



Committee and Date

Audit Committee

28th November 2024

10:00am

Item

Public



Internal Audit Performance 2024/25

Responsible Officer:	Barry Hanson		
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Cabinet Member (Portfolio Holder):	Lezley Picton, Leader of the Council Brian Williams, Chairman of the Audit Committee Gwilym Butler, Portfolio Holder – Finance and Corporate Resources and Communities		

1. Synopsis

This report summarises Internal Audit’s 2024/25 work to date. Delivery is slightly ahead of previous delivery records. 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 two months since the September Audit Committee. 49% percent of the revised plan has been completed (**see Appendix A, Table 1**), which is in line with previous delivery records (50% 2023/24, 42% 2022/23).
- 2.2. Five reasonable, seven limited and three unsatisfactory assurance opinions have been issued. The 15 final reports contained 110 recommendations, three of which were fundamental.
- 2.3. This report proposes minor revisions in the coverage of planned activity for Shropshire Council, with a slight decrease of 13 days from 1,347 days as reported in September 2024 to 1,334 days. Changes to the planned activity reflect adjustments considering both risks and available resources.

- 2.4. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion.
- 2.5. A notable increase in repeated low assurances where follow up audits are completed indicating action has not been taken to address the control weaknesses. Internal audit has noted management are suggesting longer implementation dates to significant recommendations which means that evidence-based risks identified by Internal Audit may not be mitigated in a timely manner.
- 2.6. 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. (**Paragraph 8.5 and Appendix A, Table 3**).

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.
- 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 adaptation. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

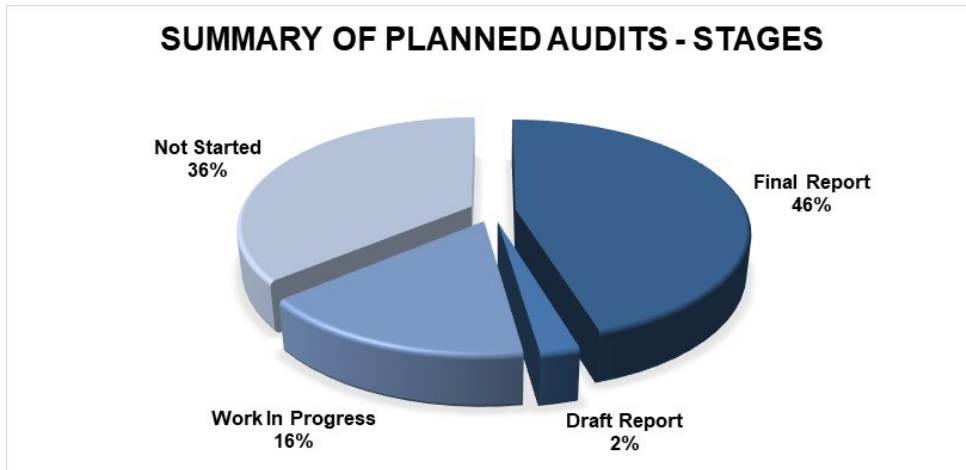
7. Background

- 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 17th July 2024 meeting with adjustments being approved in September. This report provides an update on progress made against the plan up to 20th October 2024 and includes minor revisions to the plan.

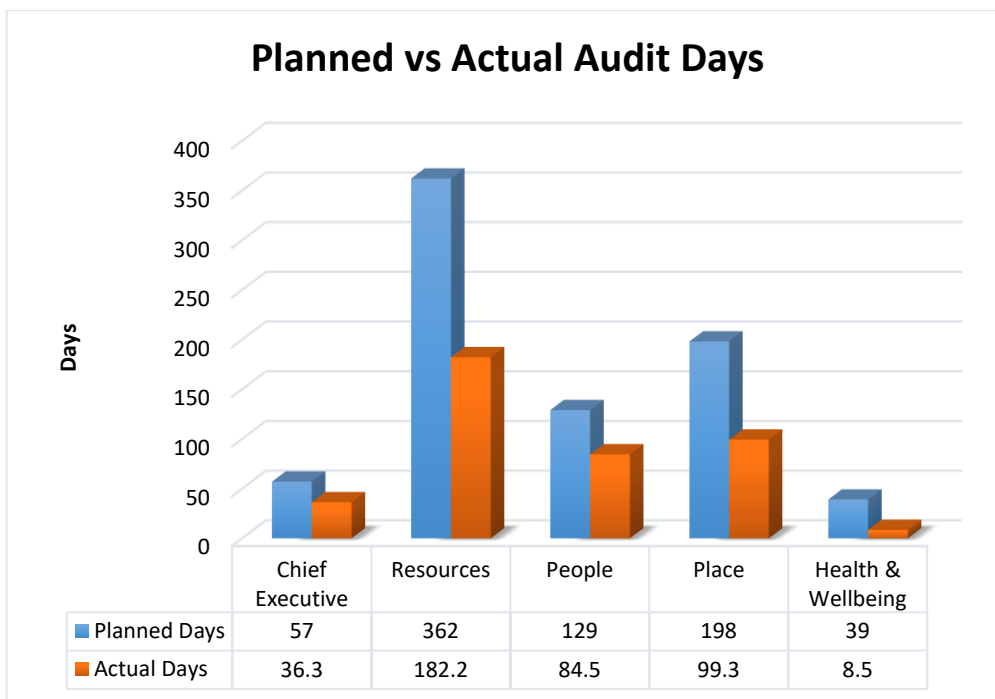
8. Performance Against the Plan 2024/25

- 8.1. Revisions to the 2024/25 plan provide for a total of 1,334 audit days. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion. There is a slight reduction in the number of days available for audit as a member of the team will be undertaking an apprenticeship from January 2025, which includes a requirement to allow 20% of their time for training.
- 8.2. Performance to date is in line with previous delivery records at 49% (50% 2023/24, 42% 2022/23), the team are on track to deliver a minimum of 90% of the revised annual plan by the year end.

