it did not mean that officers and members were not adhering to governance arrangements.

The Chairman felt that the fact that the risk scores were increasing, although a matter of concern, indicated how well the assessment process operated and how seriously risks were taken. The Executive Director of Resources (Section 151 Officer) reiterated the point that the fact the scoring was moving was reflective of the fact that those risks were being considered, and, as an example, he explained that although there were a lot of mitigations around the ICT systems the risk was such that it should be kept on the highest alert, but that did not mean that anything was failing. He went on to explain why the three highest risk scores shift throughout the year.

In response to further concerns raised by Members, Councillor Evans proposed that the Committee have a more detailed examination of the 'Inability to contain overall committed expenditure within the current available resources within this financial year' risk along with the 'failure of officers and members to adhere to Governance arrangements' risk. Upon being put to the vote, and the Chairman using his casting vote, the proposal fell.

In response to concerns around the overall risk exposure being above the Council's tolerance level, the Executive Director of Resources (Section 151 Officer) explained that if a risk fell below the tolerance level, the Council were willing to accept that level of risk without putting additional controls in place and they were therefore not reported on. Therefore, only those risks that were above the Council's tolerance level were reported on and he went on to give a detailed reminder of how the process worked.

Councillor Evans voted against this proposal.

**RESOLVED:**

To accept the position as set out in the report.

**94 Second line assurance: Treasury Strategy 2025/26**

The Committee received the report of the Executive Director of Resources (Section 151 Officer) which set out the arrangements for how the council will appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFS and The Shropshire Plan.

The Executive Director of Resources (Section 151 Officer) introduced and amplified the report. He informed the meeting that the Council's level of borrowing had slowly

reduced, and was currently set at approximately £336m, this was due to historic borrowing being repaid and not being replaced. He explained that cash balances had also reduced and currently sat at around £25m which was as low as the Council was comfortable with and that they would now look to borrow against significant capital schemes and investment to bring those cash balances up. Currently, as interest rates were higher than anticipated, they were undertaking short-term borrowing.

The Executive Director of Resources (Section 151 Officer) reported that the Treasury Strategy set out the parameters by which they could enact that approach and process and although they did have capacity to borrow more, due to concern around the overall financial position of the Council, they wished to maximise the benefits of the holdings they already had rather than exposing the authority to unsustainable or unaffordable borrowing.

In response to a query, the Executive Director of Resources (Section 151 Officer) explained that the amount of CDL borrowing was contained within the overall figures. In response to a query about why 'gross borrowing less than CFR' was estimated to increase by £130m from 2024/25 to 2025/26, it was explained that this did not mean that the Council was going to borrow at that level, merely that the Treasury Strategy allowed it should it become necessary. However, there was a separate calculation in the Medium-Term Financial Strategy around the cost of borrowing which did not have to reflect the total level of potential borrowing but could be more aligned to a more accurate estimation of the borrowing that had been undertaken.

In response to a query, the Executive Director of Resources (Section 151 Officer) confirmed that the capitalisation borrowing request and all other borrowing assumptions had been included within the Strategy.

#### **RESOLVED:**

To endorse the Treasury Strategy 2025/26.

#### **95 Governance assurance: Draft Audit Committee work plan and future training requirements**

The Committee received the report of the Head of Policy and Governance which provided a proposed Audit Committee work plan and sought discussion and agreement around a learning and development plan for Members to ensure that they were well informed and appropriately skilled to fulfil their role in providing assurance on the Council's delivery of its strategic objectives as outlined in the Shropshire plan.

The Head of Policy and Governance drew attention to the work plan for 2025/26, set out in Appendix A, along with the Audit Committee Member development topics, set out in Appendix B. He explained that as Membership of the Committee was likely to change following the Local Elections on 1 May, a full induction programme was planned for Audit Committee members as part of the 2025/26 training programme along with a scheduled training session in June.

He went on to explain that they were looking to develop a SharePoint folder which would include a library of reference documents for members of the Committee.

**RESOLVED:**

To approve the Audit Committee work plan for 2025/26, set out in Appendix A.

To approve a learning and development plan for Members of the committee taking into account information in Appendices A and B.

**96 Third line assurance: Internal Audit Performance Report and revised Annual Audit Plan 2024/25**

The Committee received the report of the Head of Policy and Governance which summarised Internal Audit's 2024/25 work to date. He reported that delivery was in line with previous delivery records and that lower assurances from reviews were highlighted within the report, providing members with an opportunity to challenge.

The Head of Policy and Governance informed the meeting that revisions to the internal audit plan for 2024/25 provided a total of 1,266 audit days. 73% of the revised plan had been completed (see Appendix A, Table 1), which was in line with previous delivery records (71% 2023/24, 64% 2022/23) and the team were on track to deliver a minimum of 90% of the revised annual plan by year end.

The Head of Policy and Governance reported that 10 final reports had been issued during the period (set out in paragraph 8.6) and of those reports, 83 recommendations had been made, one of which was fundamental. There were 6 draft reports awaiting management responses and would be included in the next monitoring report along with any other finalised internal audit work that had been completed. He drew attention to Appendix A, table 3 which set out the limited and unsatisfactory assurance levels and he reported that the Place Directorate had the highest number of lower assurance levels with 6 limited and 2 unsatisfactory audit opinions. Members were asked whether they wished to seek further assurances in those areas, and this was supported.

The Head of Policy and Governance updated members in terms of the resourcing within the team and members expressed concern about the reduction in audit staff.

A query was raised about the section 38 road adoption process (referred to on page 92 of the report) and when it was next due to be audited. In response, the Head of Policy and Governance reported that this would be followed up routinely as per the normal audit programme and the Internal Audit Manager explained that this was the first time this area had been looked at since 2018/19. She went on to explain the follow-up audit process that was now followed for unsatisfactory and limited audits and confirmed that this area was due to be looked at in quarter 2 of 2025. So, although they could not yet give independent assurance, the Committee could ask the service manager for an update.

A brief discussion ensued in relation to resourcing and recruitment. Members were extremely concerned that the team were down by four posts, yet no recruitment was planned until the new operating model was finalised and they felt that recruitment should be prioritised as it was now at a critical level. The Head of Policy and Governance reassured the Committee that there was enough coverage to provide a year-end opinion, and he clarified that there was no link between the limited audit

opinion and the size of the internal audit team. The only way to improve the assurance opinion was by the Council having an improved control environment.

Councillor Lumby suggested a further recommendation however it was agreed to take this resolution after the Internal Audit Plan report.

**RESOLVED:**

To endorse the performance of Internal Audit against the 2024/25 Audit Plan and to seek further assurances in those areas discussed.

**97 Third line assurance: Report of the Audit Review of Risk Management**

The Committee received the report of the Internal Audit Manager which set out the findings from the Internal Audit Review of Risk Management. The Internal Audit manager introduced and amplified her report, she drew attention to a slight amendment in paragraph 6.2 which should read January 2024 (not 2023) and she explained the changes that had occurred within the Risk & Business Continuity Team.

The Internal Audit Manager drew attention to the Audit findings, set out in paragraph 6.9 of the report and informed the meeting that the overall control environment of the risk management system had been assessed as Reasonable. However, two control objectives were not achieved as set out in Paragraph 6.9.

Concern was raised in relation to the information contained in paragraphs 6.3 - 6.5 of the report along with Items 1. and 2. of paragraph 6.9 and further details were requested.

Picking up the points around the project risks, the Internal Audit Manager explained that it was the responsibility of the project team to manage and coordinate the information and to provide the structure around the risk management policy and how risks should be managed and documented, but responsibility for identifying the risks and documenting them rested with the project board in the same way that the operational risks rested with the service manager.

In terms of the number of projects and being an area of increased risk, she explained that as the Council was going through a period of transition, there was a lot of projects ongoing and the risk management team, who were the specialists in those areas, were targeting the high risk projects where they could deploy their resources, but it was the project lead's responsibility to manage risk and ensure the risk registers were updated. The Assistant Directors also had access to all of those registers so they could oversee that process. She confirmed that a follow up audit would be undertaken the following year.

Concern was raised that Group Leaders were not being informed of changes happening across the Council and that the Audit Committee were only sighted on the top eleven strategic risks. It was felt that if not all risks were being fed into the structure as they should be, high risk projects may be missed. It was also commented that Councillors had not been involved in discussions around the new management restructure and there was a risk that following the May election there

could well be a new administration in place who required further organisational changes.

**RESOLVED:**

To endorse the findings from the review of Risk Management by Internal Audit.

**98 Third line assurance: Internal Audit Plan 2025/26**

The Committee received the report of the Head of Policy and Governance which provided Members with the proposed approach for the risk based Internal Audit Plan for 2025/26. The Head of Policy and Governance reported that due to the significant organisational restructure currently underway, it was proposed that a full plan be brought back to the Audit Committee in July for approval once the new Council structure had been determined and confirmed.

The Head of Policy and Governance drew attention to the approach being take for work to be completed between April and July 2025, set out at paragraph 7.3 of the report.

In relation to the vacant posts within the Audit team, the Head of Policy and Governance explained that it was a concern when there were vacant posts within the team, but he reassured the Committee that the situation was continually reviewed to ensure resources were matched to the current risk profile, with the planned work being spread out through the team to give the best level of assurance and insight around the Council's internal controls. As the organisation was becoming smaller, so too would the internal audit service, however, if he felt that they were at a point at which he was unable to deliver his responsibilities as Chief Audit Executive, he would take a report to the Workforce Board to demonstrate that, and to request permission to go out to recruit to fill the roles required.

A brief discussion ensued, and the Chairman pointed out that it was currently very difficult to recruit qualified auditors as there was a national shortage both in the public and private sector. The Committee were of the opinion that recruitment to the vacant audit posts should be undertaken urgently and to that end, Councillor Lumby proposed a further recommendation which was unanimously supported by the Committee, and the Independent Member also indicated that he was in favour of the resolution as a strong and robust audit presence throughout the organisation was imperative.

**RESOLVED:**

To note the contents of the report and to support the following resolution:

That whilst recognising the Head of Policy and Governance's reassurance, they were concerned about the further loss of an auditor. This compounded their reservations at recent meetings about the audit team's ability to provide sufficient audit function and provide more than the 'limited assurance' that they were getting used to.

The vacancy level within the team was unacceptable, and whilst recognising that there was a moratorium on recruiting, they considered that senior officers should recognise the seriousness of the situation and requested a report from the senior team for the next committee meeting.

The purpose of this motion was to support the audit team and process, and to reassure the Audit Committee.

**99 Date and Time of Next Meeting**

The next meeting of the Audit Committee would be held on the 26 June 2025 at 10.00am.

**100 Exclusion of Press and Public**

**RESOLVED:**

That in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations and Paragraphs 2, 3 and 7 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

**101 Exempt Minutes of the previous meeting held on the 20 December 2024**

**RESOLVED:**

That the Exempt Minutes of the meeting of the Audit Committee held on the 20 December 2024 be approved as a true record and signed by the Chairman.

**102 Internal Audit: Fraud, Special Investigation and RIPA Update (Exempted by Categories 1, 2, 3 and 7)**

The Committee received the report of the Internal Audit Manager which provided a brief update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment, together with an update on current Regulation of Investigatory Powers Act (RIPA) activity. It also included any exemptions from Financial and Contract rules in relation to procurement activity.

**RESOLVED:**

To note the contents of the report.

Members of the Committee and Officers thanked the Chairman, Councillor Brian Williams for his 20 years of service to the Council and in particular to the Audit Committee and wished him well for the future.

Signed ..... (Chairman)



Date: .....

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### Committee and Date

Audit Committee

INSERT NEXT MEETING DATE

## **MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 22 MAY 2025 11.00 - 11.10 AM**

**Responsible Officer:** Michelle Dulson

Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

### **Present**

Councillors Duncan Kerr, David Minnery, Alan Mosley (Substitute) (substitute for Kate Halliday), Malcolm Myles-Hook and Carl Rowley

### **1 Election of Chairman**

It was proposed, seconded and duly **RESOLVED:**

That Councillor Duncan Kerr be elected Chair of the Audit Committee for the forthcoming municipal year

### **2 Apologies for Absence**

Apologies for absence had been received from Councillor Kate Halliday.

Councillor Alan Mosley substituted for Councillor Halliday

### **3 Appointment of Vice-Chairman**

It was proposed, seconded and duly **RESOLVED:**

That Councillor Kate Halliday be appointed Vice-Chair of the Audit Committee for the forthcoming municipal year

### **4 Date of Next Meeting**

Members were advised that the next meeting of the Audit Committee would be held on Thursday 26<sup>th</sup> June 2025 at 10.00am

Signed ..... (Chairman)

Date: .....

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**Audit Committee**  
**26<sup>th</sup> June 2025**

Public



## North West Relief Road Management Update

<b>Responsible Officer:</b>	Andy Wilde		
email:	<a href="mailto:Andy.wilde@shropshire.gov.uk">Andy.wilde@shropshire.gov.uk</a>	Tel:	(01743) 256401
<b>Cabinet Member</b> (Portfolio Holder):	Cllr Rob Wilson, Cllr David Vasmer		

### 1. Synopsis

The purpose of this report is to:

- Provide an update on actions taken by the Project to address the Final Internal Audit Report North West Relief Road (NWRR) 2024/5 - 8<sup>th</sup> May 2025, and the separate review undertaken by external auditors Grant Thornton in November 2024

### Executive Summary

- 1.1. The Audit report noted that levels of Assurance now show a “Strengthening Control Environment” to “Reasonable”. This demonstrates a strong improvement from the “Unsatisfactory” Assurance Level in the 2023/4 report.
- 1.2. Of the 18 recommendations made in the last report (both from internal and external audit processes), 13 are now fully implemented, 3 partially and 2 are outstanding. These 2 outstanding matters are summarised in the four ongoing recommendations below. The Management approach to fully address these is given in this report.
- 1.3. The Objectives of the previous report are summarised below. Objectives with a ✓ demonstrate that appropriate management controls are now in place and upon which positive assurance can be given. Objectives with an X are those where the management controls are not yet being achieved:

- ✓ The recommendations made in the previous audit have been implemented.
- ✓ The recommendations made in the Grant Thornton report November 2024 have been implemented.
- ✓ Administration arrangements to monitor, control and reporting of the budget.
- ✓ Interdepartmental dependencies are in place and decision-making is made in conjunction with the project outcomes.
- ✓ Appropriate management arrangements are in place with consultants and stakeholders.
- X Appropriate Governance arrangements are in place which govern the Northwest Relief Road Project.
- X Appropriate project management arrangements in place to manage the project.

1.4. To address the management controls above that still require ongoing attention ("X"), four recommendations were made as part of the 8<sup>th</sup> May 2025 audit, these are detailed and addressed at Section 8 in this report.

The Project can confirm that the four recommendations have now been considered, and appropriate actions agreed / taken, as part of the ongoing work of the NWRR Executive Board.

## 2. Recommendations

2.1. The committee is asked to review and acknowledge the Projects adherence to the outstanding recommendations as were identified in the Final Internal Audit Report North West Relief Road (NWRR) 2024/5 - 8<sup>th</sup> May 2025.

# Report

## 3. Risk Assessment and Opportunities Appraisal

- 3.1. The risk of not actioning the Recommendations in the Audit Report in relation to project governance are that the Council fails to achieve key milestones in the delivery of this project. Slippage or non-delivery of the NWRR (as a currently live project) will then impact the wider benefits, economic, environmental, and social that the NWRR will achieve, along with the Councils reputation and financial standing.
- 3.2. The risks of not complying with the financial control Recommendations are that the Council incurs unnecessary cost, negatively impacts value for money and/or breaches regulations. This is now acknowledged within the May 2025 Audit Report as being fully mitigated with ongoing engagement with the dedicated project officer representing the Capital Finance Team, and the escalation of costs variance approvals to the NWRR Project Executive Board.

## 4. Financial Implications

- 4.1. The initial Audit Report highlighted some items around the financial management of the project. It is to be noted at this report that, administration arrangements to monitor, control and reporting of the budget are now fully in place and acknowledged as such by both internal and external auditors.
- 4.2. Variations to the projects financial forward plan and expenditure are considered at the NWRR Executive Board, chaired by the Chief Executive, and attended by the S.151 Officer and the Capital Finance Partner. Decision logs and minutes are recorded and published on the project SharePoint site for the information of the wider project governance structure. These and all historic NWRR Executive Board meeting minutes are also published publicly, redacted where appropriate, through the Projects council website area.

## 5. Climate Change Appraisal

- 5.1. Although this report does not encompass any actions that would directly impact on the Council's Climate Change Strategy, it should be noted that at Planning Committee 15<sup>th</sup> Feb 2024, the following Condition, proposed by the LPA, was accepted by the project.

Condition no 41.

*No development shall commence until the Carbon Assessment Plan has been submitted for approval to the Local Planning Authority. The Carbon Assessment Plan shall include in its scope, the built design, construction phase impacts and future use scenarios for the project and how the project will demonstrate achievement of a net-zero carbon outcome should be within Shropshire or nearby area.*

*Development shall not commence until the Carbon assessment plan has been approved in writing by the Local Planning Authority.*

*The development shall be carried out in accordance with the approved Carbon Assessment Plan.*

Reason: To allow the Council to meet its declared climate change objectives in accordance with Policies SC6 "Sustainable Design and Development Principles" of the Shropshire Core Strategy, MD2 "Sustainable Design" and MD8 "Infrastructure Provision" of the Shropshire Council Site Allocations and Management of Development (SAMDev) Plan.

## 6. Background

- 6.1. Since the early 2021 Full Planning Application submission, the North West Relief Road project has experienced several delays beyond its control, and the scheme has evolved with changes to the original design. These delays and design amendments have been due to the direct and uncontrollable impact by third parties (Environment Agency, Severn Trent Water and Natural England) through the Planning period.
- 6.2. The extensive and prolonged (around 2 1/2 years longer than anticipated) collaboration with all parties has however, ensured that at the Northern Planning Committee in February 2024, a resolution was given to approve subject to the committee agreeing Conditions and the signing of 3no Section 106 agreements.
- 6.3. The unforeseen delay at Planning, despite impacting the projects overall programme and costs (largely through cost impacts around delays in construction at a time of unprecedented market inflation) has however, ensured that the Project has received a full and thorough examination by stakeholders and the public. It's to note that many of the concerns raised at planning have now been able to be directly addressed through design or technical solutions.
- 6.4. Although the Planning delay can reasonably be expected to have impacted the full cost of the scheme based on the original 2019 Outline Business Case forecast, the two key external funders of the project (Marches LEP, superseded by The Marches Joint Committee, and DfT), remain regularly appraised of the Planning delays and the impact on programme, and both have accepted amended estimated completion dates based on this.
- 6.5. A Full Business Case (FBC) around the Oxon Link Road was endorsed by The Marches LEP in Dec 2023, and a second (draft) FBC for the wider NWRR alignment has now been published, but not yet submitted, to DfT. The outcome of the Leaderships current engagement with Ministers on the project's future is now awaited to inform next steps.
- 6.6. Progress on the NWRR Project is currently paused (planning permission issue, procurement of the main contractor, external legal support, and the current WSP commission), to evaluate potential next steps. The NWRR Exec Board approved the cessation of all non-vital activity since the commencement of the Pre-Election Period, and therefore spend on the project, until such time that an agreed future direction is instructed by Members.



## 7. Audit Recommendations

***7.1 The terms of reference should be completed, reviewed and approved at the next board meeting. Actions should be followed up from the previous meeting to ensure all have been actioned and this should be clearly recorded in the minutes***

Management Response.

Draft Terms of Reference were considered at the NWRR Executive Board Meeting (30<sup>th</sup> April 2025). The resolved standing attendee list is now confirmed as at the first NWRR Exec Board under the Councils new administration (28<sup>th</sup> May 2025) to include relevant Portfolio Holders as may be required.

The Final Terms of Reference will be amended in the light of this for approval at the next Exec Board meeting (June 2025). Standing attendance from non-Council representatives (WSP) has been removed, except on required technical items

All NWRR Executive Board meetings are fully minuted with actions reviewed and agreed at close of the meeting. These minutes are then reviewed and adopted at the following meeting. On approval of the NWRR Executive Board, these are then publicly published (redacted where appropriate) within the NWRR web page area. Minutes are also stored on the internal project SharePoint area, accessible to all required officers.

- **Recommendation completed.**

***7.2 A Project Delivery Board with appropriate internal and external stakeholders should be established with clearly defined governance arrangements, Terms of Reference and roles and responsibilities. The Project Board should meet on a regular basis with agendas, actions and minutes being recorded. Actions should be agreed and reviewed. Minutes should show clear and transparent decision making and any appropriate referrals to the Executive Board.***

Management Response.

A Project Delivery Board, its potential composition, and its role, was discussed at the NWRR Executive Steering Group 30<sup>th</sup> April 2025. Given the current project pause at that time (pending the local election outcome), and the status of the project as it moves from its Planning and FBC stage into delivery, it was agreed that it would be appropriate to defer agreement on this matter in the light of a new administration.

The Project Delivery Board currently remains in the latest Governance structure considered and agreed by the Executive Board March 2025.

In line with the new administration's instruction and agreed milestones, full Terms of Reference and the interrelationship with the wider governance needs of the Council and the Project Delivery Board can be considered in due course as required, and appropriate attendees and the groups remit agreed with the NWRR Executive Steering Board.

Minuting and actions of the Project Delivery Board would be captured and monitored for escalation where needed to NWRR Executive Board to give full visibility and decision making within agreed delegations going forward. In line with all other project meetings,

minutes would be shared and visible to all required officers through the projects existing SharePoint resource.

- **Recommendation actions paused pending further updates on Project direction.**

***7.3 Subject to planning permission being obtained and if the project is reconvened in June, the project plan will need to be revised or a new one created, depending on the status of the project at that time. Once in place, regular reporting will then need to commence to the project board against the project programme. This should include progress against key milestones with appropriate decision being made and actions being approved. (Updated from recommendation made and agreed in 2023/24).***

Management Response.

As an action from the Feb 2025 NWRR Executive Board, a Delay Impact Working Sub Group (NWRR Project Executive Manager led, with WSP support) was established to assess the project impacts around the current delay, pending the local elections.

This group considered three scenarios ("Project Plans") based on assumed delay durations. Financial, procurement, construction and planning risks were assessed. The resulting report was considered and accepted by the Executive Board in March 2025. Following discussion, it was agreed that these scenarios would be assessed further once a steer was received by the Chief Executive and S.151 Officer following their ongoing engagement with Members.

Further updates are expected as part of the current engagement between the leadership and relevant Ministers. The forecast risks and agreed future programme would then be part of the Project Board and Executive Board considerations as required. This will ensure that the future agreed Project Plan is given appropriate oversight and management against milestones to be agreed by the new administration.

- **Recommendation action paused pending further updates on Project direction.**

***7.4 The Shropshire Council risk register should be updated to include all new risks following the delay of the FBC not being presented to Council and the Department for Transport (DfT). Risk should be a standing agenda item on the Executive and Project Boards. Risks held in the corporate risks register should align to those held within the WSP risk register. Regular meetings should be held with agendas and minutes to show clear transparent decision making and referrals to Council and Cabinet where necessary.***

Management response

A full Risk Review Workshop was undertaken with the NWRR Executive Project Manager and the Councils internal Risk Team on 20<sup>th</sup> May 2025. Current assessed risks, including WSP areas, were reviewed and an appropriate mitigation approach updated where required. These reviews will continue on the current quarterly basis.

It was agreed that the Shropshire Council Risk Register is to be fully updated again, in line with the confirmed preferred option from the Delay Impact Working Group Report, or the outcome of current engagement between the Leadership and Ministers, whichever is the final agreed forward programme. The Delay Impact Report already establishes high level risks related to three scenarios.

On the future instruction of the Leadership, the chosen scenario to be pursued by the project will be then fully assessed in terms of further detailed financial, procurement, planning and construction risks. This update will be presented to the Executive Board in due course for assessment and agreement.

Impacts on the financial position of the project will be managed through liaison with the Capital Finance Partner and the S.151 Officer as required. Risk as a standing agenda item is on the agenda for all NWRR Executive Board meetings from April 2025, with a Power BI risk report being produced and circulated. All decisions on risk and mitigations at the Executive Board level will then be captured in future minutes / action logs and published in line with usual practice

- **Recommendation action paused pending further updates on Project direction.**

## 8. Conclusions

- 8.1 The NWRR will continue to be a high-profile live project during the current engagement process with Ministers by the Council Leadership. The Audit Recommendations, and the confirmation given in this report of the ongoing adherence to these, will ensure that the project remains effectively managed fully in line with the required financial and governance processes of the Council, until such time as its future direction is agreed.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** N/A

**Appendices** none



## Committee and Date

Audit Committee

26<sup>th</sup> June 2025

10:00am

Item

Public



## Internal Audit Resource Update

<b>Responsible Officer:</b>	James Walton		
email:	<a href="mailto:James.Walton@shropshire.gov.uk">James.Walton@shropshire.gov.uk</a>	Tel:	01743 258915
<b>Cabinet Member</b> (Portfolio Holder):	Heather Kidd, Leader of the Council Duncan Kerr, Chairman of the Audit Committee Roger Evans, Portfolio Holder – Finance		

### 1. Synopsis

This report provides a brief update on the current Internal Audit structure together with the latest position following a recruitment campaign.

### 2. Recommendations

- 2.1. The Committee is asked to note the contents of the Internal Audit Resource Update report.

# Report

## 3. Risk Assessment and Opportunities Appraisal

- 3.1. An effective Internal Audit Service examines, evaluates and reports objectively on the risk management, control and governance processes, taking account of internal auditing standards or guidance as a contribution to the proper, economic, efficient and effective use of resources.
- 3.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015.
- 3.3. Proper practices' can be demonstrated through compliance with the Global Internal Audit Standards (GIAS). Vacancy management and recruitment, whilst an ongoing risk, has been managed proactively throughout 2024/25 and activities undertaken to mitigate and manage associated team risks going forward in 2025/26. Further recruitment will be considered following the successful integration of the new team members.
- 3.4. There is a specific requirement under GIAS to report on the resourcing of the Internal Audit team - Domain III Standard 8.2.
- 3.5. There are no direct environmental, equalities or consultation consequences.

## 4. Financial Implications

- 4.1. The Internal Audit Service is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

## 5. Climate Change Appraisal

- 5.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting and mitigation; or on climate change adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

## 6. Background

- 6.1. Resourcing professional services within the public sector has been challenging for several years. Recruitment of qualified and experienced Internal Audit professionals has been especially challenging particularly in the last three to four years, despite numerous recruitment campaigns. This is experienced not only by internal but also by external audit firms reporting similar issues.
- 6.2. The Audit Committee have expressed concern throughout the 2024/25 year that the IA team are not sufficiently resourced to deliver the assurances the Committee requires to enable them to discharge their responsibilities. At the February 2025

meeting Cllr Lumby tabled a motion that was unanimously supported by the Committee to recruit to the vacant posts within Internal Audit.

*“Whilst recognising the Head of Policy and Governance assurance, this committee is worried about the further loss of an auditor. This compounds our reservations at recent meetings about the audit team's ability to provide sufficient audit function and provide more than the ‘limited assurance’, that we are getting used to.*

*The vacancy level within the team is unacceptable, we recognise that there is a moratorium on recruiting but consider senior officers should recognise the seriousness of the situation, we request a report from senior team for the next committee. The purpose of this motion is to support the audit team and process and to reassure the audit committee.”*

6.3. This is set against the level of assurance given by the Chief Audit Executive (CAE – the Head of Policy and Governance at Shropshire Council) with only a limited opinion being given for the past five years. The use of the word ‘limited’ reflects the assurance that can be provided based on the evidence considered over the year (the options being, disclaimer<sup>1</sup>, no assurance, limited, reasonable and substantial). It should not be misconstrued to suggest that the level of assurance is limited by the amount of resource or number of auditors within the team. In their year-end Audit report for 2023/24 the External Auditors noted the failure to improve this situation as it illustrates that the Council is not taking the Internal Audit assessment seriously enough or Internal Audit are not firm enough in their actions.

6.4. The size of the Internal Audit Team is determined by the structure agreed with the s151 Officer. The available resource within the structure is determined by the ability to recruit and retain staff to those posts. The CAE and s151 Officer work closely to ensure that resources practically available are deployed to ensure adequate coverage of the Council's Internal Control Environment to enable a year end opinion to be arrived at. While there have been vacancies in the team over the last financial year, there has been recruitment to ensure a minimum level of coverage is attained as a minimum.

6.5. Following the February 2025 Audit Committee meeting the Head of Policy and Governance presented a paper to the Workforce Board recommending a full recruitment process to commence immediately to fill all the following vacant positions as part of a single campaign, which was approved:

- Principal Auditor IT x 1
- Senior Auditor x 1
- Senior Auditor Fraud and investigations x 1
- Auditor x 2

6.6. The recruitment process was completed in April 2025. The Internal Audit Plan for 2025/26 was completed in draft with an opportunity to amend the plan and seek approval from Audit Committee following an understanding of the level of recruitment and retention achieved in the early part of the financial year. Successful appointment was made to the Principal Auditor IT position with the successful candidate due to start in July 2025. One Auditor position was also filled with the successful candidate due to start in June 2025. No suitable applicants were identified for the Senior Auditor Fraud and Investigations position.

<sup>1</sup> This refers to where insufficient audit work has been completed to form an opinion.

- 6.7. This recruitment has reduced the number of vacant positions within the Internal Audit function from five to four. This takes account of a further resignation at Auditor level in May 2025.
- 6.8. A Senior Auditor position was advertised in May 2025, however, the closing date has been extended as no suitably qualified or experienced candidates applied. Once the two new recruits are in post further recruitment will be considered over the coming months.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** N/A

#### **Appendices**

N/A





## Committee and Date

Audit Committee

26<sup>th</sup> June 2025

10:00 am

Item

Public



## Internal Audit Performance 2024/25

<b>Responsible Officer:</b>	Barry Hanson		
email:	barry.hanson@shropshire.gov.uk	Tel:	07990 086409
<b>Cabinet Member (Portfolio Holder):</b>	Heather Kidd, Leader of the Council Duncan Kerr, Chairman of the Audit Committee Roger Evans, Portfolio Holder – Finance		

### 1. Synopsis

This report summarises Internal Audit's work in the final quarter of 2024/25 to inform the year end opinion. Lower assurances from reviews are highlighted, providing members with an opportunity to challenge.

### 2. Executive Summary

- 2.1. This report provides members with an update of work undertaken by Internal Audit in the final two and a half months of the 2024/25 Internal Audit Plan. 96% percent of the revised plan has been completed (**see Appendix A, Table 1**), which is in line with delivery records (95% 2023/24 and 94% 2022/23).
- 2.2. One good, three reasonable six limited and one unsatisfactory assurance opinions have been issued. The 11 final reports contained 109 recommendations, one of which was fundamental.
- 2.3. Internal Audit continues to add value to the Council in its delivery of bespoke pieces of work, including sharing best practice and providing advice on system developments.

### 3. Decisions

- 3.1. The Committee is asked to consider and endorse, with appropriate comment
- a) the performance of Internal Audit against the 2024/25 Audit Plan.
  - b) Identify any action(s) it wishes to take in response to any low assurance levels and fundamental recommendations, brought to Members' attention, especially where they are repeated (paras 8.8 and 8.10).

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. Delivery of a risk-based audit Internal Audit Plan is essential to ensuring the probity and soundness of the Council's control, financial, risk management systems and governance procedures. Areas to be audited are identified following a risk assessment process which considers the Council's risk register information and involves discussions with managers concerning their key risks. These are refreshed throughout the period of the plan as the environment (delivery risks) changes. In delivering the plan, the adequacy of control environments is examined, evaluated and reported on independently and objectively by Internal Audit. This contributes to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by identifying potential weaknesses and areas for improvement, and engaging with management to address these in respect of current systems and during system design. Without this, failure to maintain robust internal control, risk and governance procedures creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss and reputational damage.
- 4.2. Provision of the Internal Audit Annual Plan satisfies the Accounts and Audit Regulations 2015, part 2, section 5(1) in relation to internal audit. These state that:
- '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'.
- 4.3. 'Proper practices' can be demonstrated through compliance with the Public Sector Internal Audit Standards (PSIAS). Vacancy management and recruitment, whilst an ongoing risk, is being managed proactively and activities undertaken to mitigate and manage this going forward. It should be noted for 2025/26 onwards the Global Internal Audit Standards (GIAS) as applied in the UK Public Sector will apply.
- 4.4. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and there are no direct environmental or equalities consequences of this proposal.

