Committee and Date	Item
Audit Committee 6th February 2025 10:00am	 Public

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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, Corporate Resources and Communities	

1.   Synopsis

This report summarises Internal Audit's 2024/25 work to date. Delivery is in line with 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 three months since the November Audit Committee. 73% percent of the revised plan has been completed (see **Appendix A, Table 1**), which is in line with previous delivery records (71% 2023/24, 64% 2022/23).

2.2.   Six reasonable, one limited and three unsatisfactory assurance opinions have been issued. The 10 final reports contained 83 recommendations, one of which was fundamental.

2.3.   This report proposes minor revisions in the coverage of planned activity for Shropshire Council, with a decrease of 68 days from 1,334 days reported in November 2024 to 1,266 days. Changes to the planned activity reflect adjustments considering both risks and available resources. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion.

2.4.   One Auditor has left the Council since the previous performance report to committee. There is also a recruitment freeze whilst the structure of the Council is determined. In addition, one post within the current Internal Audit structure will be removed as part of the right sizing work.

2.5.   It is important to note however, that whilst the reduction in available resources has had a significant impact in year, core audit work has been undertaken or is planned in the final quarter to enable the Chief Audit Executive (CAE) to form an overall opinion on the Council's internal control environment and report this accordingly. This is the overriding measure to demonstrate that the internal audit function ultimately remains effective for the authority.

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 8.6 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 adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.
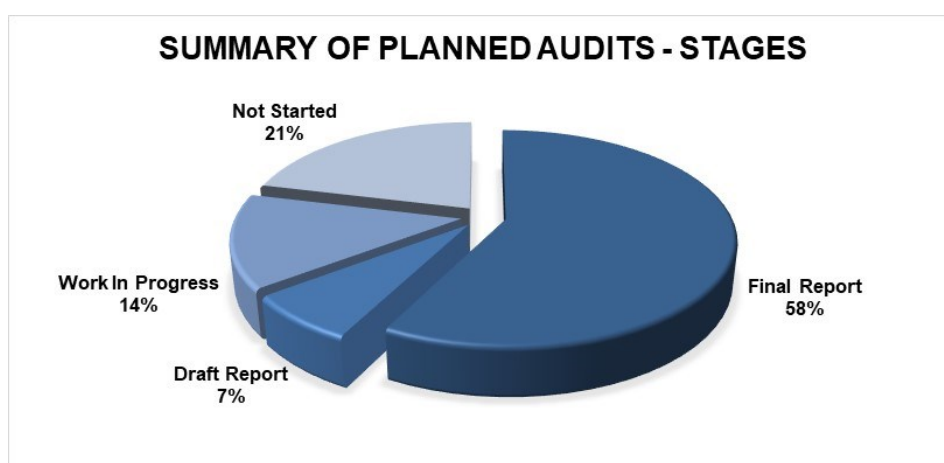
7. Background

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 17th July 2024 meeting with adjustments being approved in September and November. This report provides an update on progress made against the plan up to 12th January 2025 and includes revisions to the plan.

8. Performance Against the Plan 2024/25

8.1. Revisions to the 2024/25 plan provide for a total of 1,266 audit days. Performance to date is in line with previous delivery records at 73% (71% 2023/24, 64% 2022/23,), the team are on track to deliver a minimum of 90% of the revised annual plan by the year end.

8.2. One Auditor has left the Council since the previous performance report to committee. There is also a recruitment freeze whilst the restructure of the Council and its new operating model is determined. In addition, one post within the Internal Audit structure will be removed as part of the right sizing work. The Head of Policy

and Governance will work with the Internal Audit Manager to ensure that the team is aligned to the new structure and operating model moving forwards into 2025/26. I would not ordinarily want to diminish the capacity of Internal Audit but in my view the removal of this vacant post will have a minimal impact overall.

8.3. It is important to note however, that whilst the reduction in available resources has had a significant impact in year, core audit work has been undertaken or is planned in the final quarter to enable the Chief Audit Executive (CAE) to form an overall opinion on the Council's internal control environment and report this accordingly. This is the overriding measure to demonstrate that the internal audit function ultimately remains effective for the authority.