8.3. In total, 15 final reports have been issued in the period from 26th August to 20th October 2024, 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:



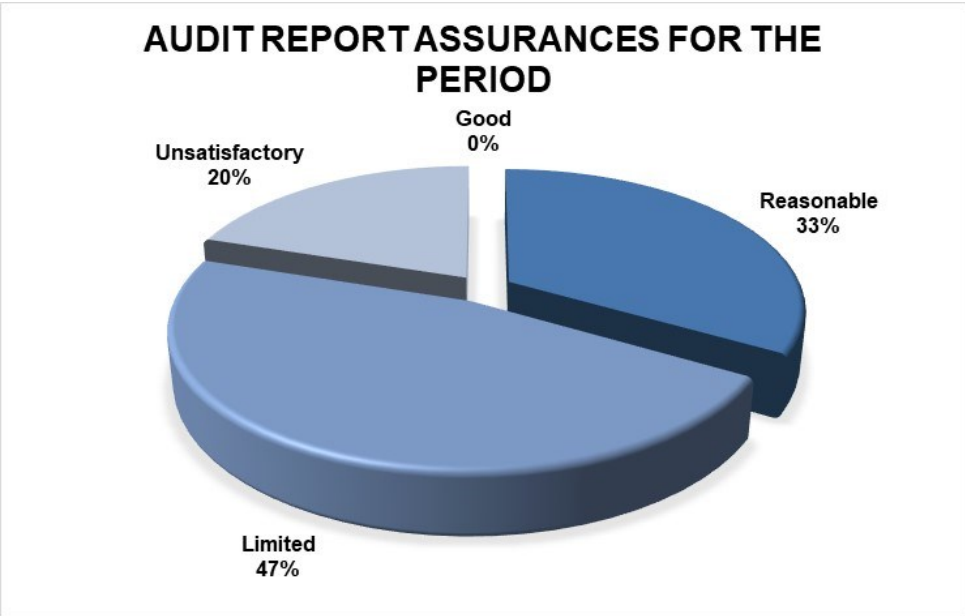
8.4. Audits have been completed over several service areas as planned:



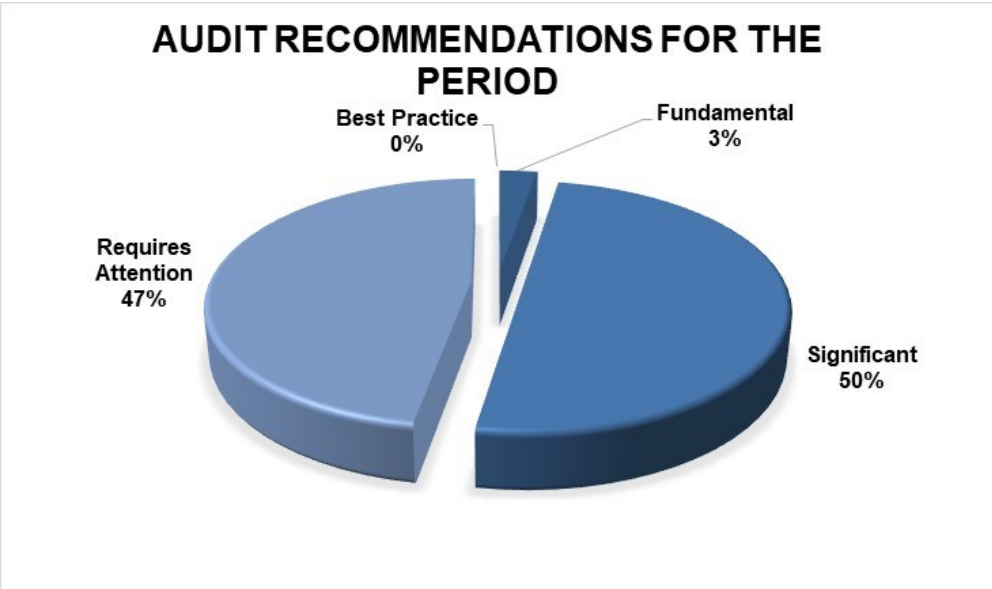
8.5. The following audits have been completed in the period:

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
Chief Executive									
Social Media				1			7	1	
	0	0	0	1		0	7	1	0
People - Adults									
Greenacres Trading Account		1					1	5	
	0	1	0	0		0	1	5	0
People - Children									
Together for Children Partnership - Performance Audit		1					3	2	
Foster care 2022/23			1				5	5	
Short Breaks Service 2023/24				1		2		1	
	0	1	1	1		2	8	8	0
Place									
External Catering Contracts		1				1			
School Planning and Transport Arrangements		1					1	2	
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	
The Lantern Follow Up				1			13	8	
	0	2	4	1		1	31	31	0
Resources - Finance and Technology									
Business Continuity and Disaster Recovery 2023/24		1					1	4	
VAT 2023/24			1				4	2	
	0	1	1	0		0	5	6	0
Resources - Workforce and Improvement									
Recruitment Arrangements Follow up 2023/24			1				3	1	
	0	0	1	0		0	3	1	0
Total	0	5	7	3		3	55	52	0
%	0%	33%	47%	20%		3%	50%	47%	0%

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:



8.8. In the period up to the 20th October 2024, five reports have been issued providing reasonable assurance and accounting for 33% 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 offset by a corresponding increase in limited and unsatisfactory assurances, currently 67% for the period compared to the previous year outturn of 40%. Details of the year-to-date picture can be found in paragraphs 8.14 to 8.16.