## 5. Financial Implications

- 5.1. The Internal Audit plan is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

## 6. Climate Change Appraisal

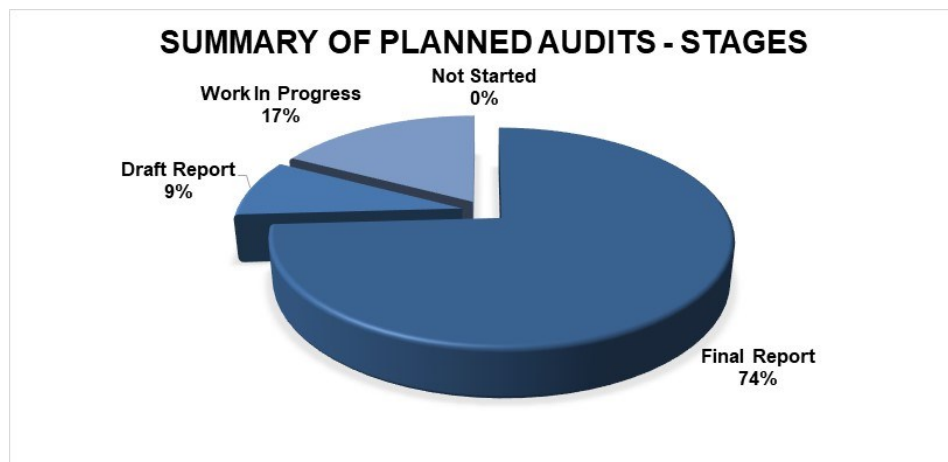
- 6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

## 7. Background

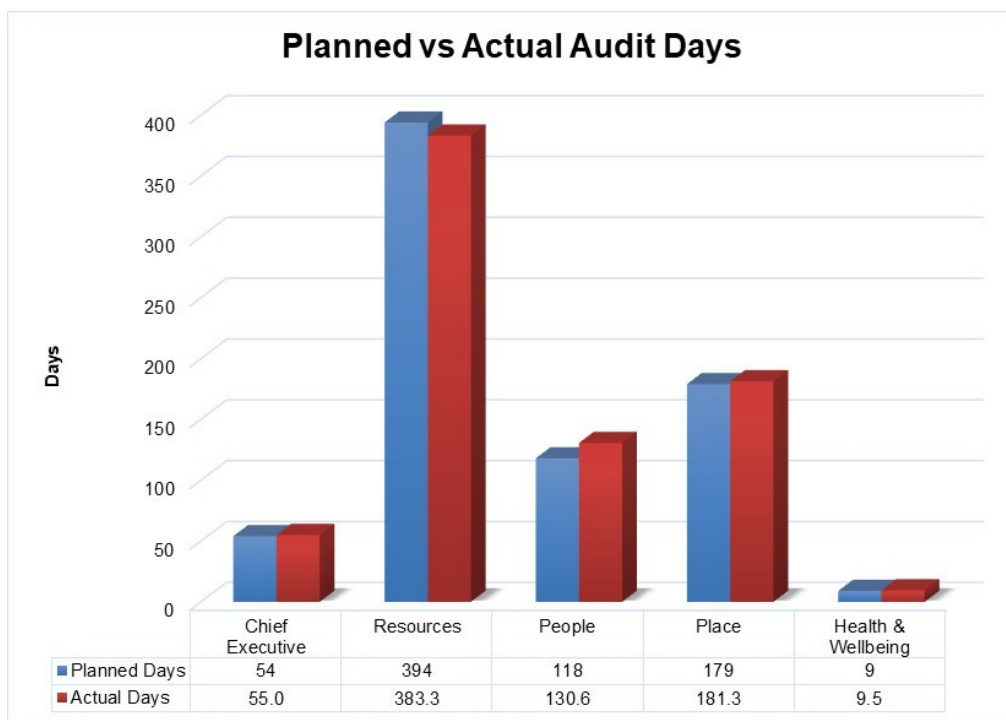
- 7.1. Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal Audit reviews appraises and reports on the efficiency, effectiveness and economy of financial, governance, risk and other management controls. The Audit Committee is the governing body with delegated authority under the Constitution to monitor progress on the work of Internal Audit.
- 7.2. The 2024/25 Internal Audit Plan was presented to, and approved by the Audit Committee at the 17<sup>th</sup> July 2024 meeting, with adjustments being approved in September, November and February. This report provides an update on progress made against the plan up to 31<sup>st</sup> March 2025.

## 8. Performance Against the Plan 2024/25

- 8.1. The 2024/25 plan provides for a total of 1,266 audit days. Over the year there have been changes to planned audit activity which has been adjusted to reflect changes in resources and risks.
- 8.2. Performance is in line with previous delivery records at 96% (95% 2023/24 and 94% 2022/23). The team has achieved the target to deliver a minimum of 90% of the revised annual plan by the year end.
- 8.3. In total, 11 final reports have been issued in the period from 13<sup>th</sup> January to 31<sup>st</sup> March 2025, all are listed with their assurance rating and broken down by service area at paragraph 8.5. The year-to-date position is shown at **Appendix A, Table 2**. The following chart shows performance against the approved Internal Audit Plan for 2024/25:



8.4. Audits have been completed over several service areas as planned:

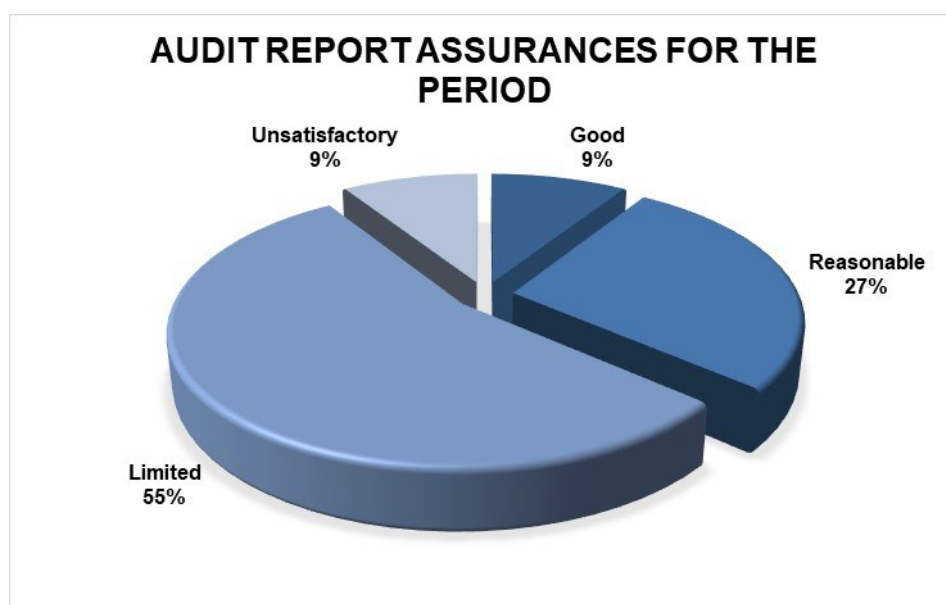


8.5. The following audits have been completed in the period:

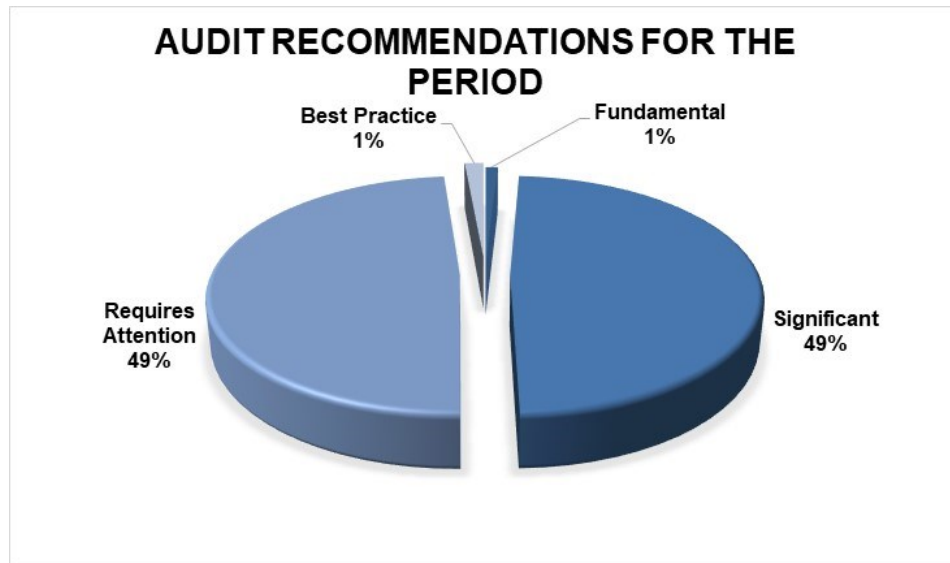
Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
<b>Chief Executive</b>								
Ethical Framework			1		1	6	6	1
	0	0	1	0	1	6	6	1
<b>People - Adults</b>								
Continuing Healthcare Funding			1			7	1	1
	0	0	1	0	0	7	1	1

	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
<b>Audit Name</b>									
<b>People - Children</b>									
Children's Social Care Budget Management			1				5	2	
	0	0	1	0		0	5	2	0
<b>Place</b>									
Environmental, Social and Governance (including Climate Change Strategy)		1					3	5	
Housing Client Side			1				4	2	
Other, including added value and briefing notes							9		
	0	1	1	0		0	16	7	0
<b>Resources - Finance and Technology</b>									
Unit4 Business World (Enterprise Resource Planning (ERP) System)	1							1	
General Ledger		1					5	9	
IT Incident Management		1					3	4	
Purchase Ledger			1				1	16	
	1	2	1	0		0	9	30	0
<b>Resources - Workforce and Improvement</b>									
Travel and Subsistence			1				4	1	
Agency and Consultancy Staff				1			6	6	
	0	0	1	1		0	10	7	0
<b>Total</b>	1	3	6	1		1	53	53	2
Percentage	9%	27%	55%	9%		1%	49%	49%	1%

8.6. The assurance levels awarded to each completed audit area appear in the graph below:



- 8.7. The overall spread of recommendations agreed with management following each audit review are as follows:



In the period 13<sup>th</sup> January to 31<sup>st</sup> March 2025, four reports have been issued providing good or reasonable assurances and accounting for 36% of the opinions delivered. This represents a decrease in the higher levels of assurance for this period, compared to the previous year outturn of 60 %. This is reflected in a corresponding increase in limited and unsatisfactory assurances, currently 64% for the period compared to the previous year outturn of 40%. Whilst this is the picture for this period, the annual report presented at this meeting concludes that 42% of audit assurances issued across the full 2024/25 year were limited or unsatisfactory which is comparable with the 2023/24 outturn of 40%, however it is pleasing to note there has been a small reduction in unsatisfactory audit opinions from 18% in 2023/24 to 13% in 2024/25.

- 8.8. Details of control objectives evaluated and not found to be in place as part of the planned audit reviews that resulted in limited and unsatisfactory assurances, appear in **Appendix A, Table 3**. The appendix also includes descriptions of the levels of assurance used in assessing the control environment and the classification of recommendations, **Tables 4 and 5** and provides a glossary of common terms, **Table 6**.

**Question 1: Do Members wish to receive any updates from managers in relation to the limited and unsatisfactory assurances opinions?**

- 8.9. Seven draft reports, awaiting management responses, will be included in the next performance report. Work has also been completed for external clients in addition to the drafting and auditing of financial statements for several honorary funds and the certification of grant claims.
- 8.10. A total of 109 recommendations have been made in the 11 final audit reports issued during this period; these are broken down by service area at paragraph 8.5, the year-to-date position is show at **Appendix A, Table 2**. One fundamental recommendation has been identified which is detailed below:

- **Ethical Framework**

**Recommendation** - Ensure there is a robust process in place for ensuring that both staff and members have read and understood the code of conduct. This should be essential for all new members and staff coming into the Council, however ensuring there is a process to periodically attest adherence to the codes would also ensure greater understanding and compliance with the ethical framework.

**Risk** - Staff and Members are not aware of their responsibilities under the code of conduct increasing the likelihood of potential breaches and actions/decisions being undertaken that do not reflect good practice in local government.

**Management Response - Members:** All new Members will be invited to Code of Conduct training within the first few weeks of being elected. Annual refresher training will be offered to all members and a record reported to Standards Committee on who has and has not attended. Ultimately, we cannot force members to read the Code and we certainly can't be sure that they have understood it but we will explore with Standards Committee how it can be most effectively promoted.

**Employees:** Induction to be reviewed with ability for employees to confirm they have read and understood. Employee Declaration of Interest Form on ERP being developed will make reference to Code of Conduct.

**Date to be Actioned** – September 2025

Question 2: Do Members wish to receive any updates from managers regarding the fundamental recommendation?

8.11. It is the identified manager's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 7** sets out the approach adopted to following up recommendations highlighting Audit Committee's involvement.

## Performance Measures

8.12. All Internal Audit work has been completed in accordance with agreed plans and the outcomes of final reports have been reported to the Audit Committee.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 6<sup>th</sup> February 2025

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 28<sup>th</sup> November 2024

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 27<sup>th</sup> September 2024

Draft Internal Audit Risk Based Plan 2024/25 - Audit Committee 17<sup>th</sup> July 2024

Public Sector Internal Audit Standards (PSIAS)

Audit Management system

Accounts and Audit Regulations 2015, 2018 and Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, Amendment Regulations 2022

**Local Member:** All

## Appendices

### Appendix A

Table 1: Summary of actual audit days delivered against plan 1<sup>st</sup> April to 31<sup>st</sup> March 2025.

Table 2: Final audit report assurance opinions and recommendation summary 1<sup>st</sup> April to 31<sup>st</sup> March 2025.

Table 3: Unsatisfactory and limited assurance opinions in the period 13<sup>th</sup> January to 31<sup>st</sup> March 2025.

Table 4: Audit assurance opinions

Table 5: Audit recommendation categories

Table 6: Glossary of terms

Table 7: Recommendation follow up process (risk based)



## APPENDIX A

**Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 1<sup>st</sup> April to 31<sup>st</sup> March 2025**

	Original Plan	Revised Plan	31 <sup>st</sup> March 2025 Actual	% of Original Complete	% of Revised Complete
Chief Executive	52	54	55.0	106%	102%
Health and Wellbeing	34	9	9.5	28%	106%
People	76	118	130.6	172%	111%
Adult Services	25	50	58.9	236%	118%
Children's Services	31	59	63.3	204%	107%
Education and Achievement	20	9	8.4	42%	93%
Place	127	179	181.3	143%	101%
Resources	287	394	383.3	134%	97%
Finance and Technology	175	262	250.7	143%	96%
Legal and Governance	51	46	46.9	92%	102%
Workforce and Improvement	61	86	85.7	140%	100%
<b>S151 Planned Audit</b>	<b>576</b>	<b>754</b>	<b>759.7</b>	<b>132%</b>	<b>101%</b>
Contingencies and other chargeable work	336	307	232.1	69%	76%
<b>Total S151 Audit</b>	<b>912</b>	<b>1,061</b>	<b>991.8</b>	<b>109%</b>	<b>93%</b>
External Clients	224	205	229.7	103%	112%
<b>Total</b>	<b>1,136</b>	<b>1,266</b>	<b>1,221.5</b>	<b>108%</b>	<b>96%</b>

**Table 2: Final audit report assurance opinions and recommendation summary - 1<sup>st</sup> April to 31<sup>st</sup> March 2025**

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
<b>Chief Executive</b>								
Corporate Governance 2023/24		1						
CCTV Follow up 2023/24			1			10	7	
Ethical Framework			1		1	6	6	1
Social Media				1		6	1	
Embedding the Shropshire Plan				1	1	7	3	1

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
	0	1	2	2		2	29	17	2
<b>Health and Wellbeing</b>									
Community Safety Partnership Responsibilities 2023/24		1					1	2	
Private Water Supplies		1					2	3	
	0	2	0	0		0	3	5	0
<b>People - Adults</b>									
Individual Service Funds Follow Up	1						1		
Abbots Wood Comfort Fund		1					2	4	
Albert Road Comforts Fund		1					2	4	
Greenacres Comfort Fund		1					3	3	
Greenacres Trading Account		1					1	5	
Continuing Healthcare Funding			1				7	1	1
	1	4	1	0		0	16	17	1
<b>People - Children</b>									
Together for Children Partnership - Performance Audit		1					3	2	
Section 17 Payments Children 2023/24			1				7	7	1
Foster care 2022/23			1				5	5	
Children's Social Care Budget Management			1				5	2	
Direct Payments Children 2022/23				1			8	1	
Short Breaks Service 2023/24				1		2		1	
	0	1	3	2		2	28	18	1
<b>Place</b>									
Blue Badge Scheme Follow Up	1							2	
Section 106 Agreements 2023/24	1							4	
Licensing Follow up 2023/24		1						3	
Tree Safety Follow up 2023/24		1					2	2	
Dog Wardens Follow Up 2023/24		1					6	1	
Leisure Services Contract Follow up 2023/24		1					1	4	1
External Catering Contracts		1				1			
School Planning and Transport Arrangements		1					1	2	
Theatre Ticketing and Online Booking Application		1					1	8	
Environmental, Social and Governance (including Climate Change Strategy)		1					3	5	
ASC Pre-Planned Maintenance Contract Follow Up			1				2	1	
Highways Maintenance - Term Maintenance - Kier 2023/24			1				5	6	
Much Wenlock Sports Centre- Joint Use Follow up			1				4	11	
Partnerships 2023/24			1				4	1	
Security of Council Buildings			1				4	3	
Highways Other Major Contracts Follow Up			1				2		

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
Housing Client Side			1			4	2	
The Lantern Follow Up				1		13	8	
Section 38 Road Adoption				1		9	8	
Other, including added value and briefing notes						9		
	2	8	7	2	1	70	71	1
<b>Resources - Finance and Technology</b>								
Treasury Management 2023/24	1						4	1
Unit4 Business world (Enterprise Resource Planning (ERP) System)	1						1	
Firewall Management Follow Up 2023/24		1				1	4	
IT Service Delivery Management 2023/24		1				2	4	
Microsoft Dynamics CRM Application Follow Up 2023/24		1				2		
Third Party Contractor Access Controls Follow Up 2023/24		1				2	1	
Security Management and Cyber Response 2023/24		1				1	8	
Business Continuity and Disaster Recovery 2023/24		1				1	4	
Council Tax Collection		1				3	5	
Physical and Environmental Controls		1				3	3	
Information Security Management Follow up		1				1		
General Ledger		1				5	9	
IT Incident Management		1				3	4	
VAT 2023/24			1			4	2	
Purchase Ledger			1			1	16	
WhatsApp Follow Up				1		5		
	2	11	2	1	0	34	79	1
<b>Resources - Workforce and Improvement</b>								
Risk Management		1				2	2	
Recruitment Arrangements Follow up 2023/24			1			3	1	
Travel and Subsistence			1			4	1	
Agency and Consultancy Staff				1		6	6	
	0	1	2	1	0	15	10	0
<b>Resources - Legal and Governance</b>								
IT Security Policy 2023/24	1						2	1
GDPR/DPA/Freedom of Information Follow up		1				4	1	
	1	1	0	0	0	4	3	1
<b>Total</b>	<b>6</b>	<b>29</b>	<b>17</b>	<b>8</b>	<b>5</b>	<b>199</b>	<b>220</b>	<b>7</b>
Percentage	10%	48%	29%	13%	1%	46%	51%	2%

**Table 3: Unsatisfactory and limited assurance opinions issued in the period from 13<sup>th</sup> January to 31<sup>st</sup> March 2025<sup>1</sup>**

**Unsatisfactory assurance**

**Resources – Agency and Consultancy Staff (Limited 2019/20)**

- Previous audit recommendations have been implemented.
- The Council has a clear policy in place regarding the engaging and use of temporary workers.
- The Council has oversight of all agency workers and consultants engaged within the Council to ensure compliance with policy.
- The Council has clear procedures in place regarding the engaging and use of temporary workers.
- There are adequate procedures in place to monitor and manage performance in a timely manner.
- There are adequate controls in place to ensure that payments made are correct and appropriately authorised.

**Limited assurance**

**Chief Executive – Ethical Framework**

- There is communication from the top of organisation on promoting positive ethical practices within the organisation.
- The Council has appropriate arrangements in place to monitor compliance with the organisation's ethical/cultural framework and addresses areas of identified non-compliance.
- Staff and members are trained on the key components of the Council's ethical framework (e.g. constitution) to ensure familiarity with expectations.

**People– Children's Social Care Budget Management**

- Children's Social Care Budgets are properly controlled by effective periodic monitoring of financial out-turns against detailed budgets.
- Savings targets and the impacts of extraordinary events are controlled by effective monitoring and reporting.
- Strategic and Operational risks are recorded on the relevant risk registers and are monitored, reviewed and updated as per the Councils Risk Management Strategy.

**People – Continuing Healthcare Funding (CHC)**

- Procedures are in place to ensure compliance with the National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care.
- Funding arrangements are recorded accurately to ensure the correct payment is made.
- A dispute resolution process is in place between Shropshire Council and the ICB.
- Information Governance and cyber risks are managed in accordance with current best practice and an agreed policy.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

<sup>1</sup> Listed are the management controls that were reviewed and found not to be in place and/or operating satisfactorily and therefore positive assurance could not be provided for them.

**Place – Housing Client Side (Reasonable 2018/19)**

- There is a formal agreement in place to define the performance criteria between Shropshire Council and STaRH.
- The Council has defined its governance arrangements for overseeing the management of the Housing Management Service including the establishment of the Asset Assurance Board.

**Resources – Purchase Ledger (Limited 2021/22)**

- The recommendations made in the previous audit have been implemented.
- There are appropriate policies and procedures in place for the operation of the creditors system.
- Orders are raised in accordance with Financial Rules.
- Appropriate input controls are in place and are operated effectively.
- Payments made are accurate, complete, have not been previously paid and are made at the optimal time.
- Management information in respect of payments to creditors is timely and adequate.
- There are appropriate arrangements in place for the prevention and detection of fraud. Suspected or attempted fraudulent activity is investigated and action taken where appropriate.

**Resources – Travel and Subsistence (Limited 2022/23)**

- Travel and subsistence payments are appropriately controlled and actioned in an accurate and timely manner.

**Table 4: Audit assurance opinions: awarded on completion of audit reviews reflecting the efficiency and effectiveness of the controls in place, opinions are graded as follows**

<b>Good</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
<b>Reasonable</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is generally a sound system of control but there is evidence of non-compliance with some of the controls.
<b>Limited</b>	Evaluation and testing of the controls that are in place performed in the areas examined identified that, whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
<b>Unsatisfactory</b>	Evaluation and testing of the controls that are in place identified that the system of control is weak and there is evidence of non-compliance with the controls that do exist. This exposes the Council to high risks that should have been managed.

**Table 5: Audit recommendation categories: an indicator of the effectiveness of the Council's internal control environment and are rated according to their priority**

<b>Best Practice (BP)</b>	Proposed improvement, rather than addressing a risk.
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<b>Requires Attention (RA)</b>	Addressing a minor control weakness or housekeeping issue.
<b>Significant (S)</b>	Addressing a significant control weakness where the system may be working but errors may go undetected.
<b>Fundamental (F)</b>	Immediate action required to address major control weakness that, if not addressed, could lead to material loss.

**Table 6: Glossary of terms****Significance**

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

**Chief Audit Executive Annual Opinion**

The rating, conclusion and/or other description of results provided by the Chief Audit Executive addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Chief Audit Executive based on the results of several individual engagements and other activities for a specific time interval.

**Governance**

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

**Risk**

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

**Control**

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

**Impairment**

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

**Table 7: Recommendation follow up process (risk based)**

When recommendations are agreed the responsibility for implementation rests with management. There are four categories of recommendation: fundamental, significant,

requires attention and best practice and there are four assurance levels given to audits: unsatisfactory, limited, reasonable and good.

The process for *fundamental recommendations* will continue to be progressed within the agreed time frame with the lead Executive Director being asked to confirm implementation. Audit will conduct testing, either specifically on the recommendation or as part of a re-audit of the whole system. Please note that all agreed fundamental recommendations will continue to be reported to Audit Committee. Fundamental recommendations not implemented after the agreed date, plus one revision to that date where required, will in discussion with the Section 151 Officer be reported to Audit Committee for consideration.

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## Committee and Date

Audit Committee

26<sup>th</sup> June 2025

10:00 am

Item

Public



## Internal Audit Annual Opinion 2024/25

<b>Responsible Officer:</b>	Barry Hanson		
email:	barry.hanson@shropshire.gov.uk	Tel:	07990086409
<b>Cabinet Member (Portfolio Holder):</b>	Heather Kidd, Leader of the Council Duncan Kerr, Chairman of the Audit Committee Roger Evans, Portfolio Holder – Finance		

### 1. Synopsis

This report provides a summary of Internal Audit's work over 2024/25. Based on 431 recommendations across 60 reports and supporting evidence the Chief Audit Executive's opinion provides '**Limited Assurance**' on the Council's framework for governance, risk and internal control.

### 2. Executive Summary

- 2.1. This annual report provides members with details of the work undertaken by Internal Audit for the year ended 31 March 2025. It informs on delivery against the approved annual audit plan and includes the Chief Audit Executive's opinion on the Council's internal controls, as required by the Public Sector Internal Audit Standards (PSIAS). This in turn, contributes to delivering the Accounts and Audit Regulations 2015 requirement to have internal audit, 'evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 2.2. The Global Internal Audit Standards (GIAS) will become effective from 2025. They will replace the existing International Professional Practice Framework (IPPF), the mandatory elements of which are the basis for the current UK public sector internal auditing standards (the PSIAS).

- 2.3. In response to the new Global Internal Audit Standards The Chartered Institute of Public Finance and Accountancy (CIPFA<sup>1</sup>) have issued an Application Note which forms the basis of UK public sector internal audit effective from 1 April 2025. The effective date aligns the new standards with requirements for annual opinions and other relevant aspects of UK public sector governance which align with the financial year. For the 2024/25 financial year, the existing PSIAS based on the old International Professional Practices Framework applied. As this report considers 2024/25 financial year, all audit work was undertaken in accordance with the PSIAS.
- 2.4. Final performance has been good with the revised plan being delivered above the 90% delivery target, in compliance with the Public Sector Internal Audit Standards and to the satisfaction of customers. 35 good and reasonable assurances were made in the year accounting for 58% of the opinions delivered. This represents a 2% decrease in the higher levels of assurance compared to the previous year, mirrored by a corresponding increase in limited and unsatisfactory opinions. The percentage split of recommendations remains comparable with previous years, currently 47% significant and fundamental in 2024/25 compared to 45% in 2023/24. It is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.
- 2.5. Based on internal audit work completed, the overall opinion on the control environment has been "Limited" for the last six years. The tables at paragraphs 8.6 and 8.7 show the percentage split of assurance ratings, for context 2018/19 was the last year the opinion was not limited. The evidence reviewed during 2024/25 indicates that there has been no notable improvement in the internal control environment. It is essential for the Council to demonstrate improvements in governance, internal control, and risk management throughout the 2025/2026 period. The findings of this report highlight the need for a proactive approach in addressing the areas rated limited or unsatisfactory assurance during 2024/2025. A key focus must be placed on fostering a culture where audit recommendations are implemented promptly and effectively. Improved accountability across senior management is critical for ensuring active engagement and successful delivery of the Internal Audit Plan. By prioritising these actions, we can enhance the Council's overall control environment, mitigate risks, and support the organisation's strategic objectives. Continuous improvement in these areas will be vital for achieving long-term success and organisational resilience. It should be noted that External Audit criticised this position in their year end report presented at the December 2024 Audit Committee meeting.
- 2.6. With the current financial pressures and the need to re-shape the Council into a leaner organisation, it will be a significant challenge not to lose too many experienced members of staff and to ensure efficient and effective governance, risk and controls are in place to manage risks effectively across the authority. With the financial challenges, shrinking workforce and loss of knowledge, together with the need to bring legacy services together at pace, there are significant challenges ahead for Shropshire Council into 2025/26 and beyond.
- 2.7. The impact of measures taken to ensure the Councils financial sustainability including voluntary redundancy programme (VR) are yet to be fully reflected within the control environment. In addition, the circa £62m identified spending reductions for 2024/25 within the Medium-Term Financial Strategy were not fully delivered. It is accepted that there were many factors contributing to this position including

<sup>1</sup> CIPFA acts as the standard setter for public sector internal audit in UK local government.

economic and fiscal pressures during the year. There are significant savings identified for 2025/26 and whilst these have been agreed by Service Directors operational plans are not in place for all of these savings so it is not possible to determine if they are realistic or achievable.

- 2.8. Based on the Internal Audit work undertaken, and management responses received, I can offer Limited assurance for the 2024/25 year that the Council's framework for governance, risk management and internal control is sound and working effectively.
- 2.9. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. The year has been challenging with key positions including some key managerial posts removed as part of the voluntary redundancy programme. Resourcing constraints have put pressure on business-as-usual activities, alongside a challenge to deliver savings and increase income. This in turn increases the possibility of control failures.
- 2.10. It is recognised that a full senior management restructure has taken place in the final quarter of 2024/25 alongside the implementation of a new Council operating model. This came into effect following consultation in March 2025. It is too early to assess the impact of this on the wider system of internal control.

### 3. Decisions

- 3.1. The Committee is asked to consider and endorse, with appropriate comment
- a) The performance of Internal Audit against the 2024/25 Audit Plan.
  - b) That Internal Audit have evaluated the effectiveness of the Council's risk management, control and governance processes, considering public sector internal auditing standards or guidance, the results of which can be used when considering the internal control environment and the Annual Governance Statement for 2024/25.
  - c) The Chief Audit Executive's Limited assurance, year-end opinion, that the Council's framework for governance, risk management and internal control is sound and working effectively for 2024/25 based on the work undertaken and management responses received.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. The delivery of a risk based Internal Audit Plan is an essential part of ensuring probity and soundness of the Council's financial and risk management systems and procedures. It is closely aligned to the Council's strategic and operational risk registers and is delivered in an effective manner; where Internal Audit independently and objectively examine, evaluate and report on the adequacy of its customers' control environments as a contribution to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by

identifying areas for improvement or potential weaknesses, and engaging with management to address these in respect of current systems and during system design. Failure to maintain robust internal control creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss, poor value for money and reputational damage.

- 4.2. Internal Audit operates a strategic risk-based plan. The plan is revisited each year to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. This results in a comprehensive range of audits being undertaken in the year, supporting the overall opinion on the control environment. The plan contains a contingency provision which can be utilised during the year to respond to unforeseen work demands that may arise.
- 4.3. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015. There are no direct environmental or equalities consequences of this proposal.
- 4.4. Internal Audit customers are consulted on the service that they receive. Feedback is included in this report and continues to be positive.

## 5. Financial Implications

- 5.1. The Internal Audit plan is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

## 6. Climate Change Appraisal

- 6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

## 7. Background

- 7.1. This report is the culmination of the work of the Internal Audit team during 2024/25 and seeks to provide:
- A summary of the internal audit work undertaken.
  - An annual opinion on the adequacy of the Council's governance arrangements.
  - Information on the performance of Internal Audit including results of the quality and assurance programme and progress against the improvement plan.
- 7.2. As the Accountable Officer, the Executive Director (Section 151 Officer) has responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives, whilst safeguarding the Council's assets, in accordance with local government legislation. This includes section 151 of the Local Government Act 1972 which requires the Council to plan for the proper administration of its financial affairs.
- 7.3. The Accounts and Audit Regulations 2015 require the Council to have internal audit to; 'evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

In addition, Internal Audit are expected to comply with the Public Sector Internal Audit Standards to maintain an ongoing programme of quality assessment and improvement.