8.4. In total, 10 final reports have been issued in the period from 21st October 2024 to 12th January 2025, all are listed with their assurance rating and broken down by service area at **paragraph 8.6**. 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:

SUMMARY OF PLANNED AUDITS - STAGES

- Final Report 58%
- Not Started 21%
- Work In Progress 14%
- Draft Report 7%

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

Planned vs Actual Audit Days

	Chief Executive	Resources	People	Place	Health & Wellbeing
Planned Days	54	394	118	179	9
Actual Days	46.6	290.6	96.0	130.2	9.3
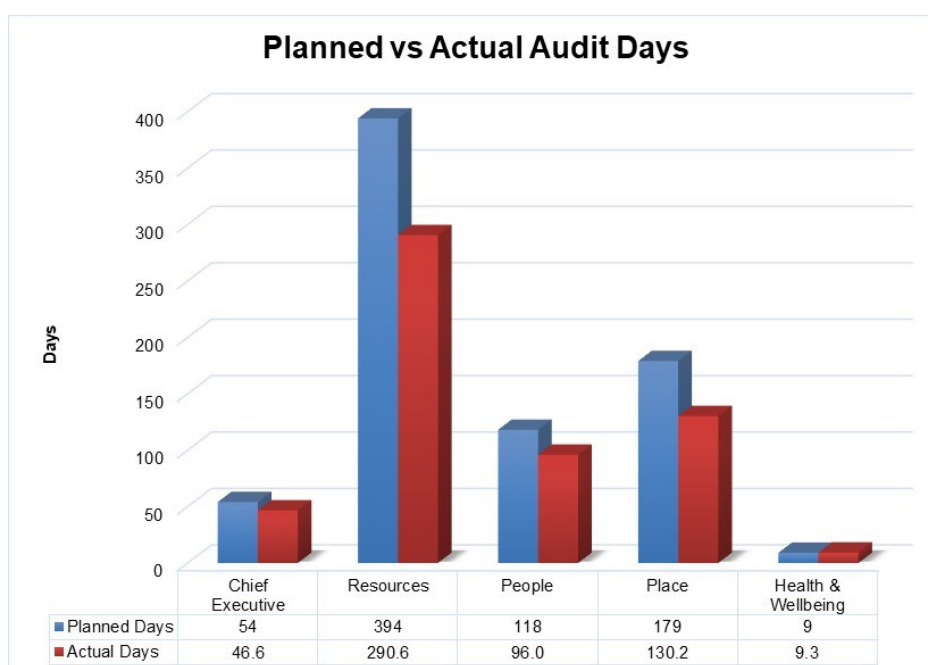
8.6. The following audits have been completed in the period:

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
Chief Executive									
Embedding the Shropshire Plan				1		1	7	3	1
	0	**0**	**0**	**1**		**1**	**7**	**3**	**1**
Health and Wellbeing									
Private Water Supplies		1					2	3	
	0	**1**	**0**	**0**		**0**	**2**	**3**	**0**
Place									
Theatre Ticketing and Online Booking Application		1					1	8	
Highways Other Major Contracts Follow Up			1				2		
Section 38 Road Adoption				1			9	8	
	0	**1**	**1**	**1**		**0**	**12**	**16**	**0**
Resources - Finance and Technology									
Council Tax Collection		1					3	5	
Physical and Environmental Controls		1					3	3	
Information Security Management Follow up		1					1		
WhatsApp Follow Up				1			5		
Other, including added value and briefing notes								14	
	0	**3**	**0**	**1**		**0**	**12**	**22**	**0**
Resources - Workforce and Improvement									
Risk Management		1					2	2	
	0	**1**	**0**	**0**		**0**	**2**	**2**	**0**
Total	**0**	**6**	**1**	**3**		**1**	**35**	**46**	**1**
%	0%	60%	10%	30%		1%	42%	56%	1%