- 8.9. As reported to the September Committee meeting, pressures within the organisation to address the immediate critical issue of financial sustainability have resulted in many competing priorities for service areas. Auditors continue to note difficulty in commencing, completing and finalising audits, which has resulted in overruns on some audits. This will be a consideration in the CAE year end opinion report for 2024/25. Both the S151 Officer and Monitoring officer have been appraised of this situation and will be monitored by Internal Audit Management.
- 8.10. There are four vacancies within the Internal Audit Team. A request was declined by the Resources Workforce Board to increase the working hours of a part time Auditor due to the financial position of the Council. It is therefore anticipated that there will be no further recruitment or external support procured during the 2024/25 financial year.
- 8.11. 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?](#)

- 8.12. Two 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.
- 8.13. A total of 110 recommendations have been made in the 15 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**. Three fundamental recommendations have been identified, which are detailed below:

Short Breaks

Recommendation - The Short Breaks re-commissioning 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.

Risk - Failure to re-commission the contracts will lead to further inefficiencies with the contracts held resulting in poor value for money and not meeting the needs of a child or young person who has a disability and lives in Shropshire.

Management Response - The service recognises this and work is already in train. Work continues at pace through the work of the Project Group. Regular progress reports into JCDG, and weekly highlight reporting into project sponsor.

Date to be Actioned – 31st March 2025

Recommendation - A contract manager should be allocated to monitor performance and ensure providers are meeting their contractual arrangements and meeting the demands of service users.

Risk - Failure to not have contract monitoring arrangements in place could lead to the contractors not fulfilling their contractual obligations resulting in non-delivery and not achieving value for money. This risk has materialised.

Management Response - This is a recognised issue and is being worked through at present through a group of officers including commissioning, contracts, legal and operations. Reprocured contracts, in place post 31st March 2025, will be monitored by new posts which have been recommended through the PWC review.

Date to be Actioned – 31st March 2025

External Catering Contracts

Recommendation - It is acknowledged that reduced resources make it more difficult to send the contracts out, however a contract should be in place before services are provided. Progress should be made to ensure contracts are sent out without delay to ensure that all parties understand their responsibilities. Once returned the contracts should be signed by Shropshire Council. The Operational Risk Register should be updated to reflect the risks of relying upon old contracts which are not fit for purpose and could leave Shire Services exposed to financial risk regarding deficits.

Risk - Without valid contracts the client may not understand their responsibilities leading to disputes and non-payment for service received. This risk has already been realised as the old contracts did not specify responsibilities for deficits.

Management Response - Operational Risk Register to be updated.

The remaining outstanding 40 external contracts to be sent out to clients before the 31.12.2024. SLA or internal Shropshire Council maintained schools will receive an updated Contract/SLA before 28.02.2025.

Date to be Actioned – 28th February 2025

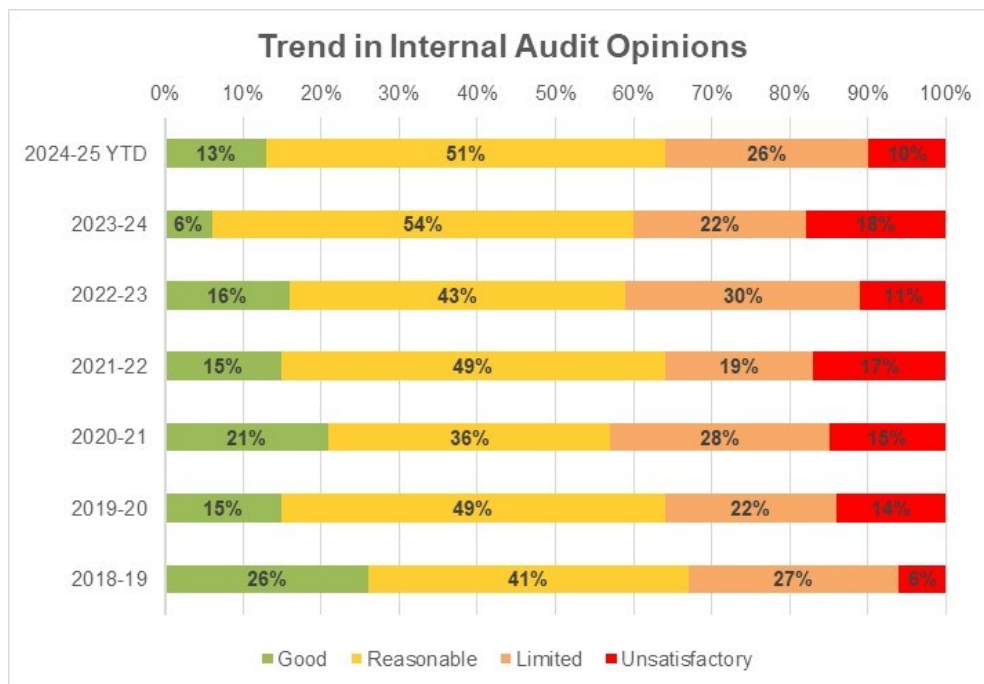
[Question 2: Do Members wish to receive any updates from managers regarding the fundamental recommendations?](#)

- 8.14. 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.