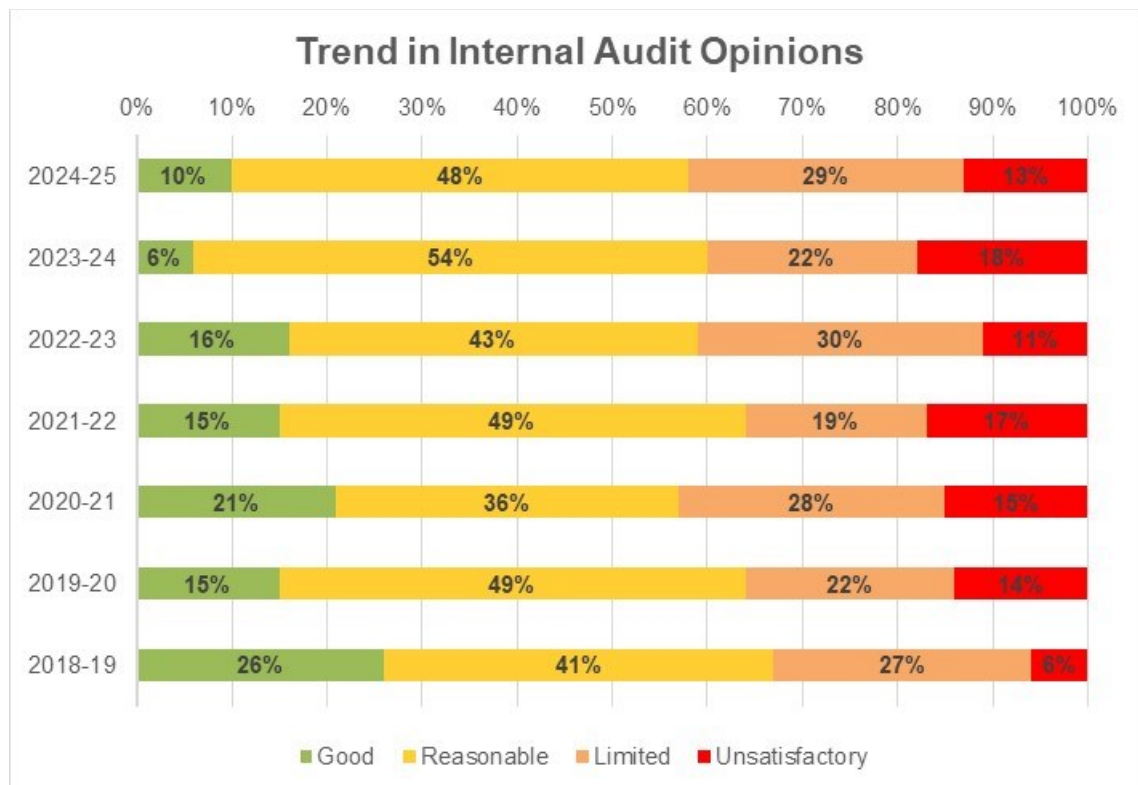
## Scope and Purpose of Internal Audit

- 7.4. The Public Sector Internal Audit Standards (PSIAS) define the scope of the annual report on internal audit activity. The annual report should include an assessment as to the extent to which compliance with the Standards has been achieved. This annual report provides an internal audit opinion that can be used by the Council to inform its governance statement as part of the wider framework of assurances considered. The annual internal audit opinion concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control and incorporates a summary of the work in support of the opinion, a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme. This is in accordance with the requirements of the 2015 Accounts and Audit Regulations. In addition, Internal Audit has an independent and objective consultancy role to help line managers improve governance, risk management and control.
- 7.5. The Global Internal Audit Standards (GIAS) will become effective from 2025. They will replace the existing International Professional Practice Framework (IPPF), the mandatory elements of which are the basis for the current UK public sector internal auditing standards (the PSIAS).
- 7.6. In response to the new Global Internal Audit Standards CIPFA have issued an Application Note which forms the basis of UK public sector internal audit effective from 1 April 2025. The effective date aligns the new standards with requirements for annual opinions and other relevant aspects of UK public sector governance which align with the financial year. Until 1 April 2025, the existing PSIAS based on the old International Professional Practices Framework will continue to apply. As this report considers 2024/25 financial year, the assessment is against the PSIAS.
- 7.7. The purpose of Internal Audit is to provide the Council, through the Audit Committee, the Chief Executive and the Section 151 Officer, with an independent and objective opinion on risk management, control and governance processes and their effectiveness in achieving the Council's agreed objectives.

## 8. Internal Audit Work Undertaken in 2024/25

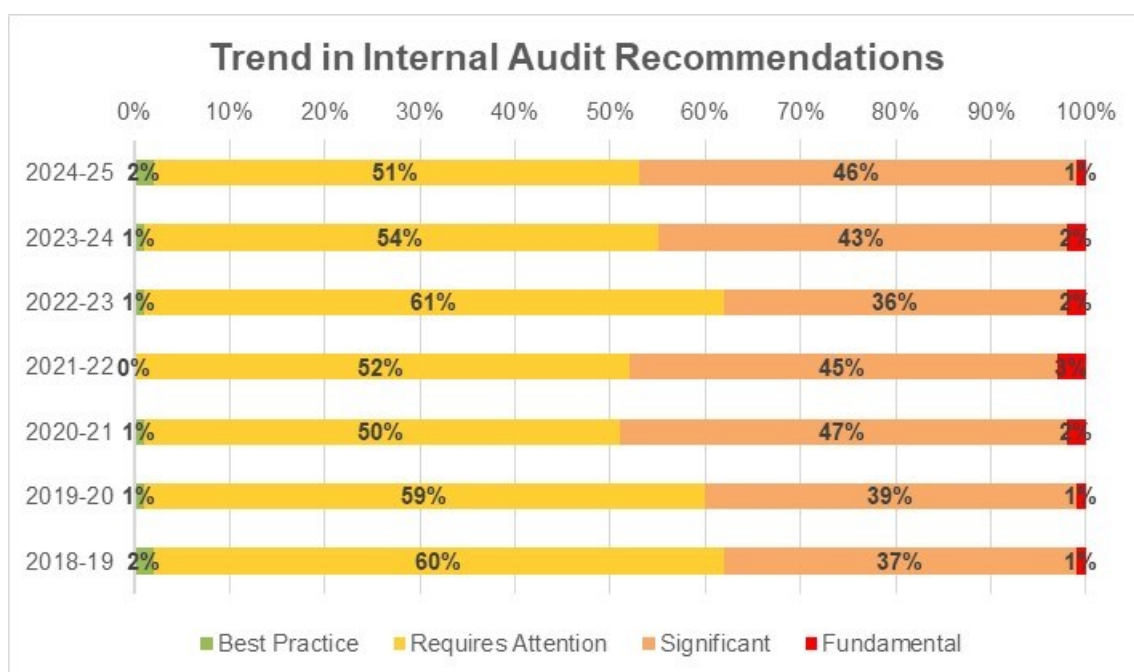
- 8.1. The Internal Audit Plan 2024/25 was considered and approved by Audit Committee at its meeting on the 17<sup>th</sup> July 2024. The plan provided for a total of 1,136 days. Revisions were made throughout the year to reflect changing risks and resources, these were approved by the Audit Committee and the plan revised to 1,266 days. Revisions were necessary to respond to changes to the Council's key risks and requirements.
- 8.2. As Chief Audit Executive I can confirm that the service has been free from interference throughout the year. Activity provided sound coverage for the opinion, which is explored later in this report. Final performance has been good and the target to deliver 90% of the annual plan has been achieved. **Appendix A, Table 1.**

- 8.3. The audit findings and performance of audit have been set out in summary reports which have been presented to the Audit Committee during the year. In total 60 final reports have been issued in 2024/25, all are listed with their assurance rating and broken down by service area at **Appendix A, Table 2 and 3**.
- 8.4. IT assurance issues raised in the Grant Thornton External Audit findings report for the year ending 31 March 2024 presented to the November and December 2024 Audit Committee meetings have been followed up by the Internal Audit team. Testing has confirmed the recommendations have been implemented and there are no outstanding issues in this regard.
- 8.5. The following set of tables and graphs compare the assurance levels (where given) and categorisation of recommendations made at the Council to demonstrate a direction of travel in relation to the control environment.
- 8.6. The assurance levels awarded to each completed audit area for 2024/25 are:



- 8.7. The overall spread of recommendations agreed with management following each audit review for 2024/25 appear in the following chart:





8.8. Thirty-five good and reasonable assurances were made in the year accounting for 58% of the opinions delivered. This represents a 2% decrease in the higher levels of assurance compared to the previous year, mirrored by a 2% increase in limited and unsatisfactory opinions. Eight unsatisfactory opinions and 17 limited assurance opinions were issued in the year. Whilst the percentage of unsatisfactory audits has reduced from 18% to 13% there has been an increase in limited opinions, up from 18% to 22%, whilst this is a small improvement it does not represent a significant change in the overall control environment. It is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.

8.9. A total of 431 recommendations have been made in the 60 final audit reports issued in the year; these are broken down by audit area and have been reported in more detail in performance reports to the Committee throughout the year. The percentage split of recommendations has changed slightly with 47% significant and fundamental compared to 45% last year, with a corresponding decrease in requires attention and best practice recommendations. Again, it is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.

8.10. The number of fundamental recommendations has remained fairly static at 1% of the total number of recommendations. They were made on the following audits and have been reported to the Audit Committee throughout the year for awareness and appropriate management challenge:

- Ethical Framework
- Embedding the Shropshire Plan
- Short Breaks Service
- External Catering Contracts

8.11. It is management's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 6** sets out the approach adopted to following up recommendations highlighting Audit Committee's involvement.

- 8.12. During 2024/25, Internal Audit continued to facilitate work on the National Fraud Initiative (NFI) with data being submitted for both the main biennial exercise and the Council tax / register of elector's data. The results of the NFI will be reported to a later committee. In addition, several internal audit reviews have been conducted to ensure appropriate controls are in place and are operational to counter the risk of fraud, see **Appendix A, Table 2**.
- 8.13. Counter fraud activities were further supported by learning following individual investigations. Where internal control weaknesses have been identified, results are reported in a management report and recommendations made and agreed to help reduce a repeat of any inappropriate activity.
- 8.14. Although Internal Audit is primarily an assurance function, internal audit activity should also add value to the Council. Contingencies are provided in the plan to allow for such activities and review areas reprioritised based on risks. Details of the added value work have been reported to the Audit Committee throughout the year in the performance reports, headlines of which appear in **Appendix A Table 2**.
- 8.15. Work has also been completed for external clients including honorary and voluntary bodies in addition to the drafting and auditing of financial statements and certification of grant claims.

### **An Annual Opinion on the Adequacy of the Council's Governance Arrangements**

- 8.16. When considering an annual audit opinion, it should be noted that assurances given can never be absolute. The Internal Audit service can however provide the Council with a level of assurance as to whether there are any major weaknesses to be found in risk management, governance and control processes, **Appendix A Table 7** shows opinion criteria.
- 8.17. The matters raised in this report are only those which came to Internal Audit's attention during its internal audit work and are not necessarily a comprehensive statement of all the strengths or weaknesses that exist, or of all the improvements that may be required.
- 8.18. In arriving at my opinion as CAE, I have taken the following matters into account:
- Results of all audits undertaken during the year ended 31 March 2025;
  - Results of Corporate Governance review (reasonable assurance) and Risk Management (reasonable assurance);
  - Results of fundamental audit reviews, self-assessments and their direction of travel; **Appendix A, Table 3**.
  - Implementation of recommendations of a fundamental nature;
  - Savings delivery, financial instability, capitalisation directive;
  - Assurance levels provided and their direction of travel, and those of the recommendation ratings, compared against the risk appetite of the Council;
  - Fundamental recommendations not implemented by management and the consequent risks;
  - Effects of any material changes in the organisation's objectives or activities;
  - Matters arising from previous reports to the Audit Committee and/or Council;
  - Outcome of key Internal Audit reviews including Ethical framework, embedding the Shropshire Plan, use of agency and consultancy staff given level of spend/third party spend review;



- If any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed which may have impinged on Internal Audit's ability to meet the full internal audit needs of the Council, and
- Proportion of the Council's internal audit needs that have been covered to date.

8.19. In addition, I have also considered other forms of assurance, such as:

- Ofsted outcomes
- CQC inspection outcomes
- External Audit findings and recommendations
- Local Plan assessment outcome
- Embedding of the new council structure and operating model

8.20. Further consideration of the assurance levels of completed audits shows:

- i. The plan continued to flex to respond to changes to the risk environment, these were approved in September 2024, November 2025 and February 2025 by the Audit Committee. The revised planned work alongside other audit activity has helped provide the appropriate assurance to the Council. Some of the other areas contributing to the opinion appear in **Appendix A, Table 2**.
- ii. There are concerns that unsatisfactory assurances have not sufficiently reduced (13% of total assurances delivered in 2024/25) whilst it is recognised that complex areas take time to turn around, there has been a focus on addressing these by escalating to Executive Directors for appropriate action.
- iii. The updated Target Operating Model was still under development in 2024/25 and has only recently been agreed at the Senior Management level. Significant work is still required to review operational structures.
- iv. Cyber security continues to be key, and the Council's reliance on digital systems significant and remains a high strategic risk.
- v. Given the overall proportion of assurance levels of key systems and delays in delivering improved controls (some of which were fundamental and significant), the level of assurance the Chief Audit Executive can provide to the Council is impacted upon.
- vi. It is planned to revisit unsatisfactory audits and fundamental recommendations in 2025/26. Where resources are available, limited assurance areas will also be followed up on a priority basis.

8.21. When considering the points above, as Chief Audit Executive I can offer limited Assurance for 2024/25 that the Council's framework for governance, risk management and internal control is sound and operating effectively in practice.

8.22. All assurances are provided on the basis that management carry out the actions they have agreed in respect of the recommendations made to address any weakness identified and improvements suggested.

*Based on the Internal Audit work management responses received; I can offer limited assurance for the 2024/25 year on the Council's framework for governance, risk management and internal control for the 6<sup>th</sup> consecutive year. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. A new council structure and operating model was implemented from March 2025, however it is too early to assess the impact of this on the*

*wider system of internal control. Work with the strategic partner PwC has continued and been refined throughout 2024/25 to help deliver the plan, however the full impact of this engagement is yet to be fully realised.*

*Given that this is the 6<sup>th</sup> year reporting a limited assurance opinion, it is critical for the Council to demonstrate improvements in governance, internal control, and risk management throughout the 2025/2026 period. The findings of this report highlight the need for a proactive approach in addressing the areas rated limited or unsatisfactory assurance during 2024/2025. A key focus must be placed on fostering a culture where audit recommendations are implemented promptly and effectively. Improved accountability across senior management is critical for ensuring active engagement and successful delivery of the Internal Audit Plan. By prioritising these actions, we can enhance the Council's overall control environment, mitigate risks, and support the organisation's strategic objectives. Continuous improvement in these areas will be vital for achieving long-term success and organisational resilience. It should be noted that External Audit criticised this position in their year-end report presented at the December 2024 Audit Committee meeting.*

**Information on the performance of Internal Audit including results of the quality and assurance programme and progress against the improvement plan.**

- 8.23. Audit Performance is demonstrated by measuring achievement against the plan, ensuring compliance against the Public Sector Internal Audit Standards, benchmarking the service against others in the sector and evaluating improvements made over the previous twelve months. The effectiveness of Internal Audit is further reviewed through the Audit Committee's delivery of its responsibilities and feedback gained from customer satisfaction surveys.

Aspect of measure	Target 2024/25	Actual 2024/25
Percentage of revised plan delivered	90%	96%
Compliance with Public Sector Internal Audit Standards	Compliant	Compliant
Percentage of customers satisfied overall with the service	80%	97%

- 8.24. Internal Audit employ a risk-based approach to determining the audit needs of the Council at the start of the year and use a risk-based methodology in planning and conducting audit assignments. All work has been performed in accordance with PSIAS. To ensure the quality of the work performed, a programme of quality measures is used, which includes:
- Supervision of staff conducting audit work;
  - Review of files of working papers and reports by managers and partners;
  - Receipt of formal feedback from managers to audit findings and recommendations;
  - Follow up reviews for reports attracting low assurance levels and recommendation follow up processes;
  - The use of satisfaction surveys for each completed assignment;

- Annual appraisal of audit staff and the development of personal development and training plans, and
  - The maintenance of guidance and procedures.
- 8.25. There have been no instances during the year which have impacted on Internal Audit's independence and/or have led to any declarations of interest.
- 8.26. An annual review of Internal Audit is conducted in the form of a self-assessment and confirmed compliance with the Public Sector Internal Audit Standards. The self-assessment forms part of another report on this agenda: 'Annual review of Internal Audit, Quality Assurance and Improvement Programme (QAIP) 2024/25. In addition, an external assessment conducted by CIPFA and reported on to the February 2022 meeting of this committee demonstrated compliance with the PSIAS. The external assessment will be repeated in 2027 under the Global Internal Audit Standards (GIAS) as applied in the UK Public Sector.
- 8.27. Internal Audit recognises the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards. The Service continually focuses on delivering high quality audit to clients – seeking opportunities to improve where possible.
- Commitment to quality begins with ensuring that appropriately skilled and experienced people are recruited and developed to undertake audits.
  - Audit practice includes ongoing quality reviews for all assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.
  - A Quality Assurance Framework includes all aspects of the Internal Audit Activity – including governance, professional practice and communication. The quality of audits is evidenced through performance and delivery, feedback from our clients and an annual self-assessment.
  - There is a corporate financial commitment to training and developing staff the budget for which is managed centrally. Training provision is reviewed continually through the Personal Development Plans (PDP) process and regular meetings with individual auditors. Individual training programmes are developed to ensure that staff are kept up to date with the latest technical / professional information and to ensure that they are equipped with the appropriate skills to perform their role.
- 8.28. Customers are asked for feedback on their audit experience and quality of the service after most reviews. This helps to ensure that audit work meets client expectations and that quality is maintained. The percentages of excellent and good responses for the last three years are detailed in **Appendix A, Table 8** and remain above our target, but we are not complacent. It is pleasing to note that the percentage of customers scoring the service as high or excellent has increased to 97% (88% 2023/24). Where individual ratings are low, or showing a downward trend, we do value the opportunity to explore the reasons for these with our customer to identify the key issues and improve where appropriate and possible.
- 8.29. During 2024/25 several compliments and comments have been received in respect of the service from both questionnaires and directly, a selection of these appears at **Appendix A, Table 9**. It is pleasing that I can report that most comments have been very positive reflecting the hard work the team devote to establishing a good professional relationship with clients and making the client comfortable and the

process as easy as possible whilst still delivering the service. All other comments are followed up with the author to identify where lessons can be learnt and improvements made.

- 8.30. Recognising the challenges in internal audit delivery, a new “Audit Business Partnering Model” has been adopted during 2024/25. That allocates each Service Director with a Principal Auditor as key point of contact for internal audit / assurance and advisory works. Regular meetings will be held to discuss recommendations due for implementation, scheduled audits and associated planning as well as providing assurance and advice on control related matters arising.
- 8.31. All Internal Audit work has been completed in accordance with the agreed plan and the outcomes of final reports have been reported to the Audit Committee.

### **Review of the effectiveness of Internal Audit work by the Audit Committee**

- 8.32. The Council had a well-established Audit Committee in place over 2024/25 and operates in accordance with best practice. Its terms of reference and associated working practices are aligned with those suggested by CIPFA and are reviewed annually. Its members received regular training on the role of the committee and how they can best support this, as well as the roles of internal and external audit. It undertakes an annual self-assessment exercise and seeks to improve the way in which it operates.
- 8.33. The Committee provides an Annual Assurance Report to Council to summarise its work and opinion on internal controls. This report is also located on this agenda.
- 8.34. The Council’s Audit Committee considers external and internal audit reports and the Committee requests management responses to any significant issues reported, including reporting the progress made in implementing audit recommendations. Senior officers have attended the Audit Committee to provide management updates in relation to several reports, examples include, the North West Relief Road, Social Media and External Catering Contracts.

## **9. Conclusions**

- 9.1. The Internal Audit Service has completed enough independent activity for the Chief Audit Executive to provide an annual opinion on the adequacy of the Council’s framework for governance, risk management and internal control, the overall opinion is Limited.
- 9.2. Information on the performance of Internal Audit demonstrates compliance with the PSIAS and no areas of significant concern.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 6<sup>th</sup> February 2025

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 28<sup>th</sup> November 2024

Internal Audit Performance and Revised Annual Audit Plan 2024/25 – Audit Committee 27<sup>th</sup> September 2024

Draft Internal Audit Risk Based Plan 2024/25 - Audit Committee 17<sup>th</sup> July 2024

Public Sector Internal Audit Standards (PSIAS)  
Audit Management system

Accounts and Audit Regulations 2015, 2018 and Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, Amendment Regulations 2022

**Local Member:** All

## Appendices

### Appendix A

Table 1: Summary of actual audit days delivered against plan 2024/25

Table 2: Final audit report assurance opinions issued in 2024/25

Table 3: Audit opinions made on fundamental systems 2024/25

Table 4: Audit assurance opinions

Table 5: Audit recommendation categories

Table 6: Recommendation follow up process (risk based)

Table 7: The principles and assurance criteria applied to the Chief Audit Executive's opinion

Table 8: Customer Feedback Survey Forms

Table 9: Summary of compliments and comments 2024/25

### Appendix B - Audit plan by service – annual report 2024/25

## APPENDIX A

**Table 1: Summary of actual audit days delivered against plan 2024/25**

	Original Plan	Revised Plan	31 <sup>st</sup> March 2025 Actual	% of Original Complete	% of Revised Complete
Chief Executive	52	54	55.0	106%	102%
Health and Wellbeing	34	9	9.5	28%	106%
People	76	118	130.6	172%	111%
Adult Services	25	50	58.9	236%	118%
Children's Services	31	59	63.3	204%	107%
Education and Achievement	20	9	8.4	42%	93%
Place	127	179	181.3	143%	101%
Resources	287	394	383.3	134%	97%
Finance and Technology	175	262	250.7	143%	96%
Legal and Governance	51	46	46.9	92%	102%
Workforce and Improvement	61	86	85.7	140%	100%
<b>S151 Planned Audit</b>	<b>576</b>	<b>754</b>	<b>759.7</b>	<b>132%</b>	<b>101%</b>
Contingencies and other chargeable work	336	307	232.1	69%	76%
<b>Total S151 Audit</b>	<b>912</b>	<b>1,061</b>	<b>991.8</b>	<b>109%</b>	<b>93%</b>
External Clients	224	205	229.7	103%	112%
<b>Total</b>	<b>1,136</b>	<b>1,266</b>	<b>1,221.5</b>	<b>108%</b>	<b>96%</b>

**Table 2: Final audit report assurance opinions issued in 2024/25**

## Summary

Audits 2024 / 25	Assurance	%	Direction of travel <sup>2</sup>	Audits 2023 / 24	%	Audits 2022 / 23	%
6	Good	10	↑	4	6	7	16
29	Reasonable	48	↓	37	54	19	43
35	Sub total	58	↓	41	60	26	59
17	Limited	29	↓	15	22	13	30
8	Unsatisfactory	13	↑	12	18	5	11
25	Sub total	42	↓	27	40	18	41

<sup>2</sup> Based on percentages

Audits 2024 / 25	Assurance	%	Direction of travel <sup>2</sup>	Audits 2023 / 24	%	Audits 2022 / 23	%
60	Overall total	100	N/A	68	100	44	100

## Full Details

	Audit	Assurance
1.	Individual Service Funds Follow Up	Good
2.	Blue Badge Scheme Follow Up	Good
3.	Section 106 Agreements 2023/24	Good
4.	Treasury Management 2023/24	Good
5.	Unit4 Business world (Enterprise Resource Planning-ERP)	Good
6.	IT Security Policy 2023/24	Good
7.	Corporate Governance 2023/24	Reasonable
8.	Community Safety Partnership Responsibilities 2023/24	Reasonable
9.	Private Water Supplies	Reasonable
10.	Abbots Wood Comfort Fund	Reasonable
11.	Albert Road Comforts Fund	Reasonable
12.	Greenacres Comfort Fund	Reasonable
13.	Greenacres Trading Account	Reasonable
14.	Together for Children Partnership - Performance Audit	Reasonable
15.	Licensing Follow up 2023/24	Reasonable
16.	Tree Safety Follow up 2023/24	Reasonable
17.	Dog Wardens Follow Up 2023/24	Reasonable
18.	Leisure Services Contract Follow up 2023/24	Reasonable
19.	External Catering Contracts	Reasonable (FR)
20.	School Planning and Transport Arrangements	Reasonable
21.	Theatre Ticketing and Online Booking Application	Reasonable
22.	Environmental, Social and Governance (including Climate Change Strategy)	Reasonable
23.	Firewall Management Follow Up 2023/24	Reasonable
24.	IT Service Delivery Management 2023/24	Reasonable
25.	Microsoft Dynamics CRM Application Follow Up 2023/24	Reasonable
26.	Third Party Contractor Access Controls Follow Up 2023/24	Reasonable
27.	Security Management and Cyber Response 2023/24	Reasonable
28.	Business Continuity and Disaster Recovery 2023/24	Reasonable
29.	Council Tax Collection	Reasonable
30.	Physical and Environmental Controls	Reasonable
31.	Information Security Management Follow up	Reasonable
32.	General Ledger	Reasonable
33.	IT Incident Management	Reasonable
34.	Risk Management	Reasonable
35.	GDPR/DPA/Freedom of Information Follow up	Reasonable
36.	CCTV Follow up 2023/24	Limited
37.	Ethical Framework	Limited (FR)
38.	Continuing Healthcare Funding	Limited



	<b>Audit</b>	<b>Assurance</b>
39.	Section 17 Payments Children 2023/24	Limited
40.	Foster care 2022/23	Limited
41.	Children's Social Care Budget Management	Limited
42.	ASC Pre-Planned Maintenance Contract Follow Up	Limited
43.	Highways Maintenance - Term Maintenance -Kier 2023/24	Limited
44.	Much Wenlock Sports Centre- Joint Use Follow up	Limited
45.	Partnerships 2023/24	Limited
46.	Security of Council Buildings	Limited
47.	Highways Other Major Contracts Follow Up	Limited
48.	Housing Client Side	Limited
49.	VAT 2023/24	Limited
50.	Purchase Ledger	Limited
51.	Recruitment Arrangements Follow up 2023/24	Limited
52.	Travel and Subsistence	Limited
53.	Social Media	Unsatisfactory
54.	Embedding the Shropshire Plan	Unsatisfactory (FR)
55.	Direct Payments Children 2022/23	Unsatisfactory
56.	Short Breaks Service 2023/24	Unsatisfactory (2 FR)
57.	The Lantern Follow Up	Unsatisfactory
58.	Section 38 Road Adoption	Unsatisfactory
59.	WhatsApp Follow Up	Unsatisfactory
60.	Agency and Consultancy Staff	Unsatisfactory

	<b>Other areas contributing to the opinion</b>	
1.	Supporting Families Grant	Grant
2.	LAD 3 Grant	Grant
3.	Local Authority Bus Subsidy (Revenue) Grant	Grant
4.	Annual Governance Statement	Consultancy
5.	Financial Evaluations	Consultancy
6.	National Fraud Initiative	Consultancy
7.	Schools Financial Value Standard	Consultancy
8.	Schools Self-Assessment	Consultancy
9.	Payroll Data Analytics	Consultancy
10.	Imprest and Purchasing Card Spot Checks	Consultancy
11.	Adult Social Care Caseload Management	Consultancy
12.	Children's Improvement Board Review	Consultancy
13.	Active Directory Analytics	Consultancy
14.	Redundancy Payments	Consultancy
15.	Performance Management	Consultancy
16.	Employment Identity Checks	Consultancy
17.	Community Asset Transfer	Consultancy
18.	Housing Governance	Consultancy
19.	Integrated Community Equipment Service (ICELS)	Consultancy
20.	Individual Service Funds Provider	Consultancy

**Key**

<b>Text in blue</b>	High risk from an internal audit perspective.
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**Table 3: Audit Opinions made on fundamental systems**

Fundamental system	Direction of travel	Level of assurance given
Children's Social Care Budget Management	N/A	Limited
Corporate Governance	=	Reasonable
Council Tax	=	Reasonable
General Ledger	↑	Reasonable
Purchase Ledger	=	Limited
Risk Management	=	Reasonable
Treasury Management	=	Good
VAT	=	Limited

**Table 4: Audit assurance opinions: awarded on completion of audit reviews reflecting the efficiency and effectiveness of the controls in place, opinions are graded as follows**

<b>Good</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
<b>Reasonable</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is generally a sound system of control but there is evidence of non-compliance with some of the controls.
<b>Limited</b>	Evaluation and testing of the controls that are in place performed in the areas examined identified that, whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
<b>Unsatisfactory</b>	Evaluation and testing of the controls that are in place identified that the system of control is weak and there is evidence of non-compliance with the controls that do exist. This exposes the Council to high risks that should have been managed.

**Table 5: Audit recommendation categories: an indicator of the effectiveness of the Council's internal control environment and are rated according to their priority**

<b>Best Practice (BP)</b>	Proposed improvement, rather than addressing a risk.
<b>Requires Attention (RA)</b>	Addressing a minor control weakness or housekeeping issue.
<b>Significant (S)</b>	Addressing a significant control weakness where the system may be working but errors may go undetected.
<b>Fundamental (F)</b>	Immediate action required to address major control weakness that, if not addressed, could lead to material loss.

**Table 6: Recommendation follow up process (risk based)**

When recommendations are agreed the responsibility for implementation rests with management. There are four categories of recommendation: fundamental, significant, requires attention and best practice and there are four assurance levels given to audits: unsatisfactory, limited, reasonable and good.

The process for *fundamental recommendations* will continue to be progressed within the agreed time frame with the lead Executive Director being asked to confirm implementation. Audit will conduct testing, either specifically on the recommendation or as part of a re-audit of the whole system. Please note that all agreed fundamental recommendations will continue to be reported to Audit Committee. Fundamental recommendations not implemented after the agreed date, plus one revision to that date where required, will in discussion with the Section 151 Officer be reported to Audit Committee for consideration.

**Table 7: The principles and assurance criteria applied to the Chief Audit Executive's opinion:**

Principles applied to the opinion:

1. Authentic: Opinions are fair, reliable and honest
2. Transparent: Opinions are qualified with evidence or professional judgement
3. Strategic: Macro level information without undue detail
4. Insightful: Information is engaging and generates discussion
5. Resolute: Opinion is delivered with courage and conviction

Assurance criteria applied:

Opinion	Indication of when this type of opinion may be given <sup>3</sup>	Traditional Opinion
Substantial	Limited number of medium risk related weaknesses identified but generally only low risk rated weaknesses have been found in individual assignments/ observations. No one area is classified as high or/ critical risk	Unqualified
Reasonable	Medium risk rated weakness identified in individual assignments/ observations that are not significant in aggregate to the system of governance, risk management or control. High risk rated weaknesses identified in individual assignments/ observations that are isolated to specific systems, processes and services None of the individual assignment reports/ observations have an overall high or critical risk.	
Limited	Medium risk related weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected and/or High risk rated weaknesses identified in individual assignments/ observations that are significant in aggregate but discrete parts of the system of internal control remain unaffected, and/or	

<sup>3</sup> Indicators refer not only to Internal Audit reviews, but wider assurance providers and intelligence from across the business that is evidenced, an example would be peer reviews.

Opinion	Indication of when this type of opinion may be given <sup>3</sup>	Traditional Opinion
	Critical risk rated weaknesses identified in individual assignments/ observations that are not widespread to the system of internal control, and More than a minority of the individual assignment reports/ observations may have an overall report classification or rating of high or critical risk.	
No Assurance	High risk rated weaknesses identified in individual assignments/ observations that in aggregate are widespread to the system of internal control and/or; Critical risk rated weaknesses identified in individual assignments/ observations that are widespread to the system of internal control or; More than a minority of the individual assignment reports/ observations have an overall report classification of either high or critical risk; Lack of management action to deliver improvements, may be identified by repeating recommendations of a high or critical risk.	Qualified
Disclaimer	An opinion cannot be issued because insufficient internal audit work has been completed due to either: -restrictions in the agreed audit programme, which means that audit work would not provide enough evidence to conclude on the adequacy and effectiveness of governance, risk management and control, or - unable to complete enough reviews and gather enough evidence to conclude on the adequacy of arrangements for governance, risk management and control.	Qualified

**Table 8: Customer Feedback Survey Forms - percentage of excellent and good responses**

Item Being Scored	2022/23	2023/24	2024/25	Direction of Travel
Pre-audit arrangements	93%	88%	98%	↑
Post-audit briefing	88%	86%	92%	↑
Audit coverage/scope of the audit	85%	86%	98%	↑
Timeliness of production of report	91%	81%	96%	↑
Accuracy and clarity of report	90%	90%	96%	↑
Practicality of recommendations	82%	80%	96%	↑
Professionalism of approach	98%	95%	98%	↑
Communication skills	98%	97%	98%	↑

Item Being Scored	2022/23	2023/24	2024/25	Direction of Travel
Timeliness, competence, manner	91%	89%	96%	↑
Number of forms returned	34	58	54	↓
% of forms scored as excellent and good	97%	88%	97%	↑

**Table 9: Summary of compliments and comments 2024/25<sup>4</sup>**

We are happy to have an audit to ensure our governance and finance processes are in good order. The audit was done on time, and we used previous years' practice of sharing documents through SharePoint to make the process as efficient as possible. The audit helps to show our Directors that we follow due process in our governance matters and set a good example nationally with our regional peers.