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

AUDIT REPORT ASSURANCES FOR THE PERIOD

Good 0%
Unsatisfactory 30%
Limited 10%
Reasonable 60%
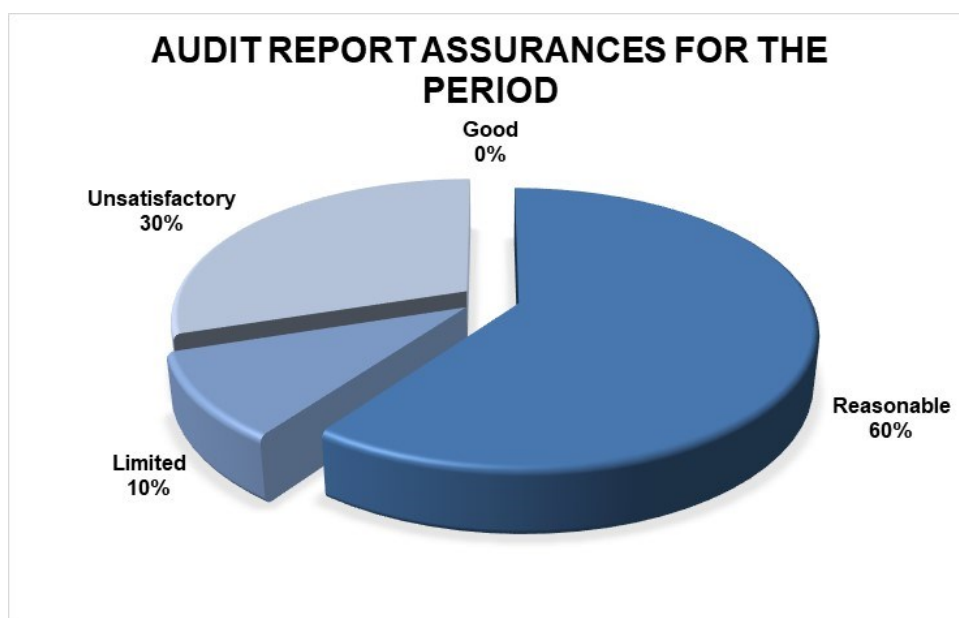
8.8. The overall spread of recommendations agreed with management following each audit review are as follows:

AUDIT RECOMMENDATIONS FOR THE PERIOD

Best Practice 1%
Fundamental 1%
Significant 42%
Requires Attention 56%

8.9. In the period up to the 12th January 2025, six reports have been issued providing good or reasonable assurances and accounting for 60% of the opinions delivered. This is in line with previous year outturn of 60% for higher assurances and 40% for lower assurances.

8.10. 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?

8.11. Six 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 an honorary fund and the certification of grant claims.

8.12. A total of 83 recommendations have been made in the 10 final audit reports issued during this period; these are broken down by service area at paragraph 8.6, the year-to-date position is show at **Appendix A, Table 2**. One fundamental recommendation has been identified, which is detailed below:

Embedding the Shropshire Plan
Recommendation: Ensure there is a clear process developed for the creation, review and approval of service plans with Council and Member oversight ensuring there is clarity on the requirements to complete to a standard determined by the organisation. Monitor completion of service plans across the organisation and escalate any non-completion.
Risk: Service plans lack Council and Member oversight and are not approved in line with the wider Council objectives impacting on the delivery of the wider organisational objectives and a risk of services operating outside of the objectives set within the Shropshire Plan without clear approval.
Management Response: There are two key issues here:
   i.   Incomplete coverage across the authority of Service Plans
   ii.   Lack of oversight at an organisational level
Reviewing The Shropshire Plan (TSP) in light of these audit finding provides an opportunity to improve governance, performance and wellbeing across the Council – clarifying what is required and what is not, and how and when it should be provided. The current plan comes to an end in 2025 and an entirely new operating model for the Council is being pulled together starting with a senior manager review (Assistant Directors and up) to be concluded by March 2025. Embedding of a new operating model across the Council and the creation of a new Shropshire Plan will then progress across the 2025 calendar year. This will align with the local elections and the new administration will wish to ensure their priorities are reflected in TSP. The findings identified from this review will help ensure that The Shropshire Plan is supported by appropriate governance arrangements that include:
   • Clarity of Strategic Objectives within the new Council
   • Corporate oversight and approval of service plans and action setting.
   • Ensuring a clear link between performance measures and plan objectives.
   • Ensuring effective oversight of service plan performance and actions and monitoring of adverse performance,
   • Understanding of the resource requirements for implementing The Shropshire Plan within the available financial envelope.
   • Ensuring the Plan is aligned to corporate training and staff reviews
   • Ensuring that Council decision making is driven by, and has clear links to, The Shropshire Plan
   • Ensuring a greater link between risk management reporting and plan objectives.
   • Ensuring opportunity is taken to link corporate communications to plan objectives.

The second point requires a governance review to establish appropriate oversight and challenge in the Service Plan process. This will be addressed as part of the Road Map and Action Plan.
Date to be Actioned: Senior Management Review implemented 1 March 2025
Local Elections 1 May 2025. Service Plan process agreed by 1 May 2025
New operating Model and revised TSP Road Map and Action Plan agreed 1 May 2025. Implementation according to agreed Road Map and Action Plan.