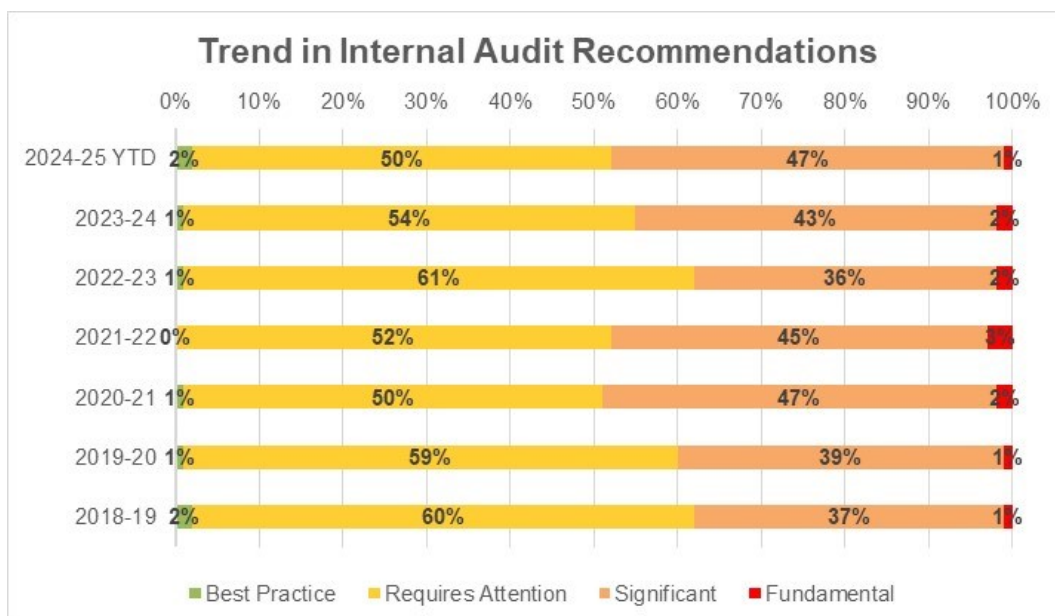
Direction of travel

- 8.15. This section compares the assurance levels (where given), and categorisation of recommendations made, to demonstrate the direction of travel in relation to the control environment.

Comparison of Assurance Levels (where given)



Comparison of recommendation by categorisation



8.16. The number of lower-level assurances to date, 36%, is slightly lower than the outturn for 2023/24 of 40%. Full details of the audits completed and their assurance opinions can be found at **Appendix A, Table 2**.

8.17. I would like to draw attention to a notable increase in repeated low assurances where follow up audits are completed indicating action has not been taken to

address the control weaknesses. Internal audit has noted management are suggesting longer implementation dates to significant recommendations which means that evidence-based risks identified by Internal Audit may not be mitigated in a timely manner. This management approach potentially increases the Council's risk appetite as significant weaknesses and control deficiencies identified in formal audit work goes unaddressed for extended periods. Please refer to table 3 where repeated low assurances are highlighted.

Performance Measures

8.18. 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 27th September 2024

Draft Internal Audit Risk Based Plan 2024/25 - Audit Committee 17th 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 1st April to 20th October 2024

Table 2: Final audit report assurance opinions and recommendation summary 1st April to 20th October 2024

Table 3: Unsatisfactory and limited assurance opinions in the period 26th August to 20th October 2024

Table 4: Audit assurance opinions

Table 5: Audit recommendation categories

Table 6: Glossary of terms

Table 7: Recommendation follow up process (risk based)

Appendix B - Audit plan by service 1st April to 20th October 2024

APPENDIX A

Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 1st April to 20th October 2024

	Original Plan	Revised Plan	20 th October 2024 Actual	% of Original Complete	% of Revised Complete
Chief Executive	52	57	36.3	70%	64%
Health and Wellbeing	34	39	8.5	25%	22%
People	76	129	84.5	111%	66%
Adult Services	25	50	39.8	159%	80%
Children's Services	31	59	38.0	123%	64%
Education and Achievement	20	20	6.7	34%	34%
Place	127	198	99.3	78%	50%
Resources	287	362	182.2	63%	50%
Finance and Technology	175	235	130.5	75%	56%
Legal and Governance	51	54	28.6	56%	53%
Workforce and Improvement	61	73	23.1	38%	32%
S151 Planned Audit	576	785	410.8	71%	52%
Contingencies and other chargeable work	336	323	146.1	43%	45%
Total S151 Audit	912	1,108	556.9	61%	50%
External Clients	224	226	90.3	40%	40%
Total	1,136	1,334	647.2	57%	49%

Please note that a full breakdown of days by service area is shown at **Appendix B**