Both officers were professional and polite and worked methodically through the information provided. They asked questions as to how the accounts were managed in the given situation and took on board the difficulties of sickness and absence of staff who cover three centres and also concerns over the unexpected closure of the existing bank account.

X has been very helpful throughout this process, as this is the first audit that I have been involved in. X explained the process from the beginning and has openly communicated with us during the audit, giving updates on timelines and any required information.

Performing this audit significantly supports our services and should be seen as a constructive process for ongoing improvement not merely as an evaluation, so thank you.

The audit all went really well. Having a meeting and receiving the evidence requirements a couple of months before the audit meant we could send some of the evidence requirements prior to the audit which helped ensure everything went smoothly and efficiently.

In general, I'm pleased with the audit and the report. I understand the things that need to be done, some things I have changed and these might need to be tweaked to allow for accurate reconciliations. Some things were pointed out to me that I hadn't thought about. Some things I had pointed out to the auditor myself, as I know they are things that need modernising. Some councillors I think are confused as to why certain things have not been mentioned before, when they are fairly long-standing issues and think these are the fault of the new manager. An explanation to them will be needed. I have no other suggestions or comments. Thank you.

Great communication.

The team would like to thank Audit Services for the way in which the audit is run. This is always planned well and to cause the least disruption to the team, which is appreciated.

Due to the progress of the audit when I joined the organisation, I was only able to help with the audit process for a short time, and do not have lots of feedback to give. But what I can say with confidence is that I appreciate the considerations and patience from X to allow me to

<sup>4</sup> Depersonalised for public reporting

obtain what required information was missing, even though many of these requirements were long overdue when I started this role. Communication has been professional but friendly, and I feel that the recommendations made as a result of this audit will go a long way to improving the mitigation and management of risk.

Thank you for your support with this audit. It has given us confidence in our processes at the right time, with our new payroll system having only just been implemented.

The audit was a follow up from last year's system audit. As we had updated the member online platform it was useful to have this reviewed by the audit team.

For a system audit I would expect to have the security and functionality checked, I perhaps would not have expected recommendations for how we encourage members to use this functionality. However recommending we gather feedback from users will ensure that the system is fit for purpose.

One notification was received around two weeks before the actual audit was due to commence, for next year's we have already set a plan in place, so the team have more notice. This year it meant it crossed over with External Audit prep and when the team were starting to prepare for year end.

It would be beneficial for an annual list to be made available for service areas to confirm when an Audit was scheduled to take place. This would then allow the service area to be better prepared to release resources to support the Auditor undertaking the Audit. I am making this suggestion as it is going to become increasingly more difficult to release resources as the size of the organisation reduces in line with the Shropshire Plan.

The audit did not take account of other pressures/demands on the team's time and hence the report is a "perfect world" view which bears no resemblance to reality or capacity available to do the work recommended. This against the background of a resource that will only reduce further in the coming months. There would however be value in questioning the organisation's overall approach to x and whether so many services should continue to operate accounts and the time, resource and cost that spent on these for the business return these accounts truly give. Some accounts will no doubt provide a very useful communication method with customers others the value is less clear. A radical review of these account the value they add and centralisation of costs associated with operating (notably staff time) could help a better operated corporate presence while significantly reducing licence requirements.

Timing of the audit could have been better due to VR's / restructure etc, however since this is a follow up audit and conducted within a year from the previous audit, most items raised were still fresh in one's mind and certainly assists with the ongoing improvement of our services, it also enables any evidence to be easily found, for example where items have been resolved via email.

## APPENDIX B

## AUDIT PLAN BY SERVICE – ANNUAL REPORT 2024/25

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	31st March 2025 Actual	% Original Complete	% Revised Complete
<b>CHIEF EXECUTIVE</b>								
Governance	19	0	0	5	24	25.5	134%	106%
OCE	25	0	0	-8	17	16.4	66%	96%
Communications	8	3	2	0	13	13.1	164%	101%
<b>CHIEF EXECUTIVE</b>	<b>52</b>	<b>3</b>	<b>2</b>	<b>-3</b>	<b>54</b>	<b>55.0</b>	<b>106%</b>	<b>102%</b>
<b>RESOURCES</b>								
<b>Finance and Technology</b>								
Finance Transactions	23	7	0	4	34	38.8	169%	114%
Finance and S151 Officer	55	0	5	-15	45	47.1	86%	105%
Financial Management	28	6	0	11	45	52.0	186%	116%
ICT	52	11	5	16	84	64.1	123%	76%
Information Governance	7	0	0	2	9	8.6	123%	96%
Print Services (Blu Print)	0	0	0	10	10	4.7	0%	47%
Revenues and Benefits	10	0	20	-1	29	29.0	290%	100%
Treasury	0	6	0	0	6	6.4	0%	107%
	<b>175</b>	<b>30</b>	<b>30</b>	<b>27</b>	<b>262</b>	<b>250.7</b>	<b>143%</b>	<b>96%</b>
<b>Workforce and Improvement</b>								
Risk Management	8	0	0	3	11	11.6	145%	105%
Human Resources	37	4	8	5	54	53.5	145%	99%
Corporate Performance Management	16	0	0	5	21	20.6	129%	98%
	<b>61</b>	<b>4</b>	<b>8</b>	<b>13</b>	<b>86</b>	<b>85.7</b>	<b>140%</b>	<b>100%</b>
<b>Legal and Governance</b>								
Information Governance	13	3	0	0	16	17.5	135%	109%
Procurement	38	0	0	-8	30	29.4	77%	98%

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	31st March 2025 Actual	% Original Complete	% Revised Complete
	51	3	0	-8	46	46.9	92%	102%
<b>RESOURCES</b>	<b>287</b>	<b>37</b>	<b>38</b>	<b>32</b>	<b>394</b>	<b>383.3</b>	<b>134%</b>	<b>97%</b>
<b>PEOPLE</b>								
<b>Joint Commissioning</b>								
Community and Partnerships	21	7	-2	0	26	26.2	125%	101%
Business Support	4	0	9	0	13	20.9	523%	161%
	<b>25</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>39</b>	<b>47.1</b>	<b>188%</b>	<b>121%</b>
<b>Adult Social Care</b>								
Long Term Support	0	8	3	0	11	11.8	0%	107%
<b>Education and Achievement</b>								
Education Access	10	0	0	-1	9	8.4	84%	93%
Secondary Schools	10	0	0	-10	0	0.0	0%	0%
	<b>20</b>	<b>0</b>	<b>0</b>	<b>-11</b>	<b>9</b>	<b>8.4</b>	<b>42%</b>	<b>93%</b>
<b>Children's Social Care and Safeguarding</b>								
Children's Placement Services & Joint Adoption	23	14	0	0	37	38.1	166%	103%
Assessment & Looked After Children	0	6	8	0	14	15.3	0%	109%
	<b>23</b>	<b>20</b>	<b>8</b>	<b>0</b>	<b>51</b>	<b>53.4</b>	<b>232%</b>	<b>105%</b>
<b>Early Help, Partnership and Commissioning</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>9.9</b>	<b>124%</b>	<b>124%</b>
<b>PEOPLE</b>	<b>76</b>	<b>35</b>	<b>18</b>	<b>-11</b>	<b>118</b>	<b>130.6</b>	<b>172%</b>	<b>111%</b>

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	31st March 2025 Actual	% Original Complete	% Revised Complete
<b>PLACE</b>								
<b>Business Enterprise and Commercial Services</b>								
Property and Development	23	4	1	0	28	36.3	158%	130%
Development Management	0	0	0	0	0	0.0	0%	0%
Shire Services	0	10	-1	0	9	9.1	0%	101%
	<b>23</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>45.4</b>	<b>197%</b>	<b>123%</b>
<b>Economy and Place</b>								
Business Growth and Investment	18	8	0	-2	24	30.7	171%	128%
Environment and Sustainability	3	0	0	0	3	2.7	90%	90%
	<b>21</b>	<b>8</b>	<b>0</b>	<b>-2</b>	<b>27</b>	<b>33.4</b>	<b>159%</b>	<b>124%</b>
<b>Infrastructure and Communities</b>								
Highways	30	11	4	-2	43	39.7	132%	92%
Public Transport	4	3	0	0	7	7.4	185%	106%
Library Services	10	0	10	-10	10	10.4	104%	104%
	<b>44</b>	<b>14</b>	<b>14</b>	<b>-12</b>	<b>60</b>	<b>57.5</b>	<b>131%</b>	<b>96%</b>
<b>Homes and Communities</b>								
Business and Consumer Protection	14	-1	0	0	13	5.7	41%	44%
Community Protection	0	0	0	8	8	1.3	0%	16%
Leisure Services	12	0	1	0	13	13.6	113%	105%
Theatre Severn and OMH	5	0	3	0	8	8.5	170%	106%
Housing Services	8	15	3	-13	13	15.9	199%	122%
	<b>39</b>	<b>14</b>	<b>7</b>	<b>-5</b>	<b>55</b>	<b>45.0</b>	<b>115%</b>	<b>82%</b>
<b>PLACE</b>	<b>127</b>	<b>50</b>	<b>21</b>	<b>-19</b>	<b>179</b>	<b>181.3</b>	<b>143%</b>	<b>101%</b>

**HEALTH AND WELLBEING**



	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	31st March 2025 Actual	% Original Complete	% Revised Complete
<b>Public Health</b>								
Public Health	30	0	0	-30	0	0.4	1%	0%
Ecology and Pest Control	4	0	5	0	9	8.8	220%	98%
Community Safety	0	0	0	0	0	0.3	0%	0%
	<b>34</b>	<b>0</b>	<b>5</b>	<b>-30</b>	<b>9</b>	<b>9.5</b>	<b>28%</b>	<b>106%</b>
<b>HEALTH AND WELLBEING</b>	<b>34</b>	<b>0</b>	<b>5</b>	<b>-30</b>	<b>9</b>	<b>9.5</b>	<b>28%</b>	<b>106%</b>
<b>Total Shropshire Council Planned Work</b>	<b>576</b>	<b>125</b>	<b>84</b>	<b>-31</b>	<b>754</b>	<b>759.7</b>	<b>132%</b>	<b>101%</b>
<b>CONTINGENCIES</b>								
Advisory Contingency	20	0	0	-12	8	13.2	66%	165%
Fraud Contingency	150	0	0	0	150	109.4	73%	73%
Unplanned Audit Contingency	50	77	-97	0	40	0.0	0%	0%
Other non audit Chargeable Work	116	7	0	-4	119	109.5	94%	92%
<b>CONTINGENCIES</b>	<b>336</b>	<b>84</b>	<b>-97</b>	<b>-16</b>	<b>307</b>	<b>232.1</b>	<b>69%</b>	<b>76%</b>
<b>Total for Shropshire</b>	<b>912</b>	<b>209</b>	<b>-13</b>	<b>-47</b>	<b>1,061</b>	<b>991.8</b>	<b>109%</b>	<b>93%</b>
<b>EXTERNAL CLIENTS</b>	<b>224</b>	<b>2</b>	<b>0</b>	<b>-21</b>	<b>205</b>	<b>229.7</b>	<b>103%</b>	<b>112%</b>
<b>Total Chargeable</b>	<b>1,136</b>	<b>211</b>	<b>-13</b>	<b>-68</b>	<b>1,266</b>	<b>1221.5</b>	<b>108%</b>	<b>96%</b>

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## Committee and Date

Audit Committee

26<sup>th</sup> June 2025

10:00am

Item

Public



## Annual Governance Statement and Code of Corporate Governance 2024/25

<b>Responsible Officer:</b>	James Walton		
email:	James.Walton@shropshire.gov.uk	Tel:	01743 255011
<b>Cabinet Member</b> (Portfolio Holder):	Heather Kid, Leader of the Council Duncan Kerr, Chairman of the Audit Committee Roger Evans, Portfolio Holder for Finance		

### 1. Synopsis

The Council is required to produce an Annual Governance Statement to accompany the Accounts, signed off by the CEO and Leader. The AGS is written as an open and honest reflection of the Council's governance challenges. It identifies areas for improvement in an action plan.

### 2. Executive Summary

- 1.1. The Shropshire Plan was approved by Council in May 2022 and sets out the Council's Strategic Objectives underpinning four priorities. The 'Healthy Organisation' priority incorporates five Strategic Objectives that reinforce the principles of good governance across the Council including an enabled workforce, our ability to manage change, communication, alignment of resources and strong Councillors. Shropshire Council is committed to the principles of good corporate governance and furthermore it is a requirement under the Accounts and Audit Regulations 2015, Regulation 6, to produce an Annual Governance Statement (AGS) to accompany the annual statement of accounts, which must be signed by the Leader of the Council and the Head of

Paid Service. This statement should be considered after a review of the effectiveness of the Council's system of internal controls as required by the Accounts and Audit Regulations.

- 1.2. As part of the review of the effectiveness of the Council's system of internal controls, Shropshire Council's Code of Corporate Governance has been examined, the results of which have informed the AGS. The Code is compiled based on guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Government Chief Executives (SOLACE) and identifies how the Council achieved reasonable corporate governance in 2024/25.
- 1.3. Audit Committee are due to review the council's Statement of Accounts at its July meeting. The AGS is, however, being considered in June enabling consideration and challenge of the document before it is signed by the Chief Executive and new Leader of the Council and published alongside the draft Statement of Accounts on Council's website by 30 June 2025.
- 1.4. Members are asked to consider the Annual Governance Statement and the basis on which it has been compiled, and comment on the process and its contents. This will help ensure that it remains a true reflection of the internal controls of the Council for 2024/25.

### 3. Decisions

- 3.1 The Committee is asked to consider, with appropriate comment, the Annual Governance Statement 2024/25 at **Appendix A**.
- 3.2 The Committee is asked to receive and comment on the Internal Audit conclusion that the Council has reasonable evidence of compliance with the Code of Corporate Governance. The detailed code, incorporating evidence, is contained in **Appendix B**.
- 3.3 The Committee is asked to note the progress made on the actions identified in the 2023/24 Annual Governance Statement contained in **Appendix C**.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk management is part of the overall arrangements for internal control and contributes to the Council's position of strong governance. Corporate Governance is part of the overall internal control framework and contributes to the Council's strong governance arrangements. The AGS has been drafted based on information contained in the risk register alongside data from assurance statements and officer review groups. The strategic risk

register is regularly monitored and updated by senior managers and is a useful, up to date tool to identify governance issues. Consequently, this creates a clear link between the AGS, the strategic risk register, business planning and performance.

- 4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015.
- 4.3. There are no environmental consequences of this proposal and consultation has been used to inform the Annual Governance Statement and review of the Code of Corporate Governance by seeking assurances and evidence from senior officers as to the effectiveness of internal controls and governance processes.

## 5. Financial Implications

- 5.1. Currently there are no financial implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.
- 5.2. By maintaining a system of good governance and managing and mitigating risks where practicable Shropshire Council can ensure that it gets the best value from its assets. The AGS also has a focus on value for money outcomes.

## 6. Climate Change Appraisal

- 6.1. The AGS recognises the impact of decisions on the climate and the need to reverse policies to reduce emissions in the climate. There are distinct activities allocated to the Executive Director of Place to consider the impact of key decisions and target management of such issues in line with the Council's Climate Change Strategy.

## 7. Background

- 7.1. Shropshire Council is required to prepare an Annual Governance Statement (AGS), **Appendix A**. The AGS is an accountability statement from the Council to stakeholders setting out how well it has delivered on governance over the course of the previous year. The Council demonstrates how it complies with the principles of corporate governance set out in the CIPFA and Solace governance framework; Delivering Good Governance in Local Government: Framework, April 2016, containing seven governance principles. Whilst CIPFA has not established any 'set text' for authorities to use in acknowledging their responsibility for the governance framework, by adopting the framework, the Council ensures that its governance arrangements accord with best practice.

7.2. The framework is a discretionary code against which the Council is judged. In addition to the Council acknowledging its responsibility for ensuring governance is effective, the AGS should:

- focus on outcomes and value for money;
- evaluate against the local code and principles;
- be in an open and readable style;
- include an opinion on whether arrangements are fit for purpose;
- include identification of significant governance issues and an action plan to address them;
- be signed by the chief executive and leading member in a council.

7.3 The framework also requires a section to be included in the AGS that accounts for actions taken in the year to address the significant governance issues identified in the previous year's AGS. This has been integrated within each of the relevant principles and the completed Action Plan is attached as **Appendix C**.

7.4 The Audit Committee play a very valuable role in the development of the AGS and in the finished look of the statement. The Committee's terms of reference include a requirement to review and report on the adequacy of the Council's Corporate Governance arrangements. Compliance with the Code helps to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

7.5 This report looks at those governance arrangements in place for last financial year to enable the Audit Committee to deliver its year end assurance report. The Committee should also understand the process that has been undertaken to review governance and so should be able to see how the conclusions in the AGS have been arrived at. There should be no real surprises for the Committee allowing it to provide a valuable reality check for the Statement.

7.6 The Committee can send an important message about the value and importance of the AGS, which will assist those providing assurance to support its conclusions. Once the AGS has been received and commented upon, the Committee can review progress in implementing the actions, so helping to ensure that the AGS is meaningful and is an effective tool for governance improvements.

7.7 Shropshire Council's Code of Corporate Governance, which forms part of the Constitution, is based on the seven core principles referred to in the CIPFA framework:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

7.8 The Monitoring Officer and Section 151 Officer are responsible for ensuring an annual review of compliance with this Code and Internal Audit independently reviews the governance process. In conducting the review, evidence is collated from prime documents and, following discussions with and statements from key officers, this information is compared to known results of Internal Audit reviews. The assurance is then circulated publicly through Audit Committee which allows for further member and officer challenge. The results of this review are included in the Chief Audit Executive's annual report and will form part of the overall assurance for the Annual Governance Statement.

7.9 On a practical basis, the Code contains a corporate governance map defining our framework by reference to key processes, procedures and documents which contribute to our aspiration of excellent corporate governance in Shropshire. This is felt to be a very useful way of illustrating how the Council achieves good corporate governance.

7.10 The Council's formally adopted Code of Corporate Governance is compliant with CIPFA/SOLACE guidance. The Code was reviewed by Internal Audit to determine whether the Council complied with the approved Code of Corporate Governance and is assessed as Reasonable; the evidence in **Appendix B** demonstrates in the areas examined there is generally a sound system of control but there is evidence of non-compliance with some of the controls, these have been escalated to senior management.

7.11 The Annual Governance Statement, **Appendix A**, is meaningful and written as an open and honest reflection of the Council's governance and current challenges. It identifies areas for improvement in an action plan and explains how the Council has complied with the Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015. It is structured to reflect each of the principles in turn. Compliance with the Council's existing Code of Corporate Governance has been reviewed and assessed and is reported in **Appendix B**. Significant Governance Issues are identified within the AGS for targeted improvement activities with identified lead officers and time frames.

7.12 The Annual Governance Statement is a key corporate document with the Chief Executive (CEO and Head of Paid Service) and the Leader having joint responsibility as signatories for its accuracy and completeness. It is also important that all other senior officers provide assurances to the process. As a corporate document which is owned by all senior officers and members, the

preparation of the Annual Governance Statement is coordinated by the Head of Policy and Governance and overseen and approved by executive directors supported by senior management.

7.13 In compiling the Annual Governance Statement, a review of the effectiveness of the Council's systems of internal controls, as required by the Accounts and Audit Regulations 2015 (3), is conducted and information is obtained from a range of sources. As such, the signatories to the statement can assure themselves that it reflects the governance framework for which they are responsible. Annex A of the Annual Governance Statement (AGS) Assurance Framework 2024/25 clearly identifies the areas from which assurance and supporting evidence has been obtained, thereby demonstrating the effectiveness of the Council's systems of internal control. Further key assurances are provided via:

- i) CEO / Head of the Paid Service.
- ii) Executive Directors and senior management.
- iii) Executive Director of Resources, Section 151 Officer and Responsible Financial Officer.
- iv) Monitoring Officer.
- v) Chief Audit Executive (Head of Policy and Governance).
- vi) Performance and risk management officers and
- vii) External Audit and other review agencies.

7.14 To moderate their views and to identify the significant governance issues to be identified in the AGS, Executive Directors consider managers' assurances (first line of assurance), information from their services and across the authority (second line of assurance), and third-party reports such as Ofsted, peer reviews, internal and external audit (third line of assurance).

7.15 The Annual Governance Statement is a key document which identifies the strong systems and processes the Council has in place to continue its high standards of corporate governance. A copy of the Statement is attached as **Appendix A**.

7.16 Satisfactory governance exists but improvements are required to ensure it is fully embedded and integrated across all areas of the Council. To achieve this, the main challenges facing the Council appear in the Appendix below with energy focused on achieving a balanced budget and seeking fairer funding. A structural funding gap was reported in the Medium-Term Financial Strategy (MTFS). This includes assumptions made around growth in services such as social care which is expected to increase. Delivering a legal and balanced budget remains the key strategic risk facing the authority in the medium to long term. The Council will strive to achieve the following targeted outcomes:

- To provide a care and support service to adults appropriate to their needs.
- To provide a service to children and adults appropriate to their needs.



- Adults are safe
- To reduce the risks and impact of cyber-attacks and have a clear recovery plan in the event of one.
- A sustainable financial position is achieved over the medium term.
- Council expenditure is in line with budgeted position for 2025/26.
- Establishment of robust co-produced Health and Care system to deliver the desired outcomes.
- IT systems are efficient and effective with strong internal controls.
- Key strategic projects are delivered on time, on budget and meet the desired outcomes.
- All officers and Members understand public sector standards, the Nolan Principles and exhibit appropriate behaviour at all times.
- Securing best value in key areas such as governance, culture, finances and statutory services.

7.17 The associated risks have been identified, remain under close review and will be managed throughout the year given that they are key to ensuring the continued delivery of high-quality services. In all cases, Executive Directors have targeted where the risk appetite is to be directed for the end of the year.

7.18 Action plans and programmes of monitoring and evaluation are in place and are regularly updated to support both issues over the current and future years. An overall outcome report will be made to the Audit Committee at the end of the year.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Accounts and Audit Regulations 2015.

International Framework: Good governance in the Public Sector: International Federation of Accountants and CIPFA, July 2014

CIPFA/ SOLACE: Delivering Good Governance in Local Government Framework 2016 edition

CIPFA/ SOLACE: Delivering Good Governance in Local Government Guidance notes for English Authorities 2016 edition

CFGS Governance risk and resilience framework March 2021

**Local Member:** N/A

**Appendices**

**Appendix A** - Annual Governance Statement 2024/25

**Appendix B**– Code of Corporate Governance 2024/25

**Appendix C** - Annual Governance Statement 2023/24 Action Plan Update



# Shropshire Council

## DRAFT Annual Governance Statement

### 2024/25

Good Governance in the Public Sector comprises the arrangements in place to ensure that the intended outcomes for all interested parties are defined and legally achieved. In delivering good governance, both the Council, and individuals working for and with the Council, should aim to achieve the Council's objectives while acting in the public interest.

The Council's Code of Corporate Governance, located in the Constitution<sup>1</sup>, summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. Senior managers have provided assurances that the seven core principles have been applied throughout the 2024/25 financial year.

Work has continued throughout 2024/25 alongside our Strategic Partner PwC to review the way the Council delivers its services. Our council-wide transformation will give us a new way of organising ourselves and a more efficient way of interacting with our customers. We will focus on early help and prevention, working alongside our partners to make sure our residents are connected to support in their communities to stay healthy and well. We will make use of new technology and embrace a culture of collaboration, grasping the opportunities that have never been available before now.

In March 2025, a complete senior management restructure was finalised and approved. The new structure and Council operating model will be fully implemented during the 2025/26 financial year. Additionally, the Council's headquarters has moved from Shirehall on Abbey Foregate (the Council's head office location since 1967) to the Guildhall in Frankwell Shrewsbury.

Any significant instances of non-compliance with the Code of Corporate Governance are identified and escalated to the top of the Council for action. Assurances have been provided by Assistant Directors and the executive management team which demonstrate where the Council is doing the right things in the right way for the right people, in a timely, inclusive, open and accountable manner. These arrangements take into consideration the systems, processes, culture and values which direct and control the way the Council works; through which it is accountable to, engages with and leads its communities. **Annex A demonstrates the overall Assurance Framework.**

This statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit Regulations. This is supported by a 2024/25 Code of Governance Internal Audit review which provides a Reasonable level of assurance.

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<sup>1</sup> [Document Part 5 Codes and Protocols — Shropshire Council](#)

**A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Members and officers recognise the importance of compliance with the Constitution, specifically the Rules; Regulations, Scheme of Delegation and Codes of Conduct; all of which are regularly reviewed and updated. Instances of non-compliance or areas of concern are identified, reported through appropriate channels and managed effectively under established policies and processes and where necessary escalated for further action.

Officers comply with their professional organisations’ codes of conduct in delivering services (E.g. HCPC<sup>2</sup>, AMGPs<sup>3</sup>, EHORB<sup>4</sup>, SRA, CILEX<sup>5</sup>), against which assessments are conducted to confirm compliance and identify any improvements required. Adult Social Care (ASC) receive regular focused audits which monitor their compliance with the law e.g. Mental Capacity Act, Deprivation of Liberty Safeguards, Care Act and the Mental Health Act. Emergency Planning undertake all duties expected under the Civil Contingencies Act with integrity and work closely with multi-agency partners within the Local Resilience Forum (LRF).

Statutory responsibilities across the Council are discharged openly and proactively, key statutory officers are in place (Monitoring Officer<sup>6</sup>, Section 151<sup>7</sup> Officer, Head of Paid Service and the Senior Information Risk Owner (SIRO)). Examples of statutory responsibilities delivered include, LGPS<sup>8</sup> Regulations, CIPFA<sup>9</sup> Code of Practice, Freedom of Information (FOI), Elections, Treasury Management, Coroner and Registrars’ Services. Statutory responsibilities for duties under the Care Act; Special Educational Needs, Education Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes.

Throughout 2024/25 Policy Forum and EJCC<sup>10</sup> have taken place to agree new employment policies.

In April 2023 the Council received an enforcement notice from the ICO<sup>11</sup> in relation to FOI response times. Action has been taken to improve information governance arrangements and legislative compliance rates and the enforcement notice was subsequently removed. The Council has responded positively and during 2024/25 quarterly performance statistics are published on the website.

Recording and reporting key information about transformation projects in a consistent, accurate and timely fashion enables Programme Managers and Sponsors

<sup>2</sup> Health Care and Professions Council

<sup>3</sup> Approved Mental Health Act Professionals

<sup>4</sup> Environmental Health Registration Board

<sup>5</sup> Solicitors Regulation Authority/ Chartered Institute of Legal Executives

<sup>6</sup> The Monitoring Officer has three main roles: 1. To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration; 2. To be responsible for matters relating to the conduct of members and officers; and 3. To be responsible for the operation of the Council’s Constitution.

<sup>7</sup> Every local authority shall plan for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs, this is the Section 151 Officer

<sup>8</sup> Local Government Pension Scheme

<sup>9</sup> Chartered Institute of Public Finance Managers

<sup>10</sup> Employees Joint Consultative Committees

<sup>11</sup> Information Commissioners Office

**A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

(Executive Management Team) to make decisions in an objective, unbiased, professional and ethical manner. Communications comply with the Code of Practice on Local Authority publicity and give due consideration to equality issues affecting the Council. GLR has provided an organisational wide expectation and standards in terms of behaviours and culture.

There are many clear legal obligations that affect the work of the former Resources Directorate and staff in the directorate are aware of how to support these requirements as part of their professional training and experience. Awareness within the Resources Directorate of the need to comply with the Constitution, finance and contract rules, regularised CPD<sup>12</sup> to keep abreast of legislation and case law, regular discussions with stakeholders such as Trade Unions.

ILACS<sup>13</sup> through Ofsted provide Review and Feedback to our Early Help, Statutory Safeguarding and Services to Children. The Council's last full inspection was February 2022 which judged our services to children as Good and more recently in July 2024 Children Services was subject of a Focussed Visit. As part of our ILACS the Council produced a self-evaluation (SEF). This is submitted to Ofsted prior to an inspection and our service offer and outcomes for children will then be scrutinised against our SEF.

The Council's Children's Homes are also subject to regulatory visits every six months. Two of our homes have been judged to be Outstanding and three are judged to be Good. All Services to Children are statutory and therefore we must abide by legislation e.g. Children Act 1989, 2004, Children and Families Act 2014, Adoption and Children Act 2002 etc. as well as Guidance Working Together (updated 2023). All Social Workers are registered with Social Work England and therefore must comply with Professional Standards.

There is a Children's improvement and Ambitions board in place to manage the delivery of a plan of Improvement for Children's Services ensuring a cycle of continuous improvement and outcomes for children, delivering on the Shropshire Plan for Children.

A large proportion of Public Health staff are registered with professional bodies. Public health staff, for example are registered with UKPHR<sup>14</sup>, the professional body which sets standards which require demonstration of ethical values and professional practice within the rule of law. Trading Standards Professionals are likewise registered. Where staff do not have registration with a professional body, their working practice in accordance with these requirements are monitored via regular supervision and formal appraisal processes.

<sup>12</sup> Continuing professional development

<sup>13</sup> Inspection of Local Authority Children's Services

<sup>14</sup> [Home - UK Public Health Register](https://www.ukphr.org/)

**A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Senior managers use the Quality in Public Health Framework to review and raise the quality of public health practice, to ensure that our priorities are best meeting the needs of our population as a whole, and particularly vulnerable groups, using ethical practice and regulations and the law appropriately throughout our work. Librarians work within professional frameworks and connect with regional and national networks and use these to benchmark delivery and confirm and challenge position in relation to areas of ethical practice / legislation.

Human Resource (HR) and recruitment policies and processes help ensure that the Council complies with employment law and avoids discrimination, these are refreshed regularly and agreed with the recognised trade unions. Employees are well supported, receive training and development opportunities. Directorate workforce boards have continued to operate throughout 2024/25 as an additional layer of constructive challenge to workforce decision making. These are chaired by the Executive Director for each directorate.

Within the Place directorate respecting the rule of law is regularly evidenced in quasi-judicial services such as the preparation of planning reports and enforcement services such as trading standards and registration services. Furthermore, the climate change team reviews the content of the climate change appraisal section for every Cabinet and Council decision report to ensure that a firm commitment to ethical and environmental values are considered.

Adherence to complex areas of Housing law, which are applied rigorously, to ensure that there is no risk of the Council being successfully challenged. The Council has taken steps to review the governance arrangements in terms of infrastructure, including the North West Relief Road, informed by independent challenge and internal audit and scrutiny.

Internal Audit produce a risk-based plan, working closely with Executive Directors and reports provide independent assurance that appropriate governance and internal control standards are maintained, or areas of concern highlighted for action.

The Council has a zero tolerance to fraud and corruption. Identified concerns are acted upon and can lead to specific outcomes, learning points and improvements.

The Council undertakes a self-assessment of its fraud risks, to identify and understand them which has continued in 2024/25. It acknowledges issues and plans to demonstrate that action is taken, and outcomes are visible. This process is transparent, reports are taken to senior management and those charged with governance. Guidance on 'Speaking up about Wrongdoing' which incorporates whistle blowing is available to employees, members, the public and contractors. Any irregularities identified will be investigated by Internal Audit or the appropriate officers within services. Audit Committee are responsible for the monitoring and overview of the "Speaking up about Wrongdoing Policy" and receive regular outcome reports including an annual report.