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

8.13. 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.

8.14. The following demonstrates areas where internal audit have added value with unplanned, project or advisory work, not included in the original plan located at **Appendix A, Table 1**.

- **Active Directory (IT user) Data Analysis**
  The scope of this work was to produce a set of analysis tools to be used to identify potential poor areas of control within IT user account set up and to monitor overall management trends in the use of both general and privileged accounts (super users). The findings were reported to the Head of Technology and Automation in a briefing note including recommendations to help develop controls in this area which directly links to the strategic cyber security risk.

- **Payroll Data Analysis**
  Analysis of payroll data was undertaken to identify data quality improvements and exception reporting on key areas within the payroll system. In addition, the analysis considered anomalies within the data that could result in incorrect payments. This information was shared with the HR/Payroll Manager to enable the HR Business Partners to support those not using the system correctly. This supports the Internal Audit Service counter fraud work and is directly linked to the financial strategic risks.

- **Voluntary Redundancy Calculations**
  A sample of 15 voluntary redundancy payments were checked for accuracy, including evidence of prior service. Of the 15 payments checked, all were found to be correct based on the redundancy calculation formula. This supports the Internal Audit Service counter fraud work and is directly linked to the financial strategic risks.

- **National Fraud Initiative (NFI)**
  The team have co-ordinated the submission of the data for 2024/25 NFI main exercise and the Council Tax/elections exercise. Work is not ongoing to oversee the review of Shropshire Council's matches and to ensure requests from other bodies are responded to in a prompt manner. This supports the Internal Audit Service counter fraud work and is directly linked to the financial strategic risks.

- **Schools Self-assessment review and Feedback**
  Annually a sample of schools are asked to complete a controls evaluation self-assessment. The results are reviewed by Internal Audit to inform the annual plan of work and specific feedback provided to schools where appropriate and common themes were shared with the Learning and Skills team for inclusion on the schools circular provided to maintained schools.

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)
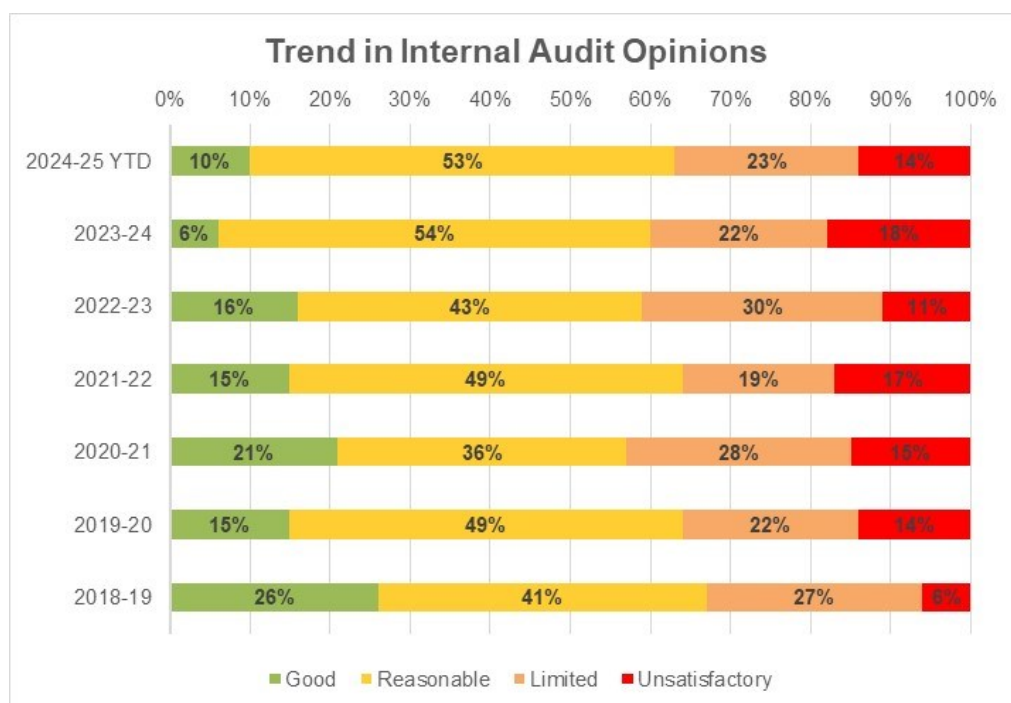
Comparison of recommendation by categorisation