Table 2: Final audit report assurance opinions and recommendation summary - 1st April to 20th October 2024

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
Chief Executive								
Corporate Governance 2023/24		1						
CCTV Follow up 2023/24			1			10	7	
Social Media				1		7	1	
	0	1	1	1	0	17	8	0

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
Health and Wellbeing								
Community Safety Partnership Responsibilities 2023/24		1				1	2	
	0	1	0	0	0	1	2	0
People - Adults								
Individual Service Funds Follow Up	1					1		
Abbots Wood Comfort Fund		1				2	4	1
Albert Road Comforts Fund		1				2	4	
Greenacres Comfort Fund		1				3	3	
Greenacres Trading Account		1				1	5	
	1	4	0	0	0	9	16	1
People - Children								
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	
Direct Payments Children 2022/23				1		8	1	
Short Breaks Service 2023/24				1	2		1	
	0	1	2	2	2	23	16	1
Place								
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	
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	
The Lantern Follow Up				1		13	8	
	2	6	5	1	1	42	48	1
Resources - Finance and Technology								
Treasury Management 2023/24	1						4	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	

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
Security Management and Cyber Response 2023/24		1				1	8	
Business Continuity and Disaster Recovery 2023/24		1				1	4	
VAT 2023/24			1			4	2	
	1	6	1	0	0	13	27	1
Resources - Workforce and Improvement								
Recruitment Arrangements Follow up 2023/24			1			3	1	
	0	0	1	0	0	3	1	0
Resources - Legal and Governance								
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
Total	5	20	10	4	3	112	121	5
Percentage	13%	51%	26%	10%	1%	47%	50%	2%

Table 3: Unsatisfactory and limited assurance opinions issued in the period from 26th August to 20th October 2024¹

Unsatisfactory assurance²

CEO– Social Media (Limited 2016/17 and 2017/18)

- Appropriate management processes exist to manage and control the use of social media for Shropshire Council business.
- A policy to support standards and social media use exists.
- Formal administration is undertaken on social networking accounts by designated responsible officers.
- Appropriate officers and training are in place to support the social media policy.
- Monitoring arrangements are in place.

People– Short Breaks

- Contracts are in place with providers for Short Breaks who are fulfilling their contractual obligations.
- Payments made to care providers are accurate and paid in a timely manner which offer value for money.
- Adequate contract performance management processes are in place.

Place– The Lantern (Unsatisfactory 2021/22 and 2019/20)

¹ 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.

² Details of the controls not in place for Highways Other Major Contracts and Montagu Evans Contract Management are included on the private agenda.

- Previous recommendations have been implemented regarding budget income being identified, collected and banked in accordance with procedures.
- Previous recommendations have been implemented regarding purchases being appropriate, authorised, recorded correctly and comply with Financial Regulations and Contract Procedure Rules.
- Previous recommendations have been implemented regarding payments made to bona fide employees only for the work performed through the Payroll system.
- Previous recommendations have been implemented regarding information governance and cyber risks which are managed in accordance with current best practice and an agreed policy.
- Previous recommendations have been implemented regarding regular budget monitoring being performed and any significant variations investigated.
- The previous recommendation has been implemented regarding appropriate procedures being in place for the security of staff and material assets.

Limited assurance

People– Foster Care (Reasonable 2015/16)

- The extent to which recommendations made in the previous audit have been implemented.
- Foster Care Payments are made in accordance with legislation (The Children Act 1989) and local policy.
- Information Governance and cyber risks are managed in accordance with current best practice and an agreed policy.

Place– Highways Term Maintenance Contract (Limited 2021/22 and Unsatisfactory 2020/21 and 2019/20)

- The recommendations made and agreed in the previous audit have been implemented as expected.
- The data fields in the Confirm system are complete and accurate before payment to the Term Maintenance Contract provider is authorised.
- There is readily available evidence to verify that payment requests by the Term Maintenance Contract provider are accurate and as expected before they are authorised.
- There are procedures to ensure that the Term Maintenance Contract provider completes jobs, logs the job status, and submits the final payment requests on a timely basis.
- There is performance management and consideration of the overall efficiency and effectiveness of the contract to deliver services.

Place– Partnerships (Limited 2019/20)

- The recommendations made in the previous audit have been implemented.
- Council partners are aware of their responsibilities under the Council's Financial Rules and Contract Procedure Rules.
- There is a register of all partnership arrangements entered into in accordance with procedures specified by the S151 Officer.

- The approval of Cabinet is obtained before any negotiations are concluded on partnership arrangements.
- Risk management processes are in place to identify and assess all known risks.
- Appropriate information on partnerships is provided to the S151 Officer to enable a note to be entered into the statement of accounts.

Place– Much Wenlock Joint Use Sport Centre (Unsatisfactory 2023/24, 2022/23 and 2019/20)

- Previous audit recommendations have been implemented
- Budget income is identified, collected and banked in accordance with procedures.
- Purchases are appropriate, authorised, recorded correctly and comply with Financial Regulations and Contract Procedure Rules.
- Payment is made to bona fide employees only for the work performed through the Payroll system.
- Information Governance and cyber risks are managed in accordance with current best practice and an agreed policy.

Place– Security of Council Buildings (Limited 2023/24 and 2019/20)

- Appropriate management arrangements are in place governing the security of Council buildings.
- Appropriate management arrangements are in place to ensure Council buildings are secure when unoccupied.