<p><b>A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p>
<p>Key developments consider green and environmental issues to ensure mitigations are in place; such as noise reductions for tourism venues and acoustic fencing. Equality and Social Inclusion Impact Assessments (ESIIA) are undertaken.</p>
<p><b>B: Ensuring openness and comprehensive stakeholder engagement</b></p>
<p>Openness and transparency are demonstrated throughout Council activity. Members represent local people in decision making; reporting processes are transparent, internally through officer and executive director groups, and publicly through Council committee meetings. All public meetings are face to face and open to the public and are live streamed, increasing accessibility to a wider audience. Compliance has been demonstrated in the elections process for members, delivered in an open and fair way in accordance with electoral law and extensive engagement with the public and other bodies. In recent years the Council’s response to the Covid pandemic has provided learning for responses to other major events in the last year, including flooding. This includes communications across several media channels at an unprecedented frequency level, daily at peak times and to a variety of clientele, including regular updates from the Chief Executive informing members officers and the general public of responses to other major events.</p> <p>The Council has a strong Transparency agenda. Key decisions are reported and tested where necessary, through the senior team and then to members via Party Leads, Groups, Cabinet and Executive Director meetings. Examples include Cabinet and Council reports, policy approvals and published minutes of meetings. The Information Governance Leadership and Organisational Oversight (IGLOO) Group and Information Security Group (ISG) provide a clear process for the consideration and escalation of information governance and security risks. The groups have been in operation since January 2022, attendance is from across the Council and terms of reference have been refreshed during 2024/25. IGLOO focusses on decisions, compliance and oversight and improvements have been evidenced in response to ICT security and infrastructure concerns.</p> <p>The Council engages positively and sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, which in turn has informed the Local Economic Growth Strategy. The management of One Public Estate continues with other public-sector partners. A multi-agency high-cost placement funding panel with Children’s Services, Education Services and the Clinical Commissioning Group (CCG) is established to manage high cost placements efficiently.</p> <p>There is a Local Resilience Forum (LRF) supported throughout the Council, with the Chief Executive attending Gold Command meetings where work is undertaken with community and multi-agency partners ensuring a robust response to emergencies,</p>

## B: Ensuring openness and comprehensive stakeholder engagement

this has remained key. Use of emergency planning arrangements for internal and external gold and silver meetings have increased efficiencies and knowledge sharing.

Policy decisions or particular initiatives that require consultation or stakeholder engagement are enacted appropriately using the correct channels including formal presentation for decision making at cabinet or council.

Engagement and coproduction are a cornerstone of good public health practice, both at strategic and operational levels. Engagement forms a key part of strategic partnership and statutory boards, including Shropshire's Integrated Place Partnership and the Health & Wellbeing Board (HWBB). For example, the Joint Strategic Needs Assessment is underpinned by engagement work with key stakeholders and this assessment informs the work and priorities of the HWBB, including thematic and place based JSNAs<sup>15</sup>. The team also prioritises strategic engagement with national bodies including, UKHSA<sup>16</sup>, OHID<sup>17</sup>, LGA<sup>18</sup>, Health Foundation, Universities etc to inform approach and receive feedback.

The Council recognises the importance of appropriate engagement with our residents and particularly vulnerable groups to design and deliver our public health interventions. We meet on a quarterly basis with PACC (Parent and Carer Council) to support our work to improve outcomes for children and young people with special educational needs, and we have sought wide engagement to develop a toolkit for schools to aid their management of young people's use of drugs, alcohol vapes. Our libraries service participates in the JSNA engagement process as a stakeholder, and uses their connections with Town and Parish Councils and other stakeholders to obtain and receive feedback, with any appropriate consultation undertaken for significant service changes in line with guidance.

Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, STaR<sup>19</sup> Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils, voluntary bodies and trusts. The Safeguarding Executive Board comprises of NHS, police and the third sector creating a strategic forum for planning and delivering services.

The Pension Board has oversight of key decisions by the Pensions Committee this year including review of the investment strategy, equity protection and adoption of a climate change strategy.

Internally, stakeholder engagement with staff at all levels is demonstrated through the staff groups and Trade Union engagement. Externally, this is demonstrated through supplier engagement, procurement processes and employer relationships.

<sup>15</sup> [Joint Strategic Needs Assessment and joint health and wellbeing strategies explained. - GOV.UK](#)

<sup>16</sup> [UK Health Security Agency - GOV.UK](#)

<sup>17</sup> [Office for Health Improvement and Disparities - GOV.UK](#)

<sup>18</sup> [Home | Local Government Association](#)

<sup>19</sup> Shropshire Towns and Rural Housing



## **B: Ensuring openness and comprehensive stakeholder engagement**

The Finance Team produce public reports including detailed budget monitoring and variances, the annual Statement of Accounts delivered to statutory deadlines and in year data to increase transparency of service delivery for stakeholders.

Our commissioning, procurement and contract activity includes early market engagement exercises and a full feedback process to unsuccessful bidders. Alongside comprehensive stakeholder engagement in the commissioning of existing and new services and internal stakeholder engagement in management of procurement projects, such as colleagues in Risk Management, Audit, Insurance, Legal Services, Finance and Human Resources (HR).

Council services are open by nature in that they involve stakeholders and the public in their decision making e.g. planning. A new Economic Partnership has been developed and implemented that involves over 20 external business, public and VCS organisations. The Highways Service uses the 'Fix My Street' application to give openness and visibility, as far as currently possible, to highways related repairs and maintenance.

All council decisions in relation to the Place directorate are communicated with members appropriately and in a timely manner. Within the Leisure Service decisions been communicated openly with Members, local councils, stakeholders, and customers. They have also been subject to formal consultation so that the public can give their views on planned changes. This allows decisions to be carried out in a transparent manner.

The Council listens to the voice of the child or adult learning from case reviews. We have implemented a participation and impact board for children and young people and have recently reviewed our approach to co-production to ensure we hear a wide range of voices in Shropshire. We have good information on the Council website. We have presented number of papers to cabinet and full council and consulted with the public on new ways of working for example School Music Service.

Adult Social Care holds regular stakeholder forums and partnership boards, where users of services are represented. We have a local Making it Real board and Making it Real chair employed by the Council.

In February 2025 the Council received the final Care Quality Commission (CQC) report and received a 'Good' rating. The CQC concluded that 'evidence shows a good standard' for our Adult Social Care service highlighting several areas where we are excelling in serving our communities.

There is representation on a range of Stakeholder Boards who work together to improve outcomes for children, including Early Help Partnership Board, SHIPP, SEND Partnership Board, Corporate Parenting Board, Children's Improvement Board, ICB, there are experts by experience sitting on a number of these Boards.

Several boards are in place such as Carers, Direct payments, LD/Autism Board, Safeguarding, Provider forums, system partner boards, SEND. Included in this we have a Making it Real Board which are experts by experience who we are working

**B: Ensuring openness and comprehensive stakeholder engagement**

with to ensure service improvement and co-production is embedded across all our practice. We have recently strengthened the Commissioning team with dedicated officers for mental health and autism work programmes which will strengthen the stakeholder engagement within these areas.

Regular dialogue with trade unions both informally and formally takes place. Policies and practices are robustly reviewed and agreed through collective bargaining process (policy forum, EJCC, Association Secretaries Group (Schools), Health, Safety & Welfare Committee, Audit Committee). Strategic, Operational and Project Risks regularly reviewed and reported on.

The Employee Engagement Group (EEG) meets monthly and over the last 12 months has aligned to the Financial Survival and Sustainability/Transformation Programme in place to share information and gain feedback/engagement from employees across the organisation. Officers engage with other Local Authorities, Regional Organisations (West Midlands Employers, WM H&S Group) and professional bodies (CIPD, PPMA, CIRM, DBCI, ALARM, CFSG).

During 2024/25 the council's VR Programme launched and comprehensive stakeholder engagement has taken place throughout this initiative ensuring that the programme was open and transparent.

Strategic, Operational and Project Risks are regularly reviewed and challenge provided to service areas to provide assurance for the organisation that it is actively managing its risks. Executive Directors review strategic risks on an ongoing basis.

When drafting new or updating policies or developing information and insights we engage with a wide range of staff to ensure that stakeholders views are taken into account, as well as Equality, Social Inclusion and Health Impact Assessments being carried out.

Officers respond to Freedom of Information (FOI) requests and Subject Access Requests where possible in a timely manner providing information as appropriate, however the year did see delays to responses due to increased demand on all services. Effort was focused on maintaining response rates in line with legislation.

Communications are made with customers and stakeholders via our websites, Newsroom and Departmental Customer Relations Team, providing customer experience and resolution service. The Team works closely with businesses from a regulatory perspective and adopts a collaborative supportive approach to compliance with a strong focus on transparency and proportionality.

Stakeholder engagement through communications is a key part in supporting the understanding of the Council's financial position and the effectiveness of its communications and engagement functions with a range of stakeholders. During 2024/25 the Communications and Feedback and Insight teams have led on promoting greater openness and engagement with the community and stakeholders on a range of issues.

**B: Ensuring openness and comprehensive stakeholder engagement**

Public views on a very broad range of subjects are captured, providing guidance to services on how to conduct such activity to meet best practice. Officers work closely with the voluntary sector to embed strong partnership working and open dialogue, involving them in any discussion on changes to services, policies or future direction.

The use of SharePoint for all Cabinet Reports provides a level of transparency in decision making across senior officers of the Council never available previously. A clear sign-off process for key professionals in Resources and Place Directorates ensures clarity and strong governance in the creation of reports before they are finalised. These reports are then signed off by Executive Management Team with the Monitoring Officer in attendance in advance of being sent out to Members.

**C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

The Workforce Strategy <sup>20</sup>(22-25) outlines actions that support the Four Healthy Priorities within The Shropshire Plan as well as being aligned to the Shropshire Telford & Wrekin ICS People Plan. The Council also ensures that services are not putting the health and safety of employees at risk which could lead to costly repercussions / prosecutions. For 2024/25 the focus has been on financial survival and therefore this has taken priority over other activities which would have other benefits than economic. Despite this, Upskill Shropshire continues to support development of the workforce through apprenticeships, working with Training Providers across Shropshire.

During 2024/25 we successfully used the maximum apprenticeship levy funds to transfer to Shropshire based organisations to support their development. The Council continues to provide HR, Payroll, Occupational Health & Safety services on a traded basis to Schools, Academies, Charities, SMEs, although this is proving challenging with reduced resources. Overview and Scrutiny has been supported with a new work programme/approach during the year.

In providing services to the Council, we support services to have the right staff with the right skills, at the right time, at the right cost and in the right places. This helps to support the organisation to provide efficient and effective services to the community and realise sustainable, economic, social and environmental benefits. From a compliance perspective, we also ensure that services are not putting the health and safety of employees at risk which could lead to costly repercussions.

The Workforce Strategy sets the direction for the organisation in terms of its workforce, which then translates into team plans and individual’s objectives so that all actions are related to the Shropshire Plan, the council’s vision, values and strategic objectives. During the year we have implemented a new approach to Service Plans - Service Improvement Planning and utilised Microsoft co-pilot

<sup>20</sup> [Workforce Strategy 2022 to 2025](#)

## **C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

technology to capture plans for 2025/2026 and assess these against the Shropshire Plan and the MTFS<sup>21</sup>.

Shropshire HR provides HR Advice to both private and public sector businesses across Shropshire on a not-for-profit basis, which reduces the cost of the internal HR service to the organisation.

A Social Value framework for the Council and Social Value Charter for the Council and other partner organisations is in place.

Strategic Planning is demonstrated across service areas and evidenced by the MTFS, Workforce Strategy, Health and Safety policy, IT Strategy. The prioritisation of the Council's financial survival demonstrates agility and alignment in decision making. Many areas support the outcomes defined here in more indirect ways or have to be reactive to the wishes of clients, but never contradict the defined outcomes, so is considered to comply.

All decision making is scrutinised with particular focus on economic and environmental benefits as demonstrated through the Committee, Cabinet and Council reporting processes.

The largest project in the county is the North West Relief Road which will present challenges in terms of Carbon generation. This is in potential conflict with 2030 net zero targets, yet it will provide a wider range of social, economic and environmental benefits, in the medium to long term.

The Waste Management Service is driven by a requirement to deliver within strict environmental regulations which are closely adhered to, as well as providing an economically viable service for Shropshire Council. Opportunities have been identified to use the financial challenge to drive messages and behaviours towards more recycling and composting of green waste, which will ultimately drive environmental benefits.

Responses to the Cost-of-Living crisis have been prioritised and support made available. All Programmes and projects are approved based on Cost/benefit Analysis.

There is a continued reduction in demand for office space and the need for travel, some of the Council's traditional approaches to service delivery and learning from this is informing the Target Operating Model (TOM) which is underpinning The Shropshire Plan. The Shropshire Plan hold all the SDP<sup>22</sup> priorities and targets with clear evidence links and positive impacts relating to safer and stronger economies and enhancing our environmental and sustainability priorities.

Employees and members are encouraged to consider their environmental footprint especially in relation to printing, mileage claims and use of equipment. Sustainability advancements have been delivered with Shropshire Council increasingly using

<sup>21</sup> Medium Term Financial Strategy

<sup>22</sup> Service Design Partnership for health and social care

**C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

technology with improvements in communications; increased home working, electronic signatures on documents; better secure sharing of documents, virtual member and officer meetings and promotion of effective cybersecurity.

The Health and Wellbeing directorate is primarily focused on delivering positive outcomes in relation to health, wellbeing and prevention, but a key part of this requires achieving social and economic benefits. This could be, for example, improving an individual or communities social connections, working with the voluntary and community sector and considering the employment / economic needs of vulnerable people. The directorate will also undertake and support other parts of the Council to undertake formal Health Impact Assessments for work programmes and strategies and these will consider the economic, social and environmental issues - the ESHIA template was refreshed in 2024/25 and the team contributed to this basing their recommendations on latest national guidance.

In 2024/25 the team prepared and presented a report to the Health and Wellbeing Board to update them on the delivery of the Shropshire Inequalities Plan. This plan details a wide range of projects and programmes internal and external to the Council to deliver benefits to our population, tackling inequalities across Shropshire. The team is also leading the development and delivering of the community and family hubs project which is providing enhanced early intervention and prevention support in our communities.

Our library strategy sets out the six principal objectives for our libraries service to achieve and several of these are delivering of the benefits requested in this question. Relevant principles include promoting economic recovery and growth, improved health and wellbeing, resilient communities, libraries services that are innovative and sustainable and people enabled to access digital offers.

The Health and Wellbeing in all Policies (HiAP) approach has been approved for all Shropshire Council policies and associated training continues to be rolled out. Formal Health Impact Assessments for work programmes and strategies consider the economic, social and environmental issues, alongside responding to emerging challenges such as the ongoing cost of living crisis and work to support the Social Task Force.

All services within the People directorate are clear about outcomes and have had clear delivery plans which have delivered against the service-related savings. Many services have outcomes related to National grant conditions which are reported to central government in addition to overview and scrutiny committee and cabinet.

The social benefits of the services provided are well articulated in law and have been increasingly clear during the Covid pandemic period with the partial closure of schools and settings. Expected outcomes for some aspects of the service are outlined in national inspection frameworks and other legislation. Economic benefits of increasing attendance, achievement, and positive activity post 16 are well documented nationally and contribute to the delivery of the Shropshire Plan.

## **C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

A local outcomes framework identifies the key indicators of success for each service area within the People Directorate. This will enable a far clearer evaluation of the effectiveness and efficiency of the services, whilst supporting preparation for inspection, and the changing role of authorities around education services.

Commissioning of supported living services considers the economic benefits to the individuals who will be moving into these schemes, that rents are affordable, the care and support provided is of a good quality and a cost that is reasonable and affordable. Accommodation commissioned is chosen with the individual who will be moving in to ensure that they like the area; it enables opportunities for social interaction in the community and independence building; it is adaptable to changing needs to establish a home for life.

The Council aims to comply with the principles of the Chartered Institute of Public Finance Accountancy (CIPFA), Financial Management Code 2019 (FM Code) and where there are outstanding matters or areas for improvement aims to address these. The longer-term impact of Covid has continued to test financial resilience and will continue to do so in coming years. The medium and long-term planning elements of the FM Code remain challenging.

Shropshire Council is the administering authority for Shropshire County Pension fund. The Local Government Pension Scheme company (LGPS Central Limited) manages nine Local Pension Funds of which the Shropshire County Pension fund is one. Governance arrangements are led by the Company's Board and the Council contributes to the Shareholder Forum.

Sustainable development principles are fundamental to the determination of all new development proposals across Shropshire embedded in both the locally adopted development plan policies and national guidance.

Waste and Transport Services are clear in their outcomes regarding economic, social and environmental benefits and benchmark themselves against others on this basis. Funding pressures in Highways has led to a focus on delivering the most amount of improvement to the highway network within the confines of funding constraints. The service trialled a programme of works that considered the carbon impact of activity and the social value that could be delivered alongside it resulting in the first carbon neutral programme of maintenance to be delivered in the country.

Activities at both STAR Housing and Cornovii Development Limited (CDL) are focussed fully across economic, social, and environmental benefits. The development of homes that are affordable to buy or rent and the development of homes that perform to a high environmental standard, whilst maintaining affordability for delivery and occupation are key to both companies.

The Culture, Leisure, Theatre (CLT) service continues to operate with a commercial approach.



## **D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

All decisions are taken correctly by Cabinet, Council or delegation to committees or appropriate officers. Reports are considered by Legal, Finance, Risk Management and lead service areas before decisions are made to ensure they present the information required to fully inform reasoned decision making.

Implications for delivery of services or increases in resources are reported throughout the Council and with the support of Finance Business Partners. Services generally do not overspend without appropriate action being taken and where this is not possible, appropriate justification provided. Support is also provided to maximise income generation.

Decision makers are provided with information, options and advice to ensure outcomes are achieved. Challenge and support is provided across the authority to secure benefits, operating within agreed delegations to minimise steps in decision making and improve efficiency.

There are strong examples within the Resources Directorate that have not gained full exposure or commitment across the wider Council. Decision-making follows strong governance principles at a Member level and improvements are being made to the underlying technological processes to manage this. Risk Management principles are embedded across all areas of the directorate.

HR Officers work closely with service areas and have good working relationships focussed on finding solutions, whilst ensuring that they are keeping the organisation safe. Officers liaise with colleagues in Legal and Audit where necessary and will escalate issues as appropriate. Officers use the principles from Getting Leadership Right in their work as well as adopting professional best practice to be outcome focussed. Teams have been and are keen to review policy and practice to streamline and make as effective as possible, utilising and maximising technology. Frustrations still exist with the ERP system where it is not fit for purpose from a payroll point of view, which results in manual work-arounds and additional work for teams. Challenges also remain with compliance with Payroll deadlines which causes failure demand within the service and therefore hampers the ability to make improvements within the service. Reduced resources through voluntary redundancies across the teams also places pressure on delivering an optimised service, focussed on outcomes.

The Workforce Strategy was approved in 2022 and aligns with the Shropshire Plan and strategic objectives. Service Plans are directly related to the strategic objectives, the majority falling under 'Healthy Organisation' but many also having an indirect impact on the other Healthy priorities. The Service Improvement Plan (SIP) for 2024/2025 has been completed reflecting the challenges the organisation faces, particularly from a financial perspective.

Management Information has been enhanced through the Power BI Dashboards for Senior Managers (Directors Gateway, SLT Gateway) and support is provided to Directorate Management Teams in interpreting the data.

## **D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

In 2024/25 a refreshed approach to the management of operational risks was implemented with reporting to Assistant Directors and then Executive Directors. Project risks are in place and challenged at Project Board Meetings to ensure they are kept up to date as the project moves forward. Strategic risks are reviewed on an ongoing basis with reporting to Executive Directors and Informal Cabinet. Strategic risks are reported twice a year to Audit Committee and an annual Risk Report is issued to Audit Committee.

There is a continued development and expansion of the learning and development offer through the online learning platform, Leap into Learning.

Information & Insight provide data, intelligence and analytics to service areas to assist in decision making. Dashboards have been created utilising Power BI to support the interpretation of information and inform decision making and are being developed as access to data becomes more readily available. The Corporate Performance Management Framework was developed, and reporting took place each quarter via the online dashboard. The Shropshire Knowledge Bank has been developed to pull together all reporting, data and insights into one place accessible via the Intranet - plans are in place to share appropriate data on the council's website.

The use of clear identified outcomes, business cases and performance measures is used within Commissioning and re-commissioning activity to ensure optimal results. The use of thorough and robust tender processes, evaluation criteria and evaluation to ensure intended outcomes are achieved and optimised. The achievement of 'social value' outcomes are achieved through procurement, contracting and commissioning activities.

The Place directorate has two high profile multi-million pound partnerships with WSP and Kier. These contracts are managed towards an optimised position with KPIs in place that reflect the ambitions and key drivers. The Place directorate defined outcomes have been, and continue to be, fully aligned to the outcomes as set out in the Shropshire Plan.

All major contracts have performance metrics that are actively considered and require action plans to be developed where failing. The highways and transport services continue to use computer modelling to optimise the outcomes able to be achieved from available budgets.

Business continuity plans and teams have mobilised quickly to respond to continuing emergencies, including flooding, refugee pressures, cost of living crisis and cyber security attacks.

Within Public Health, work and interventions are intelligence led, data driven in relation to need and based on reviews of the evidence of best practice, at both strategic and operational levels. This is a formal part of good public health practice and, as such, performance is regularly reviewed during supervision and formal appraisal and revalidation processes. Senior Managers will also engage with



**D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

professional bodies and groups to review and discuss evidence and participate in regional networks covering specific areas (e.g. Best Start in Life network, Substance Misuse and Sexual Health Commissioners Networks).

The team undertake a confirm and challenge approach with commissioned providers to ensure the evidence base, data and needs are driving performance and choice of interventions as part of our contract management and quality assurance processes, and operating procedures for internal delivery are informed by the evidence of best practice and assessment of local needs and data.

Our library services ensure they meet our statutory obligations, driven by data and analysis around usage. Stakeholder engagement and feedback is undertaken with customer feedback and complaints monitored by management. Evaluation of library events is ongoing. The team participate in the CIPFA review survey and respond to feedback from DCMS. Libraries support delivery of TSP and this year they have particularly supported delivery of community and family hubs in library venues, access of Shropshire Local staff within library settings, and provision of warm hub spaces in line with requirements of additional national funding.

There is a clear vision for the People directorate with care and support needs to ensure better outcomes are being achieved with a clear focus on prevention. We work to restorative and strengths-based approach with a strong focus on achieving better outcomes.

**E: Developing the Council’s capacity, including the capability of its leadership and the individuals within it.**

2024/25 has been the fourth full year of activity under the current Chief Executive (CEO) who completed the recruitment to all the Executive Director posts allowing structures to be aligned and new leadership teams at Assistant Director level formulated and recruited, leading to an increasingly stable structure and reduction of temporary and interim posts.

The approach to Personal Development Planning (PDPs) has been rolled out. GLR related initiatives have also been rolled out to the organisation. The Manager Essentials Handbook and associated training programme has been rebranded to align to GLR.

Section 151 update meetings and Governance meetings with the Monitoring Officer, s151 Officer and Chief Audit Executive are established and undertaken regularly to consider governance issues as they arise. The frequency of these meetings increased further during 2024/25.

Officers and members understand their respective roles; these are set out in job descriptions and the Constitution. These responsibilities and accountabilities are understood and reviewed on a regular basis. Members continued to receive training throughout the year and Personal Development Plans are in place for officers. Members are briefed on new and emerging local government initiatives, and the e-

**E: Developing the Council’s capacity, including the capability of its leadership and the individuals within it.**

learning portal provides other pieces of helpful training alongside information. Both employees and members have mandatory training in cybersecurity and data protection.

Employees in the main receive regular supervision, attend team meetings and Executive Management Team information is cascaded for action through Directorate Management Teams, Team meetings and individual one to one catch ups. Risks and key issues are escalated upwards through the same processes and shared electronically.

Investment is evident in wellbeing initiatives including Access to Work, supporting employees struggling with their mental health, providing a coaching programme and provision of a mental health professional to help devise support plans. Benefits for employees from health and wellbeing partners designed to improve physical, financial and mental health have been delivered alongside a financial wellbeing surgery for employees experiencing difficulties, especially with the impact of increased cost of living.

Digital Champion training has continued throughout 2024/25 to improve the use of ICT and support the exploration of embedding ICT into practices and processes to maximise efficiencies. There is a continued development and expansion of the learning and development offer through the online learning platform, Leap into Learning, and employees are encouraged to take part in Apprenticeship schemes, their profession’s Continuous Professional Development schemes.

Officers engage with other Local Authorities, Regional Organisations (West Midlands Employers) and professional bodies (CIPD<sup>23</sup>, PPMA<sup>24</sup>, CIRM<sup>25</sup>, BCI<sup>26</sup>) to improve and seek external assurances. Collaborative procurement activity with other Local Authorities. West Midlands Heads of Procurement Group is helping to deliver efficiencies.

Part of the remit of the Strategic Transformation Partner, PWC, is to review our capacity and capability to deliver transformation. Gaps identified will be met by the partner initially, with skills transfer to Council staff over time alongside the development of a strong corporate narrative around The Shropshire Plan and associated transformation programme.

Within Resources there are good examples of resilience, continuing professional development, service and team planning and succession planning within the directorate. The Leadership Board, once established, will also provide an opportunity to embed this wider.

Within the People directorate there is strong governance in place from senior management down to team meetings with operational staff to ensure communication is strong. The Executive Director holds a quarterly DCS / DASS assurance days with

<sup>23</sup> Chartered Institute of Personnel and Development  
<sup>24</sup> Public Services People Managers Association  
<sup>25</sup> Certified International Risk Management  
<sup>26</sup> Business Continuity Institute

**E: Developing the Council’s capacity, including the capability of its leadership and the individuals within it.**

managers where the Council reviews key achievements and challenges. The people transformation board has been a strong driver to delivery of the transformation improvement plan.

**F: Managing risks and performance through robust internal control and strong public financial management**

Services report routinely and regularly through to Council Committees such as Cabinet, Audit, Pension and Scrutiny Committees. They pro-actively input into the annual audit programme, strategic, operational and project risk reviews. Strategic and operational risks are reviewed regularly by senior managers and Executive Directors for learning points and action and are reported through to Informal Cabinet and Audit Committee. Risks are identified, recorded and managed for projects and in service and team plans. There is promotion of the Opportunity Risk Management Strategy across the Council and, through its application, a positive approach to managing risk is delivered when focusing on achieving the required outcomes and objectives.

Risk registers for key projects involve all relevant parties including external partners to ensure all risks are captured and mitigated. Major projects include the Northwest Relief Road, Shrewsbury Schools Programme, Whitchurch Leisure Centre, Shrewsbury Redevelopment Programme and the Wider Oswestry Economic Project. All have clear governance arrangements in place with project boards established.

Existing mechanisms of scrutiny and public challenge are used to ensure robust controls are in place to ensure and demonstrate strong financial management and the appropriate management of risk and performance.

Transformation and TOM Programme Risks are captured and tracked via a 'Project Control' SharePoint and are regularly reviewed. Creation of monthly dashboards to identify success and baseline activity norms is in development alongside use of data and insight to help drive corporate channel shift.

Software improvements provide control systems to protect assets; examples include access control to public buildings; roll out of an electronic signing system; adjustments to the ERP and other finance systems.

Despite overall internal control framework resilience, there remains several areas for which assurance levels are not strong, because of shortcomings in the ERP system and associated practices. A review of the ERP system and potential alternatives is now being explored in earnest.

The development of the Office of the Chief Executive (OCE) is aimed at reducing risk in delivering major projects and programmes with support from the Strategic Transformation Partner PwC<sup>27</sup>. Financial monitoring reports and key risks associated

<sup>27</sup> Price Waterhouse Coopers

## **F: Managing risks and performance through robust internal control and strong public financial management**

with strategies and projects are regularly reviewed with a strong focus on improving service backlogs. Opportunities for mentoring, coaching, and developing cross-departmental work are being explored to assist colleagues to expand their knowledge and experience. Staff are being supported to put in place their new leadership and organisational change thinking, supported by the Office of the Chief Executive.

Each Council Directorate has robust processes in place with monthly Directorate and Senior Management Team Meetings finance and performance focussed meetings as well as MTFS savings delivery meetings with actions to remedy any concerns and escalate.

Commissioning decisions are based on robust case studies based on data and performance information. Risk registers are reviewed regularly. Joint commissioning delivery group is across all ages with representation from procurement, legal and officers to ensure robust challenge on decision making. Continual bench marking is undertaken and action plans on areas which need more focus such as younger adults.

Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice.

The Council approves the Robustness of Estimates and Adequacy of Reserves paper each year. This report demonstrates the financial resilience of the Council, for example: the need to hold a General Fund Balance with a target level and explanations for variance, details and categorisation of all earmarked reserves and provisions and details of previous year outturn variances.

All managers have an allocated member of the Finance Business Partner Team who takes them through monthly forecasting procedures and budget management expectations when they start in post. A dashboard of financial performance is shared and discussed at each management team meeting. This includes a RAG<sup>28</sup> rating for each of the primary codes within the service. Budget forecasting is completed on the Finance system each period.

A financial management framework is operating to ensure public monies are managed appropriately for both revenue and capital funds. A Financial Accountabilities Framework was launched to ensure all budget holders are aware of their responsibilities in managing budgets. Robust financial internal controls are managed and maintained across financial processes and systems. Where issues are identified in the control environment, risks are considered, and action plans put in place to improve control. Responsibility for managing strategic financial risks is identified and regularly reviewed.

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<sup>28</sup> Red; Amber; Green

## **F: Managing risks and performance through robust internal control and strong public financial management**

Internal Audit sets a risk assessed programme, identifying the key areas for review and assurance, this is agile and adjusts in response to changing risks throughout the year. Audit plans were regularly revisited, and resources redeployed to help design and deliver processes and activity in response to exceptional situations. High risk areas not subject to audit continued to be identified to enable senior management and members to gather and seek direct assurance as necessary. Audit Committee undertakes a regular self-assessment, challenged by officers and External Audit, and regular training sessions based on the identification of areas for improvement and key risks and fundamental knowledge-based needs.

During 2024/25 senior managers have been required to attend Audit Committee to provide assurance not otherwise secured on their governance, control and risk management environment. The year has continued to be challenging with the changes of key managerial posts, alongside a challenge to deliver savings.

Information management training is compulsory for all employees and compliance is reported through to the SIRO. All data has assigned owners which is regularly reviewed. Information Asset Owners complete annual Information Governance Assurance Statements. Data is held across many systems by different teams. It is stored on secure drives and databases that are protected in accordance with approved policies. During 2024/25 a new information asset management system was introduced provides a more consistent approach to the management of data assets.

The allocation of the ring-fence Public Health Grant is scrutinised by OHID (national public health body) and by formal Council Committees - Scrutiny of the public health function was undertaken during 2024/25 at its meeting on Monday 19th February 2024 where a report was presented by the DPH and AD lead, with members asking questions. Feedback from members was very positive. A portfolio holder report on the delivery of the public health function is also presented to Cabinet annually. The team participate in formal audit processes.

2024/25 has included a focus on partnerships with both SHIPP and the Combatting Drugs Partnership audited. Strategic and operational risks both for internal services and commissioned provision are regularly reviewed by senior managers. Staff undertake appropriate training, including information governance and will develop information sharing agreements as required, with information asset owners identified. Service Restoration Plan (previously known as Business Continuity Plan) and Service Improvement Plans has been prepared for the service, and kept under review, including risks to delivery. Our libraries service is robustly managed financially, and this year is currently forecasted an underspend due to the significant and tight management of the budget spend by the service leads. Libraries services are committed to participating in audit processes as required. Risks and Issues are escalated to AD at least in our monthly leadership meetings, with significant issues escalated immediately. Health and Safety audits are undertaken of library buildings and ways of working.



<b>G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>
<p>As a public body, the Council has a high level of transparency in its activities and reporting and complies with the relevant legislation. Information is reported and shared through various routes including Council, Cabinet, Scrutiny Committees and with partners, via for example the Neighbourhood Plans, Place Plans, Local Plan Review, Planning Applications and local Economic Growth Strategies. The Place Plans have also been the subject of a Shropshire Association of Local Councils working group. The Members’ Gateway (webpage) has provided greater access to information and regular briefings are held with portfolio holders and ward members are engaged on local matters.</p> <p>Good audit trails are evident to demonstrate good practice and transparency, this is through formal channels and scrutiny functions, as well as being evidenced within written reports and recorded decision making.</p> <p>There is regularised reporting of information throughout the Council which is under constant review. This includes formal reporting through agreed pathways ultimately leading to Council Members. Financial information is now highly transparent with dashboards and monitoring processes in place with strong engagement from Members through the Collaborative Budget Process implemented from October 2024. A robust internal process follows up internal audit recommendations within the Resources directorate.</p> <p>The Health and Wellbeing Directorate reports to Council Committees, including Cabinet &amp; Scrutiny, and partnership boards including Health and Wellbeing and Shropshire Integrated Place Partnership. Strategic &amp; Operational risks are regularly reviewed by senior managers and the leadership team, and these consider issues across both our internal delivery and our commissioned provision. We regularly participate in audit and review processes, and we continue to monitor delivery against KPIs and relevant outcomes and evaluation frameworks. Our libraries service has KPIs included within TSP performance framework which monitor activity and usage. The libraries team participates in the CIPFA annual survey, various arts council and Connected libraries services which monitors delivery, and responds to requests from DCMS. Libraries delivery is included in reports to Council committees and is committed to participating in audit processes as required.</p> <p>The Place directorate has fully engaged with the FOI process and public reporting in all directorate service areas is communicated through the appropriate Council channels. Both internal and external audit have been engaged in high-risk areas and appropriate management action has been taken where control weaknesses have been identified.</p> <p>A quality assurance framework is in place with monthly audits across Children and adult's social care. Peer review action plans are in place including the formal Children Improvement board. Learning reviews and key themes shared across the directorate.</p> <p>There is wide advertising of procurement opportunities (Website, Twitter, UK Contract Finder, UK tender finder, Delta e-sourcing) Contracts awarded and procurement information is updated monthly on our websites and full, detailed and timely feedback is available to all unsuccessful bidders.</p>

**G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The Information Governance Leadership and Organisational Oversight Group oversees the implementation of Information Security policies based on best practice; its terms of reference and practices have been reviewed and refined during 2024/25.

All directorates hold regular meetings and cascade information up and down the organisation including financial and performance statistics.

Statutory returns including grants, are targeted for completion in an accurate and timely fashion. Survey, customer complaints and compliments are reported openly and used to improve service delivery.

All service areas are subject to internal audit review based on risk. Internal Audit recommendations are considered by the senior team on a regular basis for good housekeeping and to identify additional learning. The information also provides a position statement on the risk appetite of the control environment and its resilience to any challenges.

Annually the Statement of Accounts is published on the Council’s website and financial transparency data provided aligned to the Open Data and Transparency Code and all External Audit recommendations are addressed.

**Significant governance issues**

Satisfactory governance exists but improvements are required to ensure it is fully embedded and integrated across all areas of the Council. To achieve this, the main challenges facing the Council appear in the **Appendix** below with energy focused on achieving a balanced budget and seeking fairer funding. A structural funding gap was reported in the Medium Term Financial Strategy. This includes assumptions made around growth in services such as social care which is expected to increase. Delivering a legal and balanced budget remains the key strategic risk facing the authority in the medium to long term.

**Leader**

**CEO**



Significant Governance Issues<sup>29</sup> 2024/25

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council will strive to achieve the following outcomes:

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
1.  Page 100	<p><b>Governance Issue:</b></p> <p>The Council will be unable to deliver a safe service to adults without further intervention.</p> <p><b>Targeted Outcome:</b></p> <p>To provide a care and support service to adults appropriate to their needs.</p>	Impact of Increased Waiting Lists in relation to DoLs, OT and SI.	<p>Work underway to improve safe pathways across adult social care services and implement a change in operating model.</p> <p>Areas of concerns have lean staffing – OT and Dols for example. The need to adopt models that utilise capacity</p> <p>Demand Management – the council to prioritise support for the pre front door model for Adult services to manage and support alternative pathways to adult social care.</p>	ExDir <sup>30</sup> DAS	March 2026

<sup>29</sup> This action plan includes significant governance issues identified in the above statements and also includes high risks identified in review against the Best Value Framework.

<sup>30</sup> Executive Director



	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
2.	<p><b>Governance Issue:</b></p> <p>The Council does not have a grip on Children's demand into the future.</p> <p><b>Governance Issue:</b></p> <p>The Council will be unable to deliver a safe service to children without further intervention.</p> <p><b>Targeted Outcome:</b></p> <p>To provide a care and support service to children appropriate to their needs.</p>	Safeguarding Children.	<p>Demand into CSC is showing a gradual downward trajectory for the third quarter in a row, demonstrating that the new structure of Early Help is starting to have the desired impact.</p> <p>There has also been an increase in children exiting the system, more than entered in the last 2 quarters.</p> <p>The Transformation projects are having the desired impact and are a strong foundation of the demand management model.</p>	DCS <sup>31</sup>	December 2025
			Children's Improvement Board (CIB) met monthly and monitored progress and impact of the Improvement Plan. Plans are in place to conclude the CIB and replace with a partnership aspirations board to continue to oversee development and practice, impact and outcomes on children.	DCS	March 2026

<sup>31</sup> Director of Children's Services

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
			Children and young people's ambitions board will drive forward system improvement plan, evidencing impact from the demand mitigation work.		
3.  Page 102	<b>Governance Issue:</b> The Council will be unable to deliver strategic objectives as set out in The Shropshire Plan due to financial constraints.  <b>Targeted Outcome:</b> A sustainable financial position is achieved over the medium term.	Inability to Set a Balanced Budget for a given year within the MTFS.	MTFS finalised 27 February 2025 with £7.7m funding gap for 2025/26 (with further demand mitigations of £11m and £41.2m brought forward from 2024/25).  For 2025/26 a radical new operating model is being implemented with a senior management restructure the starting point from January 2025. A new model of delivery through commissioning and Statement of Works should create more focussed delivery clarifying what is and is not commissioned thereby reducing the size, complexity and cost of the authority while also improving governance processes and direct delivery of positive outcomes aligned to a refreshed Shropshire Plan.	ExDir s151 Officer	March 2026

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
Page 103			<p>Delivery Plans and associated Performance Indicators and Milestones to be documented and used to monitor delivery of outcomes.</p> <p>The Council's overall internal control environment has been assessed with only limited assurance and has not improved for six years. Further engagement is required and a review of the Council's risk appetite alongside the Constitution as increased resources is not an affordable option. Management of the Council's financial position is even more crucial than last year, but opportunities through a multiyear settlement in the first year of a new administration exist.</p>		
4.	<b>Governance Issue:</b> The Council will be unable to contain its costs within the	Inability to Contain overall committed Expenditure within the Current Available	Delivery Plans and associated Performance indicators to be documented and used to monitor delivery of outcomes alongside	ExDir s151 Officer	September 2025

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
Page 104	<p>available financial envelope for the year.</p> <p><b>Targeted Outcome:</b></p> <p>Council expenditure is in line with budgeted position for 2025/26.</p>	Resources within this Financial Year.	<p>lessons learnt from 2024/25 Outturn position.</p> <p>Activity for 2025/26 implementing new operating model and Council structure.</p> <p>Monthly review and reporting of the Council's financial position in line with the MTFS and Financial strategy 2025-2030.</p> <p>Actions and decisions implemented following a review of 2024/25 Outturn position, review of any weaknesses in controls, implementation of lessons learnt from Finance Peer Review (2022) and CIPFA Review (2024).</p> <p>A risk remains about levels of resource across what will be Enabling and Legal and Governance Functional Areas in the coming year, and this will need to be assessed as part of the new operating model and the expectations placed on managers.</p>		

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
5.	<p><b>Governance Issue:</b></p> <p>The Council, alongside partners, will be unable to ensure the safety and health of people and communities.</p> <p><b>Targeted Outcome:</b></p> <p>Establishment of robust co-produced Health and Care system to deliver the desired outcomes.</p>	Impact of extreme pressures upon partners (social care, health, and criminal justice).	<p>Continuation of the ICS system working. A further ICP took place in October 2024 with dates and topics in agreement for 2025, aligned to the NHS 10 year plan (3 shifts) and Darzi Report. The CEX has also taken up chair of SHIPP. Monitoring closely and mitigation of the impact of the NHS reforms</p> <p>Further development of Joint Roles planned for 2026.</p> <p>The SoS for Health and Social Care has been invited to STW regarding system pressures.</p>	ExDir Public Health and General Management	March 2026
6.	<p><b>Governance Issue:</b></p> <p>The Council has key IT systems that are unfit for purpose.</p> <p><b>Targeted Outcome:</b></p> <p>IT systems are efficient and effective with strong internal controls.</p>	Failure of Officers and Members to adhere to Governance arrangements.	<p>Financial Planning and Analysis: We are still exploring the feasibility of implementing a financial planning and analysis solution available in our existing ERP system. This would streamline our budgeting and forecasting processes and improve our financial reporting and analysis capabilities.</p> <p>These improvements have collectively enhanced the functionality,</p>	ExDir s151 Officer	September 2025

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
Page 106			integration, and efficiency of our ERP system, ensuring it continues to meet the evolving needs of the council.		
	<p><b>Governance Issue:</b></p> <p>The Council has weak or inappropriate systems of governance in place.</p> <p><b>Targeted Outcome:</b></p> <p>All officers and Members understand public sector standards, the Nolan Principles and exhibit appropriate behaviour at all times.</p>	Failure of Officers and Members to adhere to Governance arrangements	<p>Arrangements to address these governance issues were paused due to two key factors: focus on financial survival and implementation of a new operating model. Strong governance comes from setting the right example at the very top of the organisation.</p> <p>The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration of the entire authority for 2025/26 built on these principles.</p> <p>The internal audit report considering The Shropshire Plan demonstrated</p>	CEO	December 2025

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
Page 107			<p>that a 'golden thread' was not embedded through the authority and this helps inform the road map for the future mitigation of this governance risk.</p> <p>All Internal Audit recommendations are being followed up and the requirement for Declarations of Interest is clear within the Council's Constitution.</p> <p>The new operating model for the council will focus on measuring success and the achievement of intended outcomes during 2025/26.</p> <p>As part of the development of the Leadership Board it is important that good practice elements within this principle are not lost and benefits enhanced to include a new, stronger role for the Internal Audit Team and strong governance embedded within the new Members making up the Council following elections in May 2025.</p>		

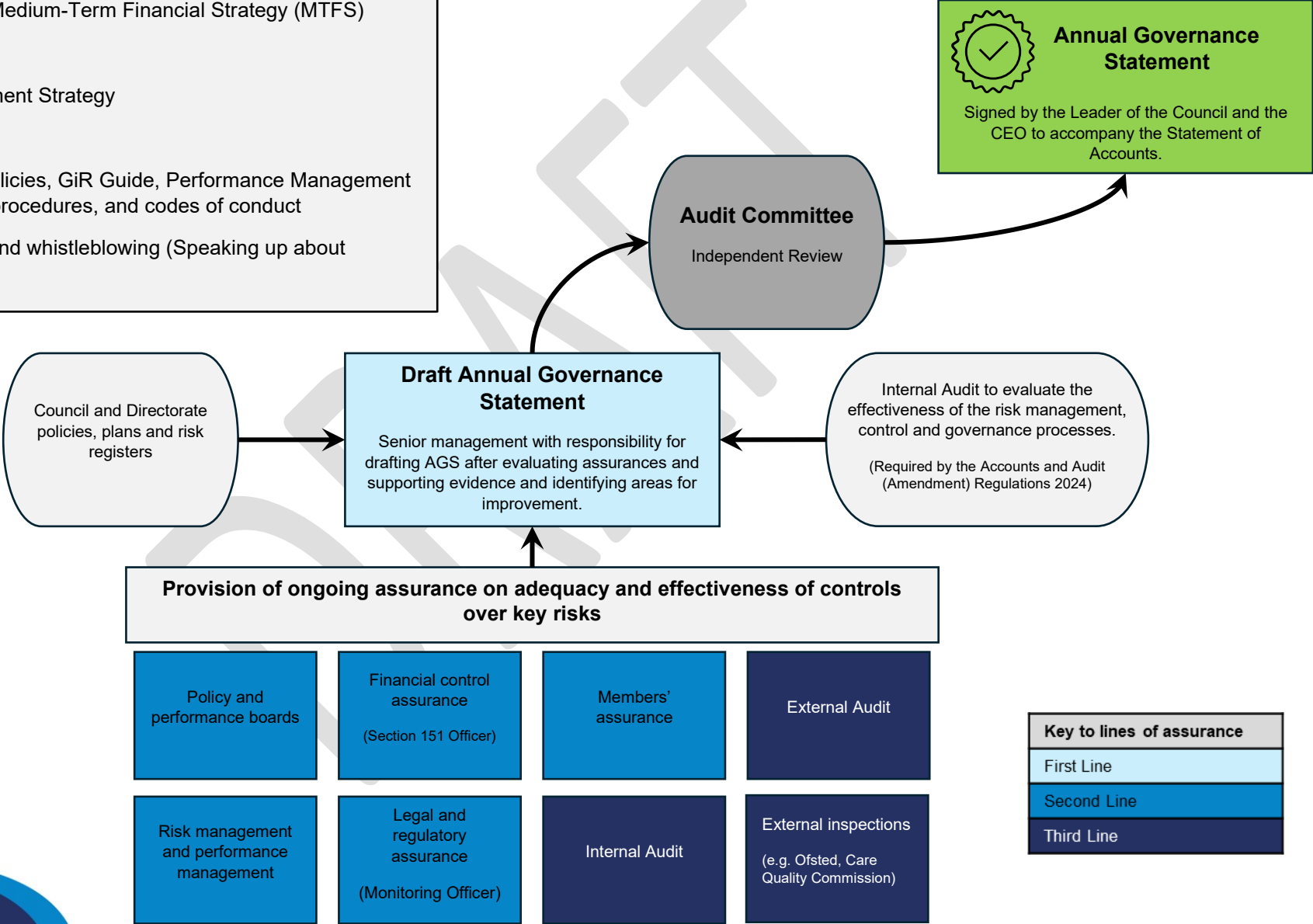
	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date
8.	<p><b>Governance Issue:</b></p> <p>Failure to deliver best value.</p> <p><b>Targeted Outcome:</b></p> <p>Securing best value in key areas such as governance, culture, finances and statutory services.</p>	Failure of Officers and Members to adhere to Governance arrangements	<p>The Best Value framework has been reviewed informally ahead of the design of the new operating model for 2025/26.</p> <p>Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in.</p> <p>Furthermore, a reconfiguration of the entire authority for 2025/26 built on these principles.</p> <p>Strategies need revision around the Leadership Board, including the workforce strategy and the development of a more sustainable MTFS following the publication of revised funding and multi-year settlements from Government.</p>	CEO	March 2026



ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK

**Key documents and functions/process guidance:**

- Local code of corporate governance
- The Shropshire Plan and Medium-Term Financial Strategy (MTFS)
- Council constitution
- Opportunity Risk Management Strategy
- Commissioning Strategy
- Workforce Strategy, HR policies, GiR Guide, Performance Management Framework, PDP Process, procedures, and codes of conduct
- Anti-fraud and corruption and whistleblowing (Speaking up about wrongdoing) policies



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## Appendix B

### Shropshire Council Local Code of Corporate Governance

#### LOCAL CODE OF CORPORATE GOVERNANCE

##### INTRODUCTION

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance as follows:

*"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved"*

The International Framework also states that:

*"To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times".*

*"Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders"*

##### GOOD CORPORATE GOVERNANCE

Shropshire Council is committed to achieving good corporate governance and this Local Code describes how the Council intends to achieve this in an open and explicit way. The local code is based upon the CIPFA SOLACE framework "Delivering Good Governance in Local Government" (April 2016). As laid out in the guidance it *"is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities"*. Consequently, the local Code has been written to reflect the Council's own structure, functions, and the governance arrangements in existence.

*The local code is based on the following seven principles, the first two of which underpin the remaining five with the overall aim of **"Achieving the intended outcomes while acting in the public interest at all times"**.*

The principles are as follows:

Acting in the public interest requires a commitment to and effective arrangements for:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Many of the requirements of the code are included in the Council's constitution and the Council's key strategies and policies.

[Library folder - Shropshire Council Constitution — Shropshire Council](#)

## **MONITORING AND REVIEW**

The Code of Corporate Governance is subject to annual review by Internal Audit and used to inform the Annual Governance Statement (AGS). This review includes an assessment as to the effectiveness of the processes contained within the Code.

This includes annual assessments such as:

- Annual review of the Constitution
- Annual reports of portfolio holders
- Annual reports of the Scrutiny Committees
- Head of Internal Audit Annual Report
- Audit Committee Annual Report
- Council Customer Feedback Report – Complaints, Compliments and Comments
- External Audit Annual Letter

The outcome of this review is reported in the Annual Governance Statement.

The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

## Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**Rational:** Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

### Shropshire Council's commitment to achieving good governance is demonstrated below:

#### Behaving with integrity

- Code of Conduct for members to ensure that high standards of conduct are maintained.
- The Monitoring Officer will review, and where appropriate investigate, any breaches of the Member Code of Conduct.
- The Localism Act 2011 abolished the requirement for the Council to have a statutory Standards committee though the Council has retained a non-statutory committee that can meet if required. The Standards Sub Committee has met in 2024/25.
- An Employee Code of Conduct establishes the standards of behaviour and conduct the Council requires of its employees.
- Standard decision-making reporting format ensures that all those responsible for taking decisions have the necessary information on which to do so.
- An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. The Audit Committee receive an annual report of whistleblowing activity.
- Code of Conduct in relation to the acceptance of gifts and hospitality for members and officers is held and all instances must be recorded. Advice and guidance provided to staff and members on the intranet.
- In accordance with the Localism Act 2011 Registers of Members' disclosable and other registerable interests are recorded and published on the Council's website.
- Members' declaration of interests, a standing item on all agendas. Minutes show declarations of interest were sought, and appropriate declarations made.
- Protocols exist for members on Council Representation on various outside bodies.
- A Corporate Feedback Policy that is published on the Council's website and is supported by a Complaints, Compliments and Suggestion on-line form.
- A Policy for raising a concern "Speaking Up About Wrong-Doing" (Incorporating the Whistleblowing Policy) is in place to protect individuals.

### **Demonstrating strong commitment to ethical values**

- A Constitution which sets out delegations of the Council, committees and senior officers, and the decision-making process to be applied. It also emphasises that the Council will act within the law.
- Terms of Reference exist for all committees.
- The Council have both Contract Procedure Rules defining the Council's process for all contracts for services and Financial Procedure Rules defining the safeguards and controls in place for managing public money and assets, and these are reviewed on a regular basis.
- The Council consults with stakeholders and other interested parties to seek feedback before developing key operational documents.
- The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them.
- Employee surveys are conducted and employees are consulted on workforce changes to identify actions for improvement.

### **Respecting the rule of law**

- The Constitution identifies the Assistant Director – Legal and Governance as the Council's Monitoring Officer and sets out their role.
- An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. The Audit Committee receive an annual report of whistleblowing activity.
- Officers in Legal and Democratic Services play a key role in ensuring that the principles enshrined in the Constitution, sustainable decision making, robust scrutiny, rules of natural justice, standards of conduct, efficiency, transparency, legality and high standards of corporate governance are delivered in practice through the Council's decision-making process. The Service provides advice and guidance on the interpretation of legal developments and has legal officers who are experts in specific areas of Council activities.
- Where there have been instances of non-compliance with the Contract Procedure Rules, and where the recognised approval process has been circumvented these have been identified and escalated to the top of the Council for action.

- Where there have been breaches in Health and Safety Legislation these have been immediately actioned upon discovery.
- All Committee reports require their authors to address the impact of the recommendations with respect to human rights and wider legislation including the Public Sector Equality Duty.
- From February 2025 details of exemption requests and approvals are reported to the Audit Committee as part of the exempt agenda.

## Core Principle B: Ensuring openness and comprehensive stakeholder engagement

**Rational:** Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

### **Shropshire Council's commitment to achieving good governance is demonstrated below:**

#### **Openness**

- Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request.
- The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed and all staff and members are required to undertake data protection training on an annual basis.
- Adoption of a standard reporting format in relation to committee reports. The format includes a risk assessment and opportunities appraisal together with the financial implications attached to any recommendations, and appropriate background papers are cited to ensure full transparency.
- Council and Cabinet meetings are webcast. Agendas, reports and minutes are published on the Council's website. Meetings are open to the public except in the case of exempt items.
- Dates for submitting, publishing and distributing timely reports are set and adhered to.
- The Shropshire Plan and Financial Strategy set out the Council's mission and priorities, these have been revisited alongside delivery of a programme of transformation.
- The Shropshire Accord is a cross-cutting piece of work that links with all themes within the Shropshire Plan due to its focus on supporting partnership working between the voluntary and community sector (VCS) and public sector partners. The Shropshire Accord aims to enhance collaboration between Shropshire Council, public bodies, and the Voluntary, Community, and Social Enterprise (VCSE) sector. The Accord is designed to foster partnership and mutual accountability across sectors to improve services and outcomes for

the community. It sets out a series of shared commitments and values, outlining how the sectors wish to work together and what they can expect from each other.

**Engaging comprehensively with institutional stakeholders**

- The Council recognises the importance of communicating its vision and uses several channels to this effect.
- The Council aims for a consistent approach to communication, reaching and targeting the key customers, stakeholders and partners in the most appropriate way.
- The Council aims to improve engagement through consistent branding, so that our stakeholders know what we do and who to contact. This ensures compliance with the Code of Recommended Practice on Local Authority Publicity March 2011. This requires all Council publicity aimed at the public to be clearly and unambiguously identified as being produced by the Council. Material produced should make this evident.
- Our website can help residents understand the Council's vision and purpose and how to access services on a day-to-day level.
- The Shropshire Newsroom hosts all the latest Council news stories with podcasts, videos and photographs available from the corporate Flickr account.
- The Council works with colleagues in the local, regional and national media to complement Shropshire Newsroom and ensure people have access to information about the Council.
- The Council uses relevant social media, as a method of disseminating our information and listening to feedback on issues as they arise.
- Customer Services are available virtually, digitally and through access points around the County supported by mobile hubs in the more remote areas. Customer Services are the main first point of contact enabling people to be more efficiently directed to the services they need.
- The Council uses the Voluntary and Community Sector (VCS) Assembly weekly news bulletin to promote consultations, policy news, engagement opportunities and partnership working opportunities across the voluntary and community sector.
- The Council engages positively and sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, which in turn has informed the Local Economic Growth Strategy. The management of One Public Estate continues with other public sector partners. A multi-agency high-cost placement funding panel with Children's Services, Education Services and the Clinical



Commissioning Group (CCG) is established to manage high-cost placements efficiently.

**Engaging stakeholders effectively including individual citizens and service users**

- The Council seeks the views from individuals, organisations and businesses on several areas. All Council surveys are delivered online using the corporate approved consultation portal. Links to current consultations are published on the website. Some recent examples of consultations undertaken include Waste Prevention Draft Strategy 2024-2030, Shropshire's Great Outdoors Annual Public Survey, CCTV and out-of-hours service changes and Car park charges. The full list of consultations undertaken is available on the Council website.
- Shropshire's Making It Real partnership was set up by Shropshire Council in response to the national 'Think Local Act Personal' initiative and Making it Real Framework. The aim of 'Making it Real' is for personalisation to be a reality for people who use adult social care services. This approach is driven through a series of 'I' statements outlining how adult social care should best meet people's needs, enabling people to live full and independent lives. The partnership works with the local authority to ensure this approach is adopted locally, through influencing and shaping adult social care services in Shropshire.
- Local consultation continues for specific consultation and engagement activity for services and service areas. Locality commissioning activity involves engagement with communities and service user groups. These have helped to identify the needs and priorities of our citizens and make these our key areas for service delivery. Feedback from such events is used to develop strategic plans, priorities and targets. Widespread local consultation has taken place via service user and customer feedback surveys, public meetings and local partnerships to identify the needs and priorities of our citizens and make these our key areas for service delivery.
- The Council has a weekly update from the Chief Executive to keep individuals abreast of corporate initiatives and major events. Details are also included on the Shropshire Council website through the Newsroom.
- The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them.

**Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

**Rationale:** The long-

**Shropshire Council's commitment to achieving good governance is demonstrated**

term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

**below:**

### **Defining Outcomes**

- The Shropshire Plan and Medium-Term Financial Strategy set out the Council's vision and priorities together with its aims and actions.
- Core strategic plans (such as the Economic Growth, Commercial, Commissioning, and Climate Change Strategies) set out specific aims in detail and compliment the overall Corporate Plan.
- There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period to the Transformation and Improvement Overview and Scrutiny Committee. Areas of concern are identified and reported quarterly, and exceptions are monitored more frequently, e.g. monthly, providing greater detail and explanation of the issues and actions being taken. The reports are presented to senior managers and Cabinet. The underlying detailed dashboards are also available to Scrutiny members who can identify specific issues they may want to consider. Cabinet may ask Scrutiny to look at specific issues of on-going concern. Performance reporting against the Shropshire Plan is managed through Power BI dashboards.
- The Council have established robust programme management function within the Office of the Chief Executive to oversee the transformation programme.

### **Sustainable economic, social and environmental benefits**

- The Council has; a Climate Change Strategy, highlighting its commitment to sustainable environment; an Economic Growth Strategy which lays out its approach to sustainable development; a Commercial Strategy which lays out its approach to becoming a more commercially focused organisation embracing commercial culture in terms of how the Council acts to ensure the delivery of high quality services as efficiently and effectively as possible and a Social Value Charter, designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement.
- Climate change is considered in all reports which have a recommendation for a decision.
- Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value.

**Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

**Rationale:** Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

**Shropshire Council's commitment to achieving good governance is demonstrated below:**

**Determining interventions**

- A standardised format of decision-making reports is used to ensure that all relevant information is considered such as analysis of options, resource implications, and outcomes of Equality and Social Inclusion and Health Impact Assessment (ESHIA), etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information.
- The Commissioning Strategy is applied to ensure clear alignment to need and improving outcomes.
- An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service includes an action plan identifying areas for improvement.

**Planning interventions**

- The Council sought opinions on future budget proposals. They set out what the financial issues were and invited the public to engage on them.  
As detailed earlier, there is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period and subject to scrutiny at all levels.
- The Council's performance framework links directly to the Council's outcomes through the Shropshire Plan. Performance is reported quarterly to members through Cabinet, and in more detail to Scrutiny Committees.

**Optimising achievement of intended outcomes**

- The annual budget is prepared in line with agreed priorities. The Council publishes its Financial Strategy annually to set an indicative three-year financial plan to fit the longer-term strategic vision as well as a detailed one year budget. This is intended to include realistic estimates of revenue and capital expenditure.
- Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value.
- Risk management arrangements that are embedded across all service areas and help inform decision making.

**Core Principle E: Developing the entity's capacity, including the capability of its leadership and the**

## individuals within it

**Rationale:** Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and

**Shropshire Council's commitment to achieving good governance is demonstrated below:**

### **Developing the entity's capacity**

- There is a member induction programme in place, supporting and developing newly elected members. Development interventions are designed in the context of what individual members say they require during their one-to-one development reviews, and what their roles and responsibilities dictate they need. Member secretaries provide support, and the Member and Officer Protocol clearly stipulates officers' duties to provide professional and technical advice to all members not just those within the Executive. The Local Member Protocol guides members and officers to behave in a way that promotes excellent communication and mutual respect.
- A Workforce Strategy was adopted to ensure the Council has the right people with the right skills in the right place, at the right level and cost to enable the Council to meet its strategic objectives.
- The Council actively promotes the use of Leap into Learning, an online learning and training platform that allows courses to be tailored to individual officers. This has been extensively used to deliver e learning to a wide variety of employees and to support more conventional training methods by providing a booking and attendance system.
- The Council actively promotes the development of staff through work-based apprenticeship schemes.
- A Strategic Transformation Partner (PwC) has been appointed to help deliver the approved spending reductions in 2024/25 and a sustainable position into the medium term.

### **Developing the capability of the entity's leadership and other individuals**

- Protocol on Member/Officer Relations that assists both members and officers achieve good working relationships in the conduct of Council business.
- Scheme of Delegation that is reviewed annually considering legal and organisational changes.
- Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules.
- Member Development is managed via the Group Leaders and training is provided as needed. Members are updated on legal and policy changes etc. as required.
- Induction programmes for all members and employees.

<p>experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<ul style="list-style-type: none"> <li>• Training for employees is made available through Leap into Learning which provides all employees with access to online training courses that can be tailored to the individual, dependent upon role undertaken.</li> <li>• Staff are regularly appraised through the annual Personal Development Planning (PDP) Process which includes the identification of training and development needs and drawing up of training action plans to address these.</li> <li>• Apprenticeship Programme offering training, skills and experience in local government.</li> <li>• Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored.</li> <li>• A coaching connections network group has been established to build a pool of people who are skilled in facilitating personal development tools and to develop internal coaching capacity. This network provides group and individual personal development and coaching support to help people through change.</li> </ul>
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### **Core Principle F: Managing risks and performance through robust internal control and strong public financial management**

<p><b>Rationale:</b> Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.</p> <p>Risk management and internal control are important and integral parts of a performance</p>	<p><b>Shropshire Council's commitment to achieving good governance is demonstrated below:</b></p> <p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>• Risk management arrangements that are embedded across all service areas and help inform decision making.</li> <li>• Risk and Opportunity Management Framework that is subject to annual review and reported to the Audit Committee on an annual basis.</li> <li>• Responsibilities for managing individual risks are contained within the Opportunity Risk Management Strategy.</li> <li>• The Senior Management Team regularly reviews the strategic risk register and seeks assurances that it is kept up to date and actions to mitigate risks are implemented.</li> <li>• Operational risks are reviewed by risk owners on a regular basis.</li> <li>• Council strategic risks have been identified, aligned to the Annual Governance Action Plan and a member of the Senior Management Team assigned as the risk owner. Risk profile and actions plans have been put in place to ensure the risks are mitigated effectively and are reviewed monthly.</li> <li>• Business Continuity processes have continued to operate thorough the year to manage the</li> </ul>
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management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful

risks caused by flooding.

### **Managing performance**

- The Council has four overview and scrutiny committees which operate under clear terms of reference and rules of procedures laid down in the Constitution. Scrutiny Committee chairs and members have clearly laid down accountabilities in the Constitution. Members may not participate in the scrutiny of decisions they were involved in.
- The Council is part of a long standing and effective Joint Health Overview and Scrutiny Committee with Telford and Wrekin Council. This reflects the reality that most substantial changes to services covered by the statutory duties for Health Scrutiny affect services across both local authority areas and as such would need to be looked at jointly, in line with regulatory direction.
- There is a standardised format for all committee reports which includes background to the report, any recommendations that decisions need to be made upon together with reasons behind those recommendations. A SharePoint site facilitates approval of draft reports prior to Cabinet by key officers.
- Reports, minutes and decisions under member consideration are published on the website and are available in hard copy in a variety of formats on request.
- Contract Procedure Rules and Financial Procedure Rules set out the Council's arrangements and ensure that processes continue to operate consistently.
- An effective internal audit service is resourced and maintained as evidenced by an External Quality Assurance review 2021/22. The next external assessment is due by March 2027, in intervening years a self-assessment is completed and reviewed by the S151 Officer and presented to the Audit Committee. Internal Audit prepares and delivers a risk-based audit plan in line with Public Sector Internal Auditing Standards which is kept under review to reflect changing priorities and emerging risks.
- The Council continues to benchmark some services to assist in identifying areas for review and to ensure that as many performance indicators as possible are performing to the standards that the Council sets. This includes the use of peer reviews to ensure efficiency of operations and learning from External statutory reviews, i.e. Ofsted, Local Government Association Finance and Overview and Scrutiny reviews.
- Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk

scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice.

- Budget monitoring is undertaken monthly, reporting into Cabinet. Quarterly budget monitoring reports are presented to Council.
- The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online dashboard.

#### **Robust internal control**

- In March 2025, a complete senior management restructure was finalised. The new structure and Council operating model will be fully implemented during the 2025/26 financial year.
- There is an effective apolitical Audit Committee with clear terms of reference which are reviewed annually and based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Guidance.
- The Audit Committee, which is independent of Cabinet, oversees the management of governance issues, risk management framework, internal control environment, financial reporting and Treasury Management.
- An independent Audit Committee member was appointed in early 2023.
- There is a formally agreed Audit Committee work plan and training schedule.
- An annual report is produced by Internal Audit which provides an opinion on the Council's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit.
- Anti-Fraud and Corruption Strategy which is subject to annual review and is approved by the Audit Committee.
- Quarterly fraud reports to the Audit Committee summarise anti-fraud activity in the year.
- An Annual Governance Statement (AGS) that is subject to review by the Audit Committee.
- Training is provided to Audit Committee members on areas relevant to their role.
- There are frameworks in place in relation to child and adult safeguarding.