Resources– Recruitment Arrangements Follow Up (Limited 2022/23 and 2017/18)

- Previous audit recommendations have been implemented.
- The need to recruit into vacant or new posts is fully evaluated.
- Staff involved in recruitment and selection are sufficiently trained and have the appropriate experience.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

Resources– VAT (Limited 2020/21)

- The recommendations made and agreed in the previous audit have been implemented.
- There are policies and procedures in place to ensure adherence to VAT regulations.
- The VAT regulations are applied correctly in practice.
- There are appropriate VAT accounting procedures.

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:

Good	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.
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Reasonable	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.
Limited	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.
Unsatisfactory	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

Best Practice (BP)	Proposed improvement, rather than addressing a risk.
Requires Attention (RA)	Addressing a minor control weakness or housekeeping issue.
Significant (S)	Addressing a significant control weakness where the system may be working but errors may go undetected.
Fundamental (F)	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.

AUDIT PLAN BY SERVICE –PERFORMANCE REPORT FROM 1st APRIL TO 20th OCTOBER 2024

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
CHIEF EXECUTIVE								
Governance	19	0	0	0	19	9.6	51%	51%
OCE	25	0	0	0	25	13.6	54%	54%
Communications	8	3	2	0	13	13.1	164%	101%
CHIEF EXECUTIVE	52	3	2	0	57	36.3	70%	64%
RESOURCES								
Finance and Technology								
Finance Transactions	23	7	0	0	30	21.8	95%	73%
Finance and S151 Officer	55	0	5	0	60	24.4	44%	41%
Financial Management	28	6	0	0	34	20.3	73%	60%
ICT	52	11	5	0	68	27.1	52%	40%
Information Governance	7	0	0	0	7	3.3	47%	47%
Revenues and Benefits	10	0	20	0	30	27.2	272%	91%
Treasury	0	6	0	0	6	6.4	0%	107%
	175	30	30	0	235	130.5	75%	56%
Workforce and Improvement								
Risk Management	8	0	0	0	8	0.0	0%	0%
Human Resources	37	4	8	0	49	22.9	62%	47%
Corporate Performance Management	16	0	0	0	16	0.2	1%	1%
	61	4	8	0	73	23.1	38%	32%
Legal and Governance								
Information Governance	13	3	0	0	16	9.6	74%	60%

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
Procurement	38	0	0	0	38	19.0	50%	50%
	51	3	0	0	54	28.6	56%	53%
RESOURCES	287	37	38	0	362	182.2	63%	50%
PEOPLE								
Joint Commissioning								
Community and Partnerships	21	7	-2	0	26	26.2	125%	101%
Business Support	4	0	9	0	13	2.5	63%	19%
	25	7	7	0	39	28.7	115%	74%
Adult Social Care								
Long Term Support	0	8	3	0	11	11.1	0%	101%
	0	8	3	0	11	11.1	0%	101%
Education and Achievement								
Education Access	10	0	0	0	10	6.7	67%	67%
Secondary Schools	10	0	0	0	10	0.0	0%	0%
	20	0	0	0	20	6.7	34%	34%
Children's Social Care and Safeguarding								
Children's Placement Services & Joint Adoption	23	14	0	0	37	26.6	116%	72%
Assessment & Looked After Children	0	6	8	0	14	6.4	0%	46%
	23	20	8	0	51	33.0	143%	65%

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
Early Help, Partnership and Commissioning	8	0	0	0	8	5.0	63%	63%
PEOPLE	76	35	18	0	129	84.5	111%	66%
PLACE								
Business Enterprise and Commercial Services								
Property and Development	23	4	1	0	28	14.0	61%	50%
Shire Services	0	10	-1	0	9	9.1	0%	101%
	23	14	0	0	37	23.1	100%	62%
Economy and Place								
Business Growth and Investment	18	8	0	0	26	6.3	35%	24%
Environment and Sustainability	3	0	0	0	3	2.7	90%	90%
	21	8	0	0	29	9.0	43%	31%
Infrastructure and Communities								
Highways	30	11	4	0	45	20.4	68%	45%
Public Transport	4	3	0	0	7	7.3	183%	104%
Library Services	10	0	10	0	20	10.0	100%	50%
	44	14	14	0	72	37.7	86%	52%
Homes and Communities								
Business and Consumer Protection	14	-1	0	0	13	4.8	34%	37%

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
Leisure Services	12	0	1	0	13	13.6	113%	105%
Theatre Severn and OMH	5	0	3	0	8	7.5	150%	94%
Housing Services	8	15	3	0	26	3.6	45%	14%
	39	14	7	0	60	29.5	76%	49%
PLACE	127	50	21	0	198	99.3	78%	50%
HEALTH AND WELLBEING								
Public Health								
Public Health	30	0	0	0	30	0.4	1%	1%
Ecology and Pest Control	4	0	5	0	9	7.8	195%	87%
	34	0	5	0	39	8.5	25%	22%
HEALTH AND WELLBEING	34	0	5	0	39	8.5	25%	22%
Total Shropshire Council Planned Work								
	576	125	84	0	785	410.8	71%	52%
CONTINGENCIES								
Advisory Contingency	20	0	0	0	20	3.4	17%	17%
Fraud Contingency	150	0	0	0	150	83.6	56%	56%
Unplanned Audit Contingency	50	77	-97	0	40	0.0	0%	0%
Other non audit Chargeable Work	116	7	0	0	123	59.1	51%	48%
CONTINGENCIES	336	84	-97	0	323	146.1	43%	45%
Total for Shropshire	912	209	-13	0	1,108	556.9	61%	50%