#### **Managing data**

- The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed. The Publication scheme was reviewed and updated during 2024/25.
- Information Governance Leadership and Oversight Group (IGLOO) and the Information Governance and Information Security Group (ISG) provide a clear process for the

consideration and escalation of information governance and security risks. The groups have been in operation since January 2022, with attendance from across the Council. IGLOO focusses on decisions, compliance and oversight and improvements have been evidenced in response to ICT security and infrastructure concerns.

- Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the mandatory information governance and cybersecurity training. This is reinforced via targeted communications and more recently phishing simulations. Where staff and members do not complete the mandatory Cyber Security and Data Protection training their IT access is restricted until complete.
- The Council's Information Security Policy provides guidance on the arrangements that must be in place to ensure personal data is kept protected and secure.
- Effective information sharing is undertaken in accordance with the Data Protection Act and the Council's Data Protection Policy.
- Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices published on our website and individual Privacy Statements on forms, in booklets etc.
- A formal Data Sharing Framework Protocol between Shropshire and Telford and Wrekin Partnership in respect of jointly delivered health services.

#### **Strong public financial management**

- An audited and signed Statement of Accounts is published on an annual basis containing:
  - A statement of responsibilities for the Statement of Accounts.
  - A statement of the Council's accounting policies.
- An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service.
- Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015), is reviewed annually.
- Financial procedures are documented in the Financial Regulations.
- Financial Strategy in place.
- The financial position is reported monthly to Cabinet.
- A new Treasury Management Strategy for 2024/25 has been documented and approved.
- Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting



information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice.

- Budget monitoring is undertaken monthly and is reported to Cabinet and quarterly to Council.

## **Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

### **Rationale:**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### **Shropshire Council's commitment to achieving good governance is demonstrated below:**

#### **Implementing good practice in transparency**

- Agendas, reports and minutes are published on the Council's website.
- Adoption of a style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear.
- Adoption of and implementation against the National Transparency Code.
- The Cabinet is the Council's key decision-making body and makes decisions within the policy framework approved by Full Council. It is made up of the Leader, who is elected by the Council, and up to nine other members. When key decisions are to be discussed or made, these are published in the Cabinet forward plan in so far as they can be anticipated. If these key decisions are to be discussed with Council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal, confidential or otherwise exempt matters are being discussed. The Cabinet must make decisions which are in line with the Council's overall policies and budget. If it wishes to decide something which is outside the budget or policy framework, this must be referred to the Council to determine.

#### **Implementing good practices in reporting**

- Annual Financial Statements are compiled, published to timetable and included on the Council's website.
- The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online dashboard.
- An annual report from each of the scrutiny committees is presented to Council alongside reports from the portfolio holders; the scrutiny reports detail the past work of the

Committees, the present work and future.

- Completion of an Annual Governance Statement (AGS).
- The Shropshire Plan and Medium-Term Financial Strategy setting out the Council's mission and priorities.

#### **Assurance and effective accountability**

- The AGS sets out the Council's governance framework and the results of the annual review of the effectiveness of the Council's arrangements. The AGS includes areas for improvement.
- An effective internal audit service is resourced and maintained although there are a number of vacancies in the team. Active recruitment is underway which is supported by a motion from the Audit Committee to fill the vacant posts. The Service has direct access to members and provides assurance on governance arrangements via an annual report containing an opinion on the Council's internal control arrangements.
- External Audit provides an annual opinion on the Council's financial statements and arrangements for securing Value for Money.
- The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies.

The Shropshire Accord is a cross-cutting piece of work that links with all themes within the Shropshire Plan due to its focus on supporting partnership working between the voluntary and community sector (VCS) and public sector partners. The Shropshire Accord aims to enhance collaboration between Shropshire Council, public bodies, and the Voluntary, Community, and Social Enterprise (VCSE) sector. The Accord is designed to foster partnership and mutual accountability across sectors to improve services and outcomes for the community. It sets out a series of shared commitments and values, outlining how the sectors wish to work together and what they can expect from each other.

## Appendix B – Shropshire Council's Corporate Governance Framework

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must always try to achieve the Council's objectives while acting in the public interest.							
Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	<u>Members and Employees Codes of Conduct</u>	<u>FOI Publication Scheme</u>	<u>Medium Term Financial Strategy</u>	<u>Councillors and Decision Making</u>	<u>Member Induction Programme</u>  <u>Members Protocol</u>	<u>Opportunity Risk Management Strategy.</u>  Service recovery planning arrangements	<u>Committee Framework</u>
	<u>Standards Committee</u> and <u>Standards Sub-Committee</u>	<u>Information Governance</u>	<u>Shropshire Plan</u>	<u>Commissioning Strategy</u>	<u>Workforce Strategy</u>	Strategic and Operational Risk Registers	<u>Forward Plan</u>
	<u>Councillors and Decision Making</u>	<u>Councillors and Decision Making</u>	<u>Transformation and Improvement Overview and Scrutiny Committee</u>	<u>Annual Governance Statement and Action Plan</u>	Member and staff development	<u>Annual Governance Statement and Action Plan</u>	<u>Annual Statement of Accounts</u>
	<u>Members / Officers Register of Interests / Register of Gifts and Hospitality</u>	<u>Public Meetings and Decisions Recorded</u>	<u>Workforce Strategy</u>	<u>Budget Consultation</u>	Leap into Learning	<u>Emergency / Business Continuity Management</u>	<u>Annual Governance Statement and Action Plan</u>
	<u>Members Protocol</u>  <u>Members Role and Expectations</u>	<u>Shropshire Plan</u>	<u>Procurement Strategy</u>	<u>Transformation and Improvement Overview and Scrutiny Committee</u>	<u>Apprenticeship Scheme</u>	<u>Overview and Scrutiny Committees</u>	<u>Shropshire Plan</u>
	<u>Customer feedback / Complaints Policy</u>	<u>Medium Term Financial Strategy</u>	<u>Public Sector Social Value Act 2012</u>	<u>Medium Term Financial Strategy</u>	Strategic Transformation Partner	<u>Councillors and Decision Making</u>	<u>Medium Term Financial Strategy</u> <a href="http://shropshire.gov.uk/access-to-information/">http://shropshire.gov.uk/access-to-information/</a>
	<u>Whistleblowing Policy and hotline</u>	<u>Shropshire Accord</u>	<u>Commissioning Strategy</u>	<u>Social Value</u>	<u>Members Role and Expectations</u>	<u>Financial Procedure Rules</u> <u>Contract Procedure Rules</u>	<u>Internal Audit QAIP</u>  <u>CAE Year end Opinion</u>
	<u>The Constitution</u>	<u>Customer Services</u>	<u>Climate Strategy and Action Plan</u>	<u>Risk Management</u>	<u>Scheme of Delegation</u>	<u>Internal Audit QAIP</u>	<u>External audit of accounts and Value for money opinion</u>
	<u>Financial Procedure Rules</u> <u>Contract Procedure Rules</u>	<u>Voluntary and Community Sector Assembly</u>	<u>Economic Growth Strategy</u>	<u>Shropshire Plan</u>	<u>The Constitution</u>	Internally led reviews  Peer reviews  Benchmarking	Peer reviews - Finance - Scrutiny  <u>Ofsted Childrens Services and SEND inspections</u>  <u>CQC</u>
	<u>Consultations</u>	<u>Public Consultations</u>	<u>Commercial Strategy</u>		Staff PDP Process	<u>Financial Monitoring Reports</u>	<u>Shropshire Accord</u>

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must always try to achieve the Council's objectives while acting in the public interest.							
Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
	Statutory Officers Roles: Chief Executive, Chief Financial Officer, Monitoring Officer, Head of Paid Service. HR policies.	<u>Social Value</u>	Programme Management arrangements by Office of the Chief Executive (OCE)		Getting Leadership Right Leadership Development Training Programme	<a href="#">Audit Committee</a> <a href="#">Audit Committee Terms of Reference</a> <a href="#">CAE Year end Opinion</a> <a href="#">Independent Audit Committee Member</a> <a href="#">Annual Audit Committee Work Plan and Training</a>	
	<a href="#">Counter Fraud, Bribery and Anti-Corruption Policy and Strategy</a> <a href="#">Annual Whistleblowing Policy</a>	<u>Newsroom</u>	<u>Social Value</u>		Health and safety policies	<a href="#">Counter Fraud, Bribery and Anti-Corruption Policy and Strategy</a>	
		<u>Customer feedback / Complaints Policy</u>	<u>Councillors and Decision Making</u>			<a href="#">Information Governance</a> <a href="#">Information Security Policy</a>	
		Corporate performance, financial and risk reporting framework				<a href="#">Annual Statement of Accounts</a>	
		<a href="#">Shropshire Council Website</a>				<a href="#">Medium Term Financial Strategy</a> <a href="#">Treasury Management Strategy</a>	

Appendix C - Annual Governance Statement 2023/24 Action Plan Update

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council will strive to achieve the following outcomes:

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
1.  Page 129	<p><b>Governance Issue:</b></p> <p>The Council will be unable to deliver a safe service to adults without further intervention.</p> <p><b>Targeted Outcome:</b></p> <p>To provide a care and support service to adults appropriate to their needs.</p>	Impact of Increased Waiting Lists in relation to DoLs, OT and SI.	Development and delivery of early intervention strategy and the review and redesign of pathways.	ExDir <sup>1</sup> People	December 2024	<p>Work underway to improve safe pathways across adult social care services and implement a change in operating model.</p> <p>Areas of concerns have lean staffing – OT and Dols for example. The need to adopt models that utilise capacity</p> <p>Demand Management – the council to prioritise support for the pre front door model for Adult services to manage and support alternative pathways to adult social care.</p>

<sup>1</sup> Executive Director

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
						CQC outcome to determine plan going forward.
2.  Page 130	<p><b>Governance Issue:</b> The Council does not have a grip on Children's demand into the future.</p> <p><b>Governance Issue:</b> The Council will be unable to deliver a safe service to children without further intervention.</p> <p><b>Targeted Outcome:</b> To provide a care and support service to children appropriate to their needs.</p>	Safeguarding Children.	Demand Management model is in development with a first draft delivered and now under review and development. Demographic data alongside Transformational Project outcomes are feeding into the assumption to continue to develop a robust demand model for children. Impact of early Help transformation and stepping stones projects currently form basis of this model.	ExDir People	December 2024	<p>Demand into CSC is showing a gradual downward trajectory for the third Quarter in a row, demonstrating that the new structure of Early Help is starting to have the desired impact.</p> <p>There has also been an increase in children exiting the system, more than entered in the last 2 quarters.</p> <p>The Transformation projects are having the desired impact and are a strong foundation of the demand management model.</p>

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
			Children's Improvement Board (CIB) in place. Series of working groups that feed into the CIB to support the implementation of the recommendations made by OFSTED. CQC rating for 2024 not yet received but plans in place through the People Directorate.	ExDir People	March 2025	Board has met monthly and has monitored progress and impact of the Improvement Plan, Plans are in place to conclude the CIB and replace with a partnership aspirations board to continue to oversee development and practice, impact and outcomes on children.
3.	<b>Governance Issue:</b> The Council will be unable to protect IT systems from external attack.  <b>Targeted Outcome:</b> To reduce the risks and impact of cyber-attacks and have a	Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	Work with the Local Digital Cyber team on remediation activities to improve our cyber position.  We have worked hard on the 23 recommendations with the Local Digital Cyber Support team. As of	ExDir Resources	December 2024	The Automation and Technology Department have met with the Department for Levelling Up Housing & Communities (DLUHC) on a regular basis to demonstrate our progress against our cyber treatment plan, we have implemented the recommendations, and they are

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
	clear recovery plan in the event of one.		the 15 <sup>th</sup> March 2024, 13 of the recommendations have been implemented, and four of these recommendations are now ongoing BAU activity. The 10 remaining recommendations are underway with work progressing well, all recommendations will be completed by Q3/2024. The Local Digital Cyber Support team were very impressed with the exercise we ran in October and are more than happy with progress to date and our plans for the			now part of our business-as-usual activities. As part of these recommendations, we have formally documented and approved a Cyber Security Incident Response Plan (CSIRP), this plan is separate from our business continuity and disaster recovery plans and focuses specifically on preparedness for cyber threats. We have implemented new software to fully automate patching and vulnerability remediation on corporate devices, including infrastructure and end-user devices. This has significantly improved the time taken to patch against known vulnerabilities while reducing the manual effort required. These improvements have increased our resilience and contributed to a material and sustainable reduction in cyber



	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
Page 133			<p>remainder of the work.</p> <p>The fundamental recommendations identified in relation to the IT infrastructure made within Internal Audits report will be followed up as part of the 2024/25 Internal Audit plan.</p>			<p>risk. However, maintaining the risk rating at 5/5 despite improvements is a rational approach due to the ever-evolving nature of cyber threats and the potentially devastating impact a successful cyber-attack can have on the council.</p>
4.	<p><b>Governance Issue:</b></p> <p>The Council will be unable to deliver strategic objectives as set out in The Shropshire Plan due to financial constraints.</p> <p><b>Targeted Outcome:</b></p> <p>A sustainable financial position is</p>	<p>Inability to Set a Balanced Budget for a given year within the MTFS.</p>	<p>With support from the Strategic Transformation Partner (PwC), delivering the approved spending reductions in 2024/25 and a sustainable position into the medium term.</p> <p>Delivery Plans for all spending reductions in</p>	<p>ExDir Resources</p>	<p>March 2025</p>	<p>Extensive work on resizing has been delivered by PwC and a S/M/L priority list drawn up expecting £0.969m PYE 24/25 and £5.7m FYE 25/26.</p> <p>Confirmation of savings is being completed in January 2025 and outstanding values will be built into delivery plans Jan-Mar 25.</p>

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
	achieved over the medium term.		<p>2024/25 have been completed. Service Improvement Plans (SIPs) for every area of the Council are being completed. Development and alignment of SIPs and Delivery Plans to The Shropshire Plan (TSP) and Personal Delivery Plans (PDPs) is a development over 2024/25 creating a sustainable model for the future.</p> <p>SIPs and associated KPIs to be documented and used to monitor delivery of outcomes.</p>			<p>SIPS and PDPs are incomplete as at December 2024. Improvement plans in this area have been paused, predominantly due to two factors: VR of key staff progressing this and focus of the authority on Financial Survival in 2024/25.</p> <p>Financial survival has been prioritised against improvement planning, but not at the direct detriment of service delivery, where possible.</p> <p>The original three year tactical plan was yr 1 financial survival, yr 2 improvement plan, yr 3 development plan, with yr 2 being 2024/25. In reality, yr 1 has spread over 2023/24 and 2024/25 necessitating the pausing of an improvement plan.</p>

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
						<p>For 2025/26 a radical new operating model is being implemented with a senior management restructure the starting point from January 2025. A new model of delivery through commissioning and Statement of Works should create more focussed delivery clarifying what is and is not commissioned thereby reducing the size, complexity and cost of the authority while also improving governance processes and direct delivery of positive outcomes aligned to a refreshed Shropshire Plan.</p> <p>[Evidence – SIPs, PDPs completed, gaps, cover]</p>
5.	<p><b>Governance Issue:</b></p> <p>The Council will be unable to contain its costs within the</p>	Inability to Contain overall committed Expenditure	Service Improvement Plans and associated KPIs to be documented and used	ExDir Resources	March 2025	The PowerBI Dashboards ensure a strong grip is held on the Council's financial position. Monthly reporting to Cabinet and T&I OSC has ensured the

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
	<p>available financial envelope for the year.</p> <p><b>Targeted Outcome:</b></p> <p>Council expenditure is in line with budgeted position for 2024/25.</p>	<p>within the Current Available Resources within this Financial Year.</p>	<p>to monitor delivery of outcomes.</p> <p>Activity for 2024/25 with Strategic Partner centred around three key workstreams – Revised Customer journey and digitisation, a new Target Operating Model and review of Third Party Spend.</p>			<p>Council's overspend has stayed within the available reserves (just) and has improved month on month. At Q2 £3.7m was left in reserves, an improvement from £1.9m at P5 and increases the likelihood that the end of year position will remain legally balanced.</p> <p>P7 and P8 have seen a slight deterioration with £2.9m left in reserves.</p> <p>ERB receives reports on resizing, TPS and Customer Journey. All will provide year end assessment of delivery and financial benefit in-year and FYE 25/26.</p>
			OCE defined outcomes, programme management office and transformation	CEO	March 2025	The programme has a clear governance structure and reporting which details delivery and outcomes. This is also

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
			plans. PwC strategic partner delivery. Governance structure around the PwC contract. Performance mechanisms around delivery.			recorded through case studies and communications generally.  The PwC contract is managed through weekly calls between the AD for Transformation and PwC colleagues, monthly highlight reports, and the monthly Delivery Governance Group (DGG) meetings (between senior leaders from both parties) which oversees contract delivery and performance.
6.	<b>Governance Issue:</b> The Council, alongside partners, will be unable to ensure the safety and health of people and communities.  <b>Targeted Outcome:</b>	Impact of extreme pressures upon partners (social care, health, and criminal justice).	We continue to work with the ICS regarding partnership work at a place (HWBB and SHIPP Shropshire level) and at an ICB and ICP system level. Bringing all key partners into the conversations and planning with an equal	ExDir Health, Wellbeing and Prevention, Public Health and General	March 2025	Continuation of the ICS system working. A further ICP took place in October 2024 with dates and topics in agreement for 2025, aligned to the NHS 10 year plan (3 shifts) and Darzi Report. The CEX has also took up chair of SHIPP.  Further development of Joint Roles planned for 2025.

	<b>Governance Issue and Targeted Outcome</b>	<b>Strategic Risk</b>	<b>Activity</b>	<b>Sponsor</b>	<b>Completion date</b>	<b>January 2025 Update</b>
	Establishment of robust co-produced Health and Care system to deliver the desired outcomes.		<p>role. The last ICP (January 2024) reflected the partnership working with an agreement to collectively look at key topics in development sessions.</p> <p>Prevention Framework and Action Plan approved by HWBB in January 2024. Ongoing work to deliver the actions</p> <p>JSNA continues to be rolled out across the County with a plan to complete by the Autumn. Regular updates are shared with HWBB <a href="#">Place-based Joint Strategic</a></p>	Management		The SoS for Health and Social Care has been invited to STW regarding system pressures.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
			<a href="#">Needs Assessment   Shropshire Council</a>			
7.  Page 139	<p><b>Governance Issue:</b> The Council has key IT systems that are unfit for purpose.</p> <p><b>Targeted Outcome:</b> IT systems are efficient and effective with strong internal controls.</p>	Failure of Officers and Members to adhere to Governance arrangements.	<p>Review and improve functionality and reporting from the ERP system.</p> <p>An options appraisal on the future of our ERP system is underway, in particular looking at the HR and Payroll elements. We want to ensure that our system is fit for purpose and meets our current and future needs. Additionally, we are looking at the feasibility of implementing a financial planning and analysis solution that is available in our ERP</p>	ExDir Resources	March 2025	<p>Several significant improvements have been made to the ERP system:</p> <p><b>Reporting Enhancements:</b> We've created managers' dashboards that provide real-time insights and performance indicators. This has improved our ability to monitor and manage various aspects of the council more effectively.</p> <p><b>Automation, Efficiency and Integration Improvements:</b> We've enhanced the integration between ERP and other systems. For instance, as staff are processed as leavers in ERP, this information automatically updates our main ICT systems and schedules the</p>

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
			system. This would enable us to streamline our budgeting and forecasting processes, as well as improve our financial reporting and analysis capabilities. We are exploring the technical and functional requirements, as well as the potential impact and value of this solution.			<p>closure and deletion of their network accounts.</p> <p><b>Options Appraisal:</b> An options appraisal on the future of our ERP system has been conducted, particularly focusing on the HR and Payroll elements. This is to ensure that our system is fit for purpose and meets our current and future needs.</p> <p><b>Financial Planning and Analysis:</b> We are still exploring the feasibility of implementing a financial planning and analysis solution available in our ERP system. This would streamline our budgeting and forecasting processes and improve our financial reporting and analysis capabilities.</p> <p>These improvements have collectively enhanced the</p>



	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
						functionality, integration, and efficiency of our ERP system, ensuring it continues to meet the evolving needs of the council.
8.  Page 141	<b>Governance Issue:</b> The Council fails to deliver key strategic projects as needed.  <b>Targeted Outcome:</b> Key strategic projects are delivered on time, on budget and meet the desired outcomes.	Failure of Officers and Members to adhere to Governance arrangements.	It is essential through the current procurement process, to establish a robust and deliverable cost estimate for the full completion of the NWRR.  The project is subject to some 63 Planning Conditions, which it fully supports, to ensure and evidence that the NWRR is constructed responsibly, and with robust mitigation and management of any	ExDir Place	March 2025	The current governance arrangements and the terms of reference for the NWRR Project are actively being reviewed. This will include a new suite of governance arrangements that will developed for the NWRR Project. This will be co-authored by key stakeholders, including the project team, finance, audit and follow core principles, appropriate for the project of this type. This will ensure that all current risks and concerns are captured and mitigated, to ensure that a new model provides the levels of reassurance, transparency and confidence required.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
Page 142			<p>environmental impacts.</p> <p>The process of open market procurement is intended by design to drive efficiencies and competition in the market to give best value for the public purse. There will be the publication of a market tested figure at the completion of procurement, within the full business case. No contract award or mobilisation on the Main Works will take place until FBC approval is in place with DfT and Council.</p> <p>The fundamental / significant recommendations</p>			

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
			identified in the NWRR Internal Audit report will be followed up as part of the 2024/25 Internal Audit plan.			
Page 143	<p><b>Governance Issue:</b></p> <p>The Council has weak or inappropriate systems of governance in place.</p> <p><b>Targeted Outcome:</b></p> <p>All officers and Members understand public sector standards, the Nolan Principles and exhibit appropriate</p>	Failure of Officers and Members to adhere to Governance arrangements	The Council's Code of Corporate Governance, located in the Constitution, summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. Failure of officers and members to adhere to	CEO	March 2025	Arrangements to address these governance issues were paused due to two key factors: focus on financial survival and implementation of a new operating model. Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration

	<b>Governance Issue and Targeted Outcome</b>	<b>Strategic Risk</b>	<b>Activity</b>	<b>Sponsor</b>	<b>Completion date</b>	<b>January 2025 Update</b>
	behaviour at all times.		<p>governance arrangements, increases the risk of ineffective day to day decision making, fraud, corruption, reputational damage, inappropriate use of resources and an inability to achieve the objectives as set out in The Shropshire Plan.</p> <p>Induction, continuous PDP and performance management. Formal acceptance of the code of conduct, policies and legislative requirements. Review mandatory and discretionary training. Defining the leadership and</p>			<p>of the entire authority is planned for 2025/26 built on these principles.</p> <p>The internal audit report considering The Shropshire Plan demonstrated that a 'golden thread' was not embedded through the authority and this helps inform the road map for the future mitigation of this governance risk.</p> <p>All Internal Audit recommendations are being followed up and the requirement for Declarations of Interest is clear within the Council's Constitution, although design of a system is delayed pending the new operating model coming into place.</p>

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
Page 145			<p>management roles and responsibilities. Declarations of interest system to be defined.</p> <p>The fundamental recommendations relating to governance and contract management made within Internal Audit reports will be followed up as part of the 2024/25 Internal Audit plan.</p>			

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
10.	<p><b>Governance Issue:</b> Failure to deliver best value.</p> <p><b>Targeted Outcome:</b> Securing best value in key areas such as governance, culture, finances and statutory services.</p>	Failure of Officers and Members to adhere to Governance arrangements	<p>The Council must demonstrate it is securing best value in key areas such as governance, culture, finances and statutory services.</p> <p>The seven best value themes will be monitored throughout 2024/25 to ensure that any risks to delivery have appropriate mitigations in place. Where actions are required to meet the key characteristics of a well-functioning Council, these will be addressed on an ongoing basis.</p>	CEO	March 2024	<p>The Best Value framework has been reviewed informally ahead of the design of the new operating model for 2025/26.</p> <p>Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration of the entire authority is planned for 2025/26 built on these principles.</p>



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**Audit Committee 26th  
June 2025**

Item

## Customer Journey Programme Update

<b>Responsible Officer:</b>		Rachel Robinson	
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<b>Cabinet Member (Portfolio Holder):</b>		Alex Wagner – Deputy Council Leader & Communities	

### 1. Synopsis

This report provides an update on the progress of the Customer Journey Programme which is one of the key transformation areas identified to deliver the outcomes set out in The Shropshire Plan.

### 2. Executive Summary

- 2.1 The customer journey refers to any way that our customers (our residents and businesses) connect, interact and transact with the council, whether for simple or complex needs.
- 2.2 A review of our customer journey approach identified inconsistencies, variable service fulfilment, and satisfaction levels. There was also limited use of digital self-service and automation. This sometimes resulted in higher dissatisfaction, inefficient processes or service delivery, and increased 'failure demand' (e.g., customers needing to follow up on existing requests).
- 2.3 The customer programme aims to improve how customers interact with the council, ensuring they receive appropriate services promptly via suitable channels. Additionally, the programme seeks to enhance internal communications within the council to facilitate better coordination and efficiency.
- 2.4 The programme brings together several elements, with the two most significant being, customer journey digitalisation, and the delivery of community and family hubs. These are underpinned by interventions to overcome digital exclusion and promote culture change.
- 2.5 The aim of this approach is to create a 'digital by choice' approach, whereby simple processes and requests can be digitalised and automated so that we reduce the administrative burden and cost, while reducing the time taken to submit, and address, enquiries, and service requests. In turn, this will also

free our people to be able to prioritise their time on those most vulnerable or in need.

- 2.6 To deliver the customer digitalisation programme we have used the skills, expertise, and resources of Price Waterhouse Cooper (PwC), our transformation partner, who have a track record of successfully delivering these projects with other Councils. They have supported us in creating a refreshed customer strategy to set direction, a comprehensive plan to deliver the strategy, and expertise to enable better use of new and emerging technologies (which the Council does not have in abundance and would be unable to recruit quickly).
- 2.7 Specifically, PwC provides technical and project support to our new Digital Delivery Unit (DDU), working alongside our in-house team to develop and deploy digital solutions that meet our service and customer needs, while transferring skills and knowledge to allow us to reduce the reliance on them and create our own internal capacity.
- 2.8 The DDU is our mechanism to deliver this major customer digital transformation project. It uses lean principles to reengineer processes, before developing reusable digital components and Artificial Intelligence (AI) solutions, to radically improve the customer experience and journey. The DDU also enhances our internal technologies by deploying connections that reduce the need for officers to be involved in processing requested unless they are needed.
- 2.9 As we develop the core digital tools and components, and we raise the internal capabilities of our own teams, we will begin to reduce our reliance on external providers (such as PwC), making the DDU sustainable and affordable in the future.

### 3. Programme management governance and controls

- 3.1 The Executive Review Board (ERB) was accountable for the overall delivery of transformation programme, ensuring it was delivered on time, on budget, and in line with the agreed strategic objectives. Following the Senior Leadership restructure, the ERB has now been replaced by the Leadership Board which will assume the responsibilities for overall governance and oversight of the transformation programme. The sponsor for transformation overall, and ultimate decision-maker is Andy Begley (Chief Executive Officer).
- 3.2 The Customer Portfolio Board was responsible specifically for the governance of our customer portfolio, including the customer digital programme. The sponsor was Rachel Robinson (Executive Director, Public Health). The board met once a month and was accountable for delivery and budget. This included:
  - Making key delivery decisions, planning and activities within the agreed programme scope.
  - Monitoring progress of projects against agreed delivery plans.
  - Intra-programme risk and issue resolution and dependency management.
  - Submission of monthly highlight (status) reports to ERB.

- Providing a route of escalation to ERB.

3.3 The Customer Portfolio Board is in the process of being replaced but the responsibilities it had will sit with the Workforce and Customer Change Board, and the Sponsor is now Tanya Miles (Executive Director, DASS).

#### 4. Recommendations

Members are asked to note the report, the ambitions of our customer digital programme, progress to date, and the plans for the future.

## Report

#### 4. Risk Assessment and Opportunities Appraisal

The risks associate with the programme are held within the Programme RAID Log and managed through the agreed governance structure (see section 3.1).

#### 5. Financial Implications

- 5.1 The project enables efficiencies to support savings across the Councils Medium Term Financial Strategy (MTFS). This is either through the delivery of savings directly or through allowing us to release capacity from existing activity and so needing less resources (or people) to undertake that activity.
- 5.2 Any savings made, or capacity released may be from service budgets and, therefore, not necessarily allocated against the corporate savings line (ref EFF87 from MTFS). However, the full year effect of savings is expected to achieve the target set. This is a combination of savings from our investment in the digital programme as well as our community and family hubs.

Estimated Savings Delivery	Estimated Savings/Mitigations 24/25
Reductions in Customer Service Staffing due to automation/digital supporting reduced staffing requirement	£371,384
Children & Family Hubs Oswestry, Victoria Centre, Bridgenorth, Ludlow	£183,138
Reductions of costs in IT, transformation resource	£490,800
<b>Total</b>	<b>£1,045,322</b>

## 6. Climate Change Appraisal

- 6.1 The project contributes to carbon reduction by ensuring that services can be accessed through online channels by people that can. For residents that prefer to phone high volume transitional calls will be automated and only the most vulnerable customers will need to speak to officers or use face to face services. The move to digital by choice will also reduce both customer and service need to travel thereby reducing emissions, as well as providing digital channels that remove the need for printing and paper use.

## 7. Background

- 7.1 The Time to Change survey, completed in June 2023, engaged 80% of the council staff and provided an overview of the amount of time people spent on specific tasks and activities. It identified that external customer management is highly duplicated, with 72.0% of all roles contributing to this activity.

This duplication results from multiple entry points into the Council, and so the following improvement actions were identified:

- Initiate a contact automation pilot to begin to reduce staff time spent on simple customer queries.
  - As part of the development of the strategic New Operating Model (NOM), consider the most effective future blueprint for customer contact across the organisation.
  - Implement a revised customer channel approach to optimise contact into the Council in line with resident needs.
- 7.2 A digital delivery programme and unit were created as part of the refreshed contract with PwC in April 2024, bringing in external expertise and capacity to support our own resources to digitalise and automate services. The aim is to provide a digital by choice approach to service provision that allows an improved and consistent customer experience and will be available even when services were 'closed'.
- 7.3 The rollout of current components has delivered £1m in recurrent savings with future improvement opportunities providing a further return on investment. The digitisation will be supported through the 'right sizing' of Council establishment, with the digital programme allowing capacity to be released so that it can either provide a saving or be used to add value.
- 7.4 The solutions are designed to address emerging issues or opportunities effectively. For instance, our voice automation solution has been instrumental in assisting with voter registration and garden waste subscriptions. This innovation has significantly reduced the volume of calls transferred to the contact centre, leading to decreased waiting times and allowing our staff to focus on helping those in greatest need. The implementation of voice automation for garden waste subscriptions was particularly successful, with 66% of calls handled by automation without requiring intervention from call centre personnel. Additionally, the automation

of voter registration services resulted in a cost avoidance of £10,000 in temporary agency staffing during this period.

- 7.5 There is an appreciation that some members of our communities may lack the sufficient digital skills to engage with our new tools, and so our Digital Skills Programme commissions providers from across Shropshire to deliver digital support to excluded and marginalised groups, ensuring residents are upskilled to be able to use digital services where they choose to. We also co-chair the Digital Inclusion Network (DIN), a cross-sector partnership focused on reducing digital exclusion in Shropshire. It brings together local government, health services, and community organisations to improve digital access, skills, and confidence—especially for vulnerable and rural populations. DIN also works to influence policy, share best practices, and ensure services remain accessible to all residents
- 7.6 In addition, our Shropshire Local teams, along with the Community and Family Hubs provide a complementary service where residents can get access to Wi-Fi connectivity and computers, as well as staff who can assist the most vulnerable in accessing digital services. They also ensure that those who prefer or need face-to-face interactions can still receive this support.
- 7.7 Significant elements of our digital solutions have been developed and deployed, so this programme is already making a difference to how we engage with our customers. Testing and validation of new online forms and voice automation commenced before Christmas, and implementation is being planned with relevant services. Implementation is being closely monitored and any issues addressed promptly so that any potential negative impacts are managed and addressed at pace.
- 7.8 The rollout of Community and Family Hubs also continues. They are a key part of our services to customers targeting local needs and offering preventative solutions. We now have five hubs that provide access points for essential services allowing us to take an integrated approach, working with other organisations across ‘the system’ to deliver services in local communities.
- 7.9 Our Community and Family Hubs are for all-ages providing a single access point, providing a ‘front door’ to universal services for families with children of all ages, and include services for those with special educational needs and disabilities (SEND), and a Start for Life offer at their core.
- 7.10 Beyond Children and Families, the hubs aim to support adults and older people to access the services and activities they need to keep themselves as independent and well as possible. This includes being able to connect with preventative health services, carer support, and other social support.
- 7.11 Hubs provide services and professionals with a shared space to make it easier for people of all ages to access the services they need, and these include physical locations, but also outreach support.

## Appendices

[Shropshire Digital Skills Programme 2023 to 2026.docx](#)

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**Audit Committee  
26 June 2025**

Item

Public



## Risk Annual Report

<b>Responsible Officer:</b>		Billy Webster	
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<b>Cabinet Member (Portfolio Holder):</b>		Roger Evans	

### 1. Synopsis

This report provides an overview of Risk activity during 2024/25 and a synopsis of the current risk exposure of the authority in relation to Strategic, Operational, and Project risks.

### 2. Executive Summary

The Shropshire Plan includes our priority to be a Healthy Organisation which incorporates the strategic objective “We'll continuously develop our response to disruptive incidents affecting Shropshire communities, strengthening our ability to absorb shock, adapt and make changes, sustain positive change, and anticipate future shocks.” Risk Management is a key process in enabling the delivery of this objective and the dedicated team leading this approach strive to embed best practice, through the Opportunity Risk Management Strategy, across the authority wherever possible.

This report sets out the undertakings, challenges and achievements accomplished by the Team during 2024/2025.

### 3. Recommendations

Members are asked to note the report and risk position.

# Report

## 4. Risk Assessment and Opportunities Appraisal

The management of risk is a key process which underpins the successful achievement of our priorities and outcomes. It forms part of the Annual Governance Statement, and the Risk & Business Continuity Team ensures that processes and protocols are established and embedded which support effective decision making.

Insurance is an effective method of risk transfer, and a balance of self-insurance and third-party insurance is used based on our risk appetite.

## 5. Financial Implications

Failure to effectively and strategically manage the risks associated with developing a sustainable budget will potentially leave the Council exposed to external challenge and financial ramifications.

Financial risks form part of the Council's strategic risk exposure. They are subject to regular reviews alongside all other strategic risks with clearly identified controls and additional controls for mitigation.

## 6. Climate Change Appraisal

The information contained within this report does not impact negatively on our climate change agenda.

Climate Change is one of the Council's strategic risks. It is subject to regular review alongside all other strategic risks with clearly identified controls and additional controls for mitigation.

## 7. Background

The Council has a Risk & Business Continuity Team who oversee the management of Strategic, Operational, and Project risks across the authority.

### 7.1 Strategic Risk Management

Throughout 2024/2025 our strategic risks were reviewed on a bi-annual basis in line with operational risk reviews, ensuring that the level of risk exposure is monitored closely. The outcome of each review is reported to Executive Directors and Informal Cabinet.

The Risk Profile & Action Plans for managing our strategic risks are embedded in the Risk Management SharePoint system. This allows the risks to be updated as frequently as required. The risk profile and action plans detail the direction of travel for each strategic risk over the year, a target risk score for the year end and clearly articulates the current controls in place and the additional controls required to mitigate and manage our strategic risk exposure effectively. Any slippage on outstanding actions is also identified, rationale provided for the slippage and challenged where necessary.



Strategic Risks are reviewed by the Leadership Board regularly, while reviews of the additional controls are undertaken by all additional control owners to ensure that these are appropriate to mitigate the associated strategic risk. This includes clearly defining the required additional controls and ensuring realistic timescales are applied for delivery of these.

Assurance levels are also reviewed aligned to the Three Lines Model of assurance provision. The Three Lines Model is a risk management approach to help organisations identify and manage risks effectively by creating three distinct lines of assurance Appendix A.

The diagram in Appendix B demonstrates our overall strategic risk exposure as at the start of June 2025.

At this point in time, there are 10 strategic risks on the strategic risk register, and these are each managed by specific Executive Directors. These are detailed in Appendix C.

Audit Committee can at any time elect to have a more detailed examination of any of the strategic risks and can invite the relevant Executive Director (risk owner) or Service Director (risk lead) to a committee meeting to discuss their risk in more detail.

## 7.2 Operational Risk Management

Operational risks are reviewed on a bi-annual basis. These risks are also embedded into a specific Risk Management SharePoint site which enables risks to be more pro-actively managed in a 'live' environment enabling PowerBI reports to be provide a 'real time' overview of our risk position.

Following the bi-annual review of operational risk exposure (May and November), reports on status are provided to Leadership Board.

Emerging operational risks, or themes, feed into and are considered as part of the strategic risk review. Strategic risks have been added to the strategic risk register as a result of risks raised through operational risk reviews (e.g. Health & Wellbeing of Staff).

As at the beginning of June 2025 there were 110 operational risk registers in place across the authority containing 1060 risks in total. The diagram in Appendix D. demonstrates our current overall operational risk exposure and Appendix E shows a plotting matrix.

## 7.3 Project Risk Management

We continue to be involved and support key projects that are currently underway, or which are due to be commenced.

As with all risks there is a robust risk management process in place for project risk management. A risk register is developed at the commencement of projects and held within SharePoint. Risks are allocated to appropriate project board members for management and review. The direction of travel for projects is monitored to give an indication as to how well managed the risks are.

PowerBI reports are available on current risk exposure across any project. As at the start of June 2025 there were 569 project risks. Current project risk exposure is demonstrated in Appendix F and Appendix G shows a plotting matrix where each risk sits.

Automated emails are sent every quarter to project risk owners reminding them to update and review their risks. If risks are not reviewed automated escalation emails are then sent to the project manager and the risk management officer for follow up. Furthermore, a project risk status report is provided to Executive Directors on a quarterly basis.

The overarching controls and processes for risk management are in place and are operating effectively but there will always be some minor areas of non-compliance and these are identified as part of our reviews and escalated to Leadership Board and Project Board leads for them to ensure their staff update the registers and manage their risks.

#### 7.4 Opportunity Risk Management

The Opportunity Risk Management Strategy, which supports our rapidly changing environment, is reviewed on an annual basis and endorsed by the Chief Executive. The Council needs to ensure that it is taking advantage of every opportunity possible, and the strategy is therefore outcome based and focuses on supporting the achievement of our key priorities, objectives as set out in The Shropshire Plan and benefits realisation.

#### 7.5 Audit Assurance

The Audit Team undertook a risk management audit for 2024-2025. The final report identified the assurance level as “Reasonable”, in that there is generally a sound system of control in place but there is evidence of non-compliance with some of the controls. The direction of travel identified as having a ‘no change to control environment’. The areas for improvement largely related to the management of project risks, but the planned actions have now been undertaken.

### **8. Additional Information**

We continue to work closely and collaboratively with Audit Team colleagues. This ensures that audit activity is cross referenced with our strategic and business plan objectives and current risk exposure.

### **9. Proposed Developments 2024/2025**

The Programme Management Office (PMO) was set-up to oversee delivery of our Transformation Programme, and work was undertaken to ensure that the management of project risks in this area during 2024/25 were in line with the embedded risk management processes.

### **10. Conclusions**

- 10.1 The Risk & Business Continuity Team has continued to support all services across the authority, continuously developing more self-service and streamlined ways to manage risk more efficiently.
- 10.2 Our risks continue to be reviewed and updated regularly thereby ensuring we appropriately manage our risks.

**Local Member:**

**N/A**

## **Appendices**

Appendix A – Three Lines Model

Appendix B – Strategic Risk Exposure (June 2025)

Appendix C – Strategic Risk List (June 2024)

Appendix D – Operational Risk Exposure (June 2025)

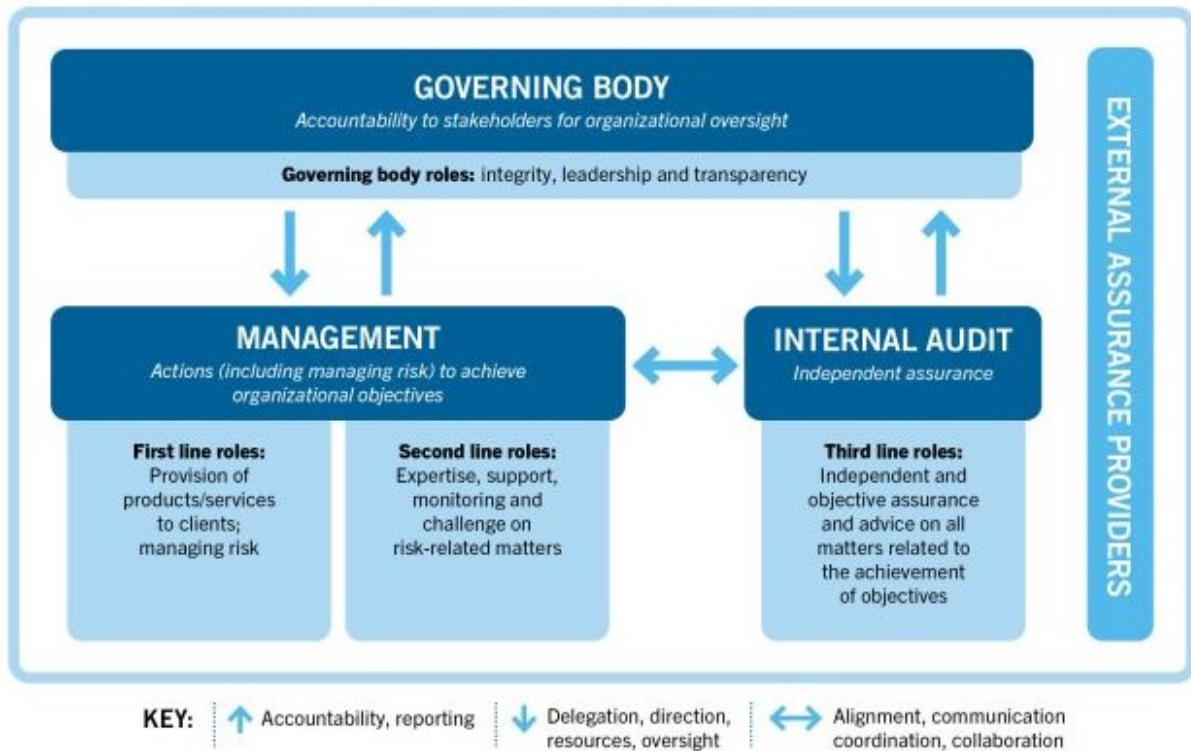
Appendix E – Project Risk Exposure (June 2025)

Appendix F – Project Risk Exposure (June 2025)

Appendix G – Project Risk Plotting Matrix (June 2025)

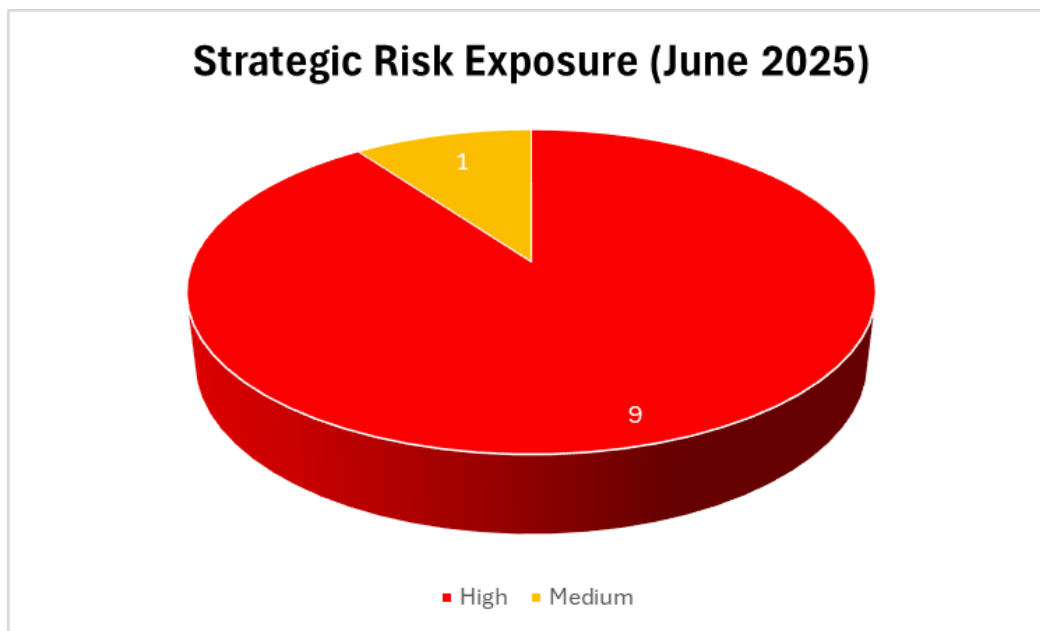
## APPENDIX A – THREE LINES MODEL

### The IIA's Three Lines Model (2020)



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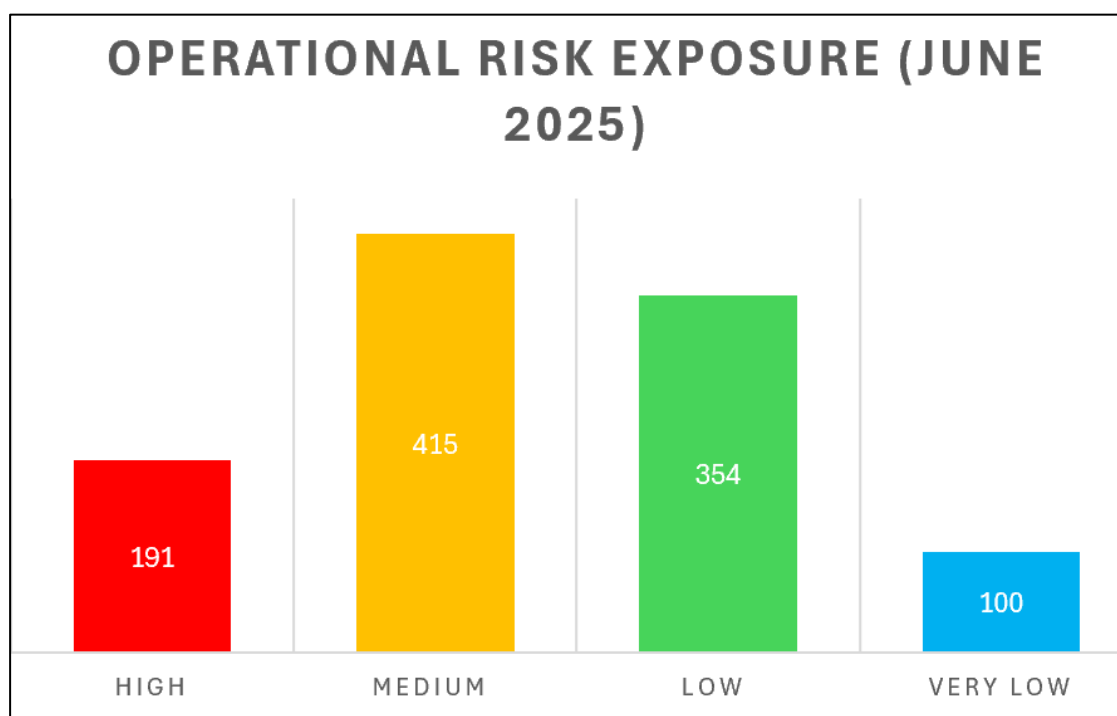
## APPENDIX B – STRATEGIC RISK EXPOSURE (JUNE 2025)



**APPENDIX C – STRATEGIC RISK LIST (JUNE 2025)**

<b>Risk</b>	<b>Risk Owner</b>	<b>L</b>	<b>I</b>	<b>Status</b>	<b>Travel</b>
Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	James Walton	5	5	25	=
Inability to contain overall committed expenditure within the current available resources within this financial year.	James Walton	5	5	25	↑
Inability to set a balanced budget for a given year within the MTFS.	James Walton	5	5	25	↑
Failure of Officers and Members to adhere to Governance arrangements.	James Walton	5	4	20	↑
Health & Wellbeing of The Workforce.	James Walton	5	4	20	=
Critical Skills shortage impacting on Recruitment, Retention & Succession Planning	James Walton	5	4	20	=
Impact of extreme pressures upon partners (social care, health, and criminal justice)	Rachel Robinson/ Tanya Miles	5	4	20	=
Responding and Adapting to Climate Change.	Andy Begley	4	4	16	=
Impact of increased waiting lists in relation to DoLs, OT and SI.	Tanya Miles	4	4	16	=
Safeguarding children.	Tanya Miles	3	4	12	=

## APPENDIX D – OPERATIONAL RISK EXPOSURE (JUNE 2025)

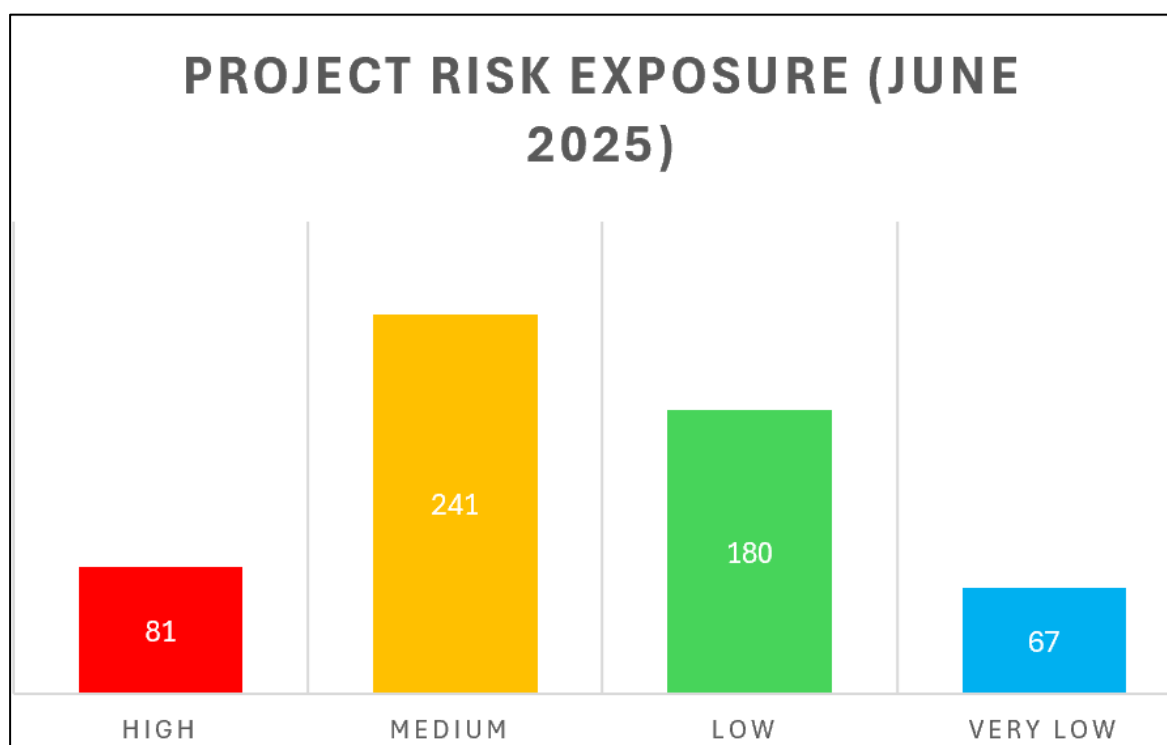


## APPENDIX E – OPERATIONAL RISK PLOTTING MATRIX (JUNE 2025)

	Likelihood Score					
		1	2	3	4	5
Impact Score	5	2	30	42	22	27
	4	0	16	71	84	8
	3	3	66	155	72	8
	2	5	112	120	56	15
	1	19	35	38	36	18



## APPENDIX F – PROJECT RISK EXPOSURE (JUNE 2025)



## APPENDIX G – PROJECT RISK PLOTTING MATRIX (JUNE 2025)

	Likelihood Score					
Impact Score		1	2	3	4	5
	5	7	16	10	3	19
	4	8	43	49	24	8
	3	35	111	93	22	17
	2	23	36	16	7	11
	1	4	3	2	1	1



## Committee and Date

Audit Committee

26<sup>th</sup> June 2025

10:00am

Item

Public



## Short Breaks Service Management Update

**Responsible Officer:**

Laura Tyler

email:

[Laura.tyler@shropshire.gov.uk](mailto:Laura.tyler@shropshire.gov.uk)

Tel:

01743 253178

**Cabinet Member** (Portfolio Holder):

Councillor Ruth Houghton

### 1. Synopsis

This report provides Committee an update on the progress against recommendations following an audit review of the council's short breaks services. These are commissioned services through three contracts with two service providers.

### 2. Executive Summary

2.1. Shropshire Council provides funding for a variety of Short Breaks services aimed at supporting children and young people with disabilities up to the age of 18. These services are designed to offer enriching experiences for children while relieving parents and carers of their daily caregiving responsibilities. Short Breaks encompass a broad spectrum of activities, including after-school programs, weekend events, school holiday engagements, and overnight stays. They provide valuable opportunities for children to develop independence, confidence, and social skills within and outside their family environment.

2.2. The program offers three tiers of support: universal activities accessible to all children, targeted short breaks for those needing additional assistance to participate in general activities, and specialist short breaks tailored to those with complex needs requiring a social work assessment. Activities range from drama, sports, and clubs to specialised care at residential facilities or support at home. These initiatives aim to foster both enjoyment and personal growth for children who might otherwise struggle to access such opportunities independently.

- 2.3. Currently, these contracts are divided into three Lots. Specialised overnight stays , community short breaks and an "All In" service, which provides universal short break activities. The total contract value is £1.93m for 25/26.
- 2.4. The vision for short breaks over the next twelve months is centered on commissioning and expanding a diverse array of activities and services to ensure that every child, regardless of their individual needs, has access to enriching and supportive opportunities. This involves a refocus on prevention, to meet needs at the earliest possible stage, reducing the need for overnight provision.
- 2.5. An audit was undertaken of the shorts breaks position between February and August 2024. This resulted in several recommendations and overall assurance rating of unsatisfactory. This audit was prior to the work on the new short breaks model.
- 2.6. Work ongoing during Spring/Summer 2023, with PWC resulted in a business case to strengthen the capacity across Commissioning and Contract Management and Quality Assurance aligned to Children's commissioning. This was in light of recognised risks and opportunities identified, including short breaks as a service model for improvement.
- 2.7. A business case was approved by Exec Review Board (ERB) in Dec 2023, a consultation across the team and a restructure led to a strengthened approach and commissioning team structure of Start Well, Live Well and Age Well all-age Commissioning, Contracts and Quality Assurance. This was fully implemented November 2024. There were capacity challenges during this time due to sickness and implementing the new structure in parallel.
- 2.8. As result of this new structure, work on short breaks recommission has accelerated this year and the revised model now proposed will deliver a stronger more sustainable model as described above in 2.4, 2.5 and 2.6.
- 2.9. Contract Monitoring and quality assurance capacity and processes are also now in place. Monthly oversight is through the Social Care Quality and Performance Monitoring Group (QPG).
- 2.10. An additional challenge during this time has been unprecedented pressure within the social care provider market over the last 12 months, particularly financial, arising from the increases in national insurance, and the national minimum wage. Providers have seen a 12-15% increase in these costs. Service continuity and management of risks associated with this position across the sector has been significant.
- 2.11. This report provides the information on the actions taken by Commissioning, Contracts and within the Disabled Children's Team in response to the audit recommendations

### 3. Recommendations

- 3.1. Members to note the updates as set out in the report and support the actions that have been taken to secure service continuity and a move towards a new model with a more diverse short breaks offer for young people and families.

## Report

### 4. Risk Assessment and Opportunities Appraisal

#### 4.1. Risk table

Risk	Mitigation
Financial - Not investing in short breaks increases the risk of vulnerable children and families needing more intervention, including expensive residential care.	An agreement has been reached to increase the budget for short breaks for a 12-month period to conduct a comprehensive commissioning and financial review. This budget increase aims to stabilize current provisions, thereby reducing the pressure associated with the need for permanent residential care for children with disabilities.
Safeguarding - Interruptions to short breaks provision heighten safeguarding risks.	Alongside the financial increase, meetings have been conducted with the provider to inform families and provide points of contact for additional support and resources.
Legal- failing to fulfill the statutory duty to provide short breaks for disabled children and their families could expose the Council to significant legal risks. This includes potential judicial reviews initiated by affected families or advocacy groups, citing non-compliance with statutory obligations under the Children Act 1989 or associated legislation. Such legal challenges could result in court rulings mandating immediate corrective actions, penalties, or reputational damage to the Council. Furthermore, the absence of adequate provision risks breaching principles of fairness, equality, and human rights, potentially inviting claims under the Equality Act 2010. Engaging in litigation not only incurs financial costs but also diverts resources and attention from critical services, exacerbating the challenges faced by vulnerable children and their families.	Frequent meetings have been held with commissioning, Disabled Children's Team managers, and the provider to discuss support needs and manage risks individually. Shared solutions are sought to meet assessed needs and alternatives found when necessary.

### 5. Financial Implications

- 5.1. The overall annual cost of Short Breaks contracts is £1.93m (overnight and universal).

- 5.2. Currently there are six children accessing overnight short breaks who are assessed as high risk. Without this provision alone we would need full time high-cost placements. We have estimated this could cost upwards of £1.87m.
- 5.3. Benchmarking indicates that moving to a spot purchase agreement would significantly increase costs for overnight short breaks, with Telford reporting a total nightly cost of £1,300, i.e. £450 per night more than the service costs under current contract.

## 6. Climate Change Appraisal

- 6.1. There are no anticipated direct climate change or environmental impacts associated with the recommendations in this report.

## 7. Background

- 7.1. The Audit report from 2023/24 gave an unsatisfactory assurance rating and identified two fundamental recommendations.
- 7.2. A review of evidence against the progress against these measures was completed by internal Audit in April/May 2025.
- 7.3. The detailed report is identified at Appendix 2 of the report.
- 7.4. The table below updates Members on the progress against the recommendations made in the 2023/24 audit:

Recommendation	Management Action	Review Date
The Short Breaks recommissioning work must continue at pace in order to determine and meet the requirements of a child or young person who has a disability and lives in Shropshire. Contracts should be procured in line with the Council's Contract Procedural Rules and formalised prior to the existing expiry date of 31st March 2025.	<p>The recommission of short breaks continues at pace, with leadership from the Commissioning Manager Start Well. Weekly project meetings are in place, oversight by Service Manager, Commissioning under the Joint Commissioning Deliver Group (JCDG).</p> <p>There is currently an extensive work programme to review and change the overall short breaks model. Work will continue to define the new model to provide alternative solutions to support family needs and children. Once the model is final, contracts will be procured as required.</p> <p>The first will be a sub-regional family based short breaks offer to be tested with the market Sept/Oct.</p> <p>Risks considered by DMT on 28th January 2025, and agreement reached to proceed following which the then Assistant Director – Legal and Governance was approached for an exemption from the Council's Contract Procedure Rules. He explained that he was not in a position to agree to</p>	June 9 <sup>th</sup> and ongoing oversight through JCDG

Recommendation	Management Action	Review Date
	such an exemption as it would be a breach of the Public Contracts Regulations. The matter was therefore referred to EMT on the 4th March 2025 regarding the wider position. Due to reliance on the current provider and service, the need for continuation of delivery whilst the new sustainable and diversified model is shaped and put in place, a recommendation was considered and agreed by EMT. Risks considered were significant financial risks if service collapse/lack of continuity and risks for vulnerable young people. EMT understood the risks associated with the extension requiring a clear timeline and actions to be delivered.	
All forms in relation to a referral for services provided by the Provider of overnight short breaks should be held on the child's LCS record.	All new referrals to the Provider of overnight short breaks are uploaded on the system to documents within LCS.	N/A - action complete
<p>The contracts should be reviewed, and consideration should be given to withhold payments to the Providers. Legal advice should be sought as to the consequences of not fulfilling these obligations and withholding payments.</p> <p>Once the contracts are re-procured and operating in practice, a contract manager should be allocated to monitor performance and ensure providers are meeting their contractual arrangements and meeting the demands of service users.</p>	<p>Consideration of sanctions was given, however there is limited facility within the contract for this and deemed too risky in respect of continued provider delivery. Would have resulted in withdrawal of provider and service failure/collapse.</p> <p>Contract Management capacity to support Children's contracts including Action 4 Children is now in place. Posts in the Contracts Team include Contracts and Quality Assurance Officer (started Jan 2025) and Quality Assurance Monitoring Officer also now in place (started Jan 2025). Oversight is through Quality and Performance Group (QPG).</p>	<p>June 9<sup>th</sup> through JCDG</p> <p>Ongoing through monthly QPG meetings</p>

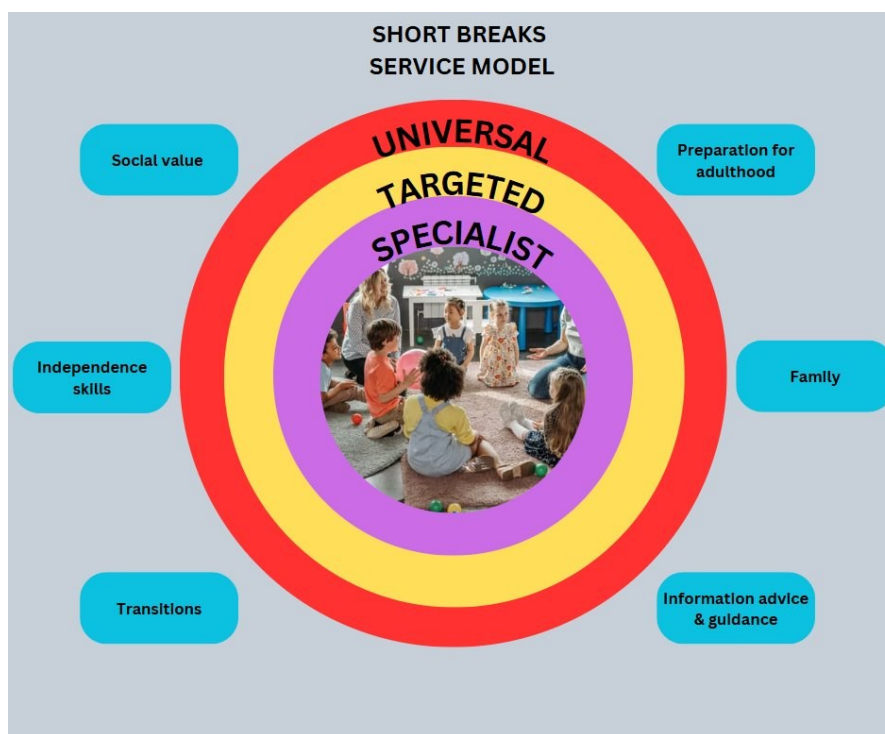
7.5. The refocus through the future recommission and new short breaks model with a stronger emphasis on prevention and meeting needs earlier through an expanded offer of activities and meeting individual needs, presents a positive response to the audit recommendations.

7.6. Sub-regional opportunities have also been identified, offering a chance to collaborate with neighboring areas to optimise resources and enhance service delivery. Currently, a joint commission of family-based care is underway, aiming to

provide alternative options for families while demonstrating cost-effective solutions. The overall vision for the future model can be seen below in Fig 1.

- 7.7. Work is ongoing to further align short breaks with the broader goals set out in the local and national agendas eg Shropshire plan, SEND and Alternative Provision strategy and internal growth project group.

Fig 1



## 8. Additional Information

- 8.1. An interim review of the progress against the recommendations has been completed in May by internal audit. This gave an unsatisfactory assurance rating and identified one fundamental and one significant recommendation. Whilst it was acknowledged that work had been undertaken to address the issues identified in the 2023/24 audit, including strengthening the teams in commissioning, contract management and quality assurance, this had not resulted in a change to the assurance opinion as the processes were not yet embedded.

## 9. Conclusions

- 9.1. Several measures are already underway to address issues raised by the audit. Operational service delivery has been stabilised, to allow the required timeline to redesign the service model and undertake commissioning activity.
- 9.2. Contract management and quality assurance capacity is now in place with active monitoring.



**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:**

**Appendices** [Please list the titles of Appendices]

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