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
EXTERNAL CLIENTS	224	2	0	0	226	90.3	40%	40%
Total Chargeable	1,136	211	-13	0	1,334	647.2	57%	49%
	<u>Original Plan Days</u>	<u>August Revision</u>	<u>October Revision</u>	<u>January Revision</u>	<u>Revised Plan Days</u>	<u>20th October 2024 Actual</u>	<u>% of Original Complete</u>	<u>% of Revised Complete</u>
<u>CHIEF EXECUTIVE</u>								
<u>Governance</u>	<u>19</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>	<u>9.6</u>	<u>51%</u>	<u>51%</u>
<u>OCE</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>	<u>13.6</u>	<u>54%</u>	<u>54%</u>
<u>Communications</u>	<u>8</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>13</u>	<u>13.1</u>	<u>164%</u>	<u>101%</u>
<u>CHIEF EXECUTIVE</u>	<u>52</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>57</u>	<u>36.3</u>	<u>70%</u>	<u>64%</u>
<u>RESOURCES</u>								
<u>Finance and Technology</u>								
<u>Finance and S151 Officer</u>	<u>55</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>60</u>	<u>24.4</u>	<u>44%</u>	<u>41%</u>
<u>Financial Management</u>	<u>28</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>34</u>	<u>20.3</u>	<u>73%</u>	<u>60%</u>
<u>ICT</u>	<u>52</u>	<u>11</u>	<u>5</u>	<u>0</u>	<u>68</u>	<u>27.1</u>	<u>52%</u>	<u>40%</u>
<u>Information Governance</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>3.3</u>	<u>47%</u>	<u>47%</u>
<u>Revenues and Benefits</u>	<u>10</u>	<u>0</u>	<u>20</u>	<u>0</u>	<u>30</u>	<u>27.2</u>	<u>272%</u>	<u>91%</u>
<u>Treasury</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>6.4</u>	<u>0%</u>	<u>107%</u>
	<u>175</u>	<u>30</u>	<u>30</u>	<u>0</u>	<u>235</u>	<u>130.5</u>	<u>75%</u>	<u>56%</u>
<u>Workforce and Improvement</u>								
<u>Risk Management</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>0.0</u>	<u>0%</u>	<u>0%</u>
<u>Human Resources</u>	<u>37</u>	<u>4</u>	<u>8</u>	<u>0</u>	<u>49</u>	<u>22.9</u>	<u>62%</u>	<u>47%</u>

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
<u>Corporate Performance Management</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>0.2</u>	<u>1%</u>	<u>1%</u>
	<u>61</u>	<u>4</u>	<u>8</u>	<u>0</u>	<u>73</u>	<u>23.1</u>	<u>38%</u>	<u>32%</u>
<u>Legal and Governance</u>								
<u>Information Governance</u>	<u>13</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>9.6</u>	<u>74%</u>	<u>60%</u>
<u>Procurement</u>	<u>38</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38</u>	<u>19.0</u>	<u>50%</u>	<u>50%</u>
	<u>51</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>54</u>	<u>28.6</u>	<u>56%</u>	<u>53%</u>
<u>RESOURCES</u>	<u>287</u>	<u>37</u>	<u>38</u>	<u>0</u>	<u>362</u>	<u>182.2</u>	<u>63%</u>	<u>50%</u>
<u>PEOPLE</u>								
<u>Joint Commissioning</u>								
<u>Community and Partnerships</u>	<u>21</u>	<u>7</u>	<u>-2</u>	<u>0</u>	<u>26</u>	<u>26.2</u>	<u>125%</u>	<u>101%</u>
<u>Business Support</u>	<u>4</u>	<u>0</u>	<u>-1</u>	<u>0</u>	<u>3</u>	<u>2.5</u>	<u>63%</u>	<u>83%</u>
	<u>25</u>	<u>7</u>	<u>-3</u>	<u>0</u>	<u>29</u>	<u>28.7</u>	<u>115%</u>	<u>99%</u>
<u>Adult Social Care</u>								
<u>Long Term Support</u>	<u>0</u>	<u>8</u>	<u>3</u>	<u>0</u>	<u>11</u>	<u>11.1</u>	<u>0%</u>	<u>101%</u>
	<u>0</u>	<u>8</u>	<u>3</u>	<u>0</u>	<u>11</u>	<u>11.1</u>	<u>0%</u>	<u>101%</u>
<u>Education and Achievement</u>								
<u>Education Access</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>6.7</u>	<u>67%</u>	<u>67%</u>
<u>Secondary Schools</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>0.0</u>	<u>0%</u>	<u>0%</u>
	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>	<u>6.7</u>	<u>34%</u>	<u>34%</u>

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
<u>Children's Social Care and Safeguarding</u>								
<u>Children's Placement Services & Joint Adoption</u>	<u>23</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>37</u>	<u>26.6</u>	<u>116%</u>	<u>72%</u>
<u>Assessment & Looked After Children</u>	<u>0</u>	<u>6</u>	<u>8</u>	<u>0</u>	<u>14</u>	<u>6.4</u>	<u>0%</u>	<u>46%</u>
	<u>23</u>	<u>20</u>	<u>8</u>	<u>0</u>	<u>51</u>	<u>33.0</u>	<u>143%</u>	<u>65%</u>
<u>Early Help, Partnership and Commissioning</u>								
	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>5.0</u>	<u>63%</u>	<u>63%</u>
PEOPLE	<u>76</u>	<u>35</u>	<u>8</u>	<u>0</u>	<u>119</u>	<u>84.5</u>	<u>111%</u>	<u>71%</u>
<u>PLACE</u>								
<u>Business Enterprise and Commercial Services</u>								
<u>Property and Development</u>	<u>23</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>28</u>	<u>14.0</u>	<u>61%</u>	<u>50%</u>
<u>Shire Services</u>	<u>0</u>	<u>10</u>	<u>-1</u>	<u>0</u>	<u>9</u>	<u>9.1</u>	<u>0%</u>	<u>101%</u>
	<u>23</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>37</u>	<u>23.1</u>	<u>100%</u>	<u>62%</u>
<u>Economy and Place</u>								
<u>Business Growth and Investment</u>	<u>18</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>6.3</u>	<u>35%</u>	<u>24%</u>
<u>Environment and Sustainability</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>2.7</u>	<u>90%</u>	<u>90%</u>
	<u>21</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>29</u>	<u>9.0</u>	<u>43%</u>	<u>31%</u>
<u>Infrastructure and Communities</u>								

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
<u>Highways</u>	<u>30</u>	<u>11</u>	<u>4</u>	<u>0</u>	<u>45</u>	<u>20.4</u>	<u>68%</u>	<u>45%</u>
<u>Public Transport</u>	<u>4</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>7.3</u>	<u>183%</u>	<u>104%</u>
<u>Library Services</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>10.0</u>	<u>100%</u>	<u>100%</u>
	<u>44</u>	<u>14</u>	<u>4</u>	<u>0</u>	<u>62</u>	<u>37.7</u>	<u>86%</u>	<u>61%</u>
<u>Homes and Communities</u>								
<u>Business and Consumer Protection</u>	<u>14</u>	<u>-1</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>4.8</u>	<u>34%</u>	<u>37%</u>
<u>Leisure Services</u>	<u>12</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>13</u>	<u>13.6</u>	<u>113%</u>	<u>105%</u>
<u>Theatre Severn and OMH</u>	<u>5</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>8</u>	<u>7.5</u>	<u>150%</u>	<u>94%</u>
<u>Housing Services</u>	<u>8</u>	<u>15</u>	<u>3</u>	<u>0</u>	<u>26</u>	<u>3.6</u>	<u>45%</u>	<u>14%</u>
	<u>39</u>	<u>14</u>	<u>7</u>	<u>0</u>	<u>60</u>	<u>29.5</u>	<u>76%</u>	<u>49%</u>
<u>PLACE</u>	<u>127</u>	<u>50</u>	<u>11</u>	<u>0</u>	<u>188</u>	<u>99.3</u>	<u>78%</u>	<u>53%</u>
<u>HEALTH AND WELLBEING</u>								
<u>Public Health</u>								
<u>Public Health</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>	<u>0.4</u>	<u>1%</u>	<u>1%</u>
<u>Ecology and Pest Control</u>	<u>4</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>9</u>	<u>7.8</u>	<u>195%</u>	<u>87%</u>
<u>Community Safety</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>	<u>0%</u>	<u>0%</u>
	<u>34</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>39</u>	<u>8.5</u>	<u>25%</u>	<u>22%</u>
<u>HEALTH AND WELLBEING</u>	<u>34</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>39</u>	<u>8.5</u>	<u>25%</u>	<u>22%</u>
<u>Total Shropshire Council Planned Work</u>								
	<u>576</u>	<u>125</u>	<u>64</u>	<u>0</u>	<u>765</u>	<u>410.8</u>	<u>71%</u>	<u>54%</u>

CONTINGENCIES

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	20th October 2024 Actual	% Original Complete	% Revised Complete
Advisory Contingency	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>	<u>3.4</u>	<u>17%</u>	<u>17%</u>
Fraud Contingency	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>83.6</u>	<u>56%</u>	<u>56%</u>
Unplanned Audit Contingency	<u>50</u>	<u>77</u>	<u>-77</u>	<u>0</u>	<u>50</u>	<u>0.0</u>	<u>0%</u>	<u>0%</u>
Other non audit Chargeable Work	<u>116</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>123</u>	<u>59.1</u>	<u>51%</u>	<u>48%</u>
CONTINGENCIES	<u>336</u>	<u>84</u>	<u>-77</u>	<u>0</u>	<u>343</u>	<u>146.1</u>	<u>43%</u>	<u>43%</u>
Total for Shropshire	<u>912</u>	<u>209</u>	<u>-13</u>	<u>0</u>	<u>1,108</u>	<u>556.9</u>	<u>61%</u>	<u>50%</u>
EXTERNAL CLIENTS	<u>224</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>226</u>	<u>90.3</u>	<u>40%</u>	<u>40%</u>
Total Chargeable	<u>1,136</u>	<u>211</u>	<u>-13</u>	<u>0</u>	<u>1,334</u>	<u>647.2</u>	<u>57%</u>	<u>49%</u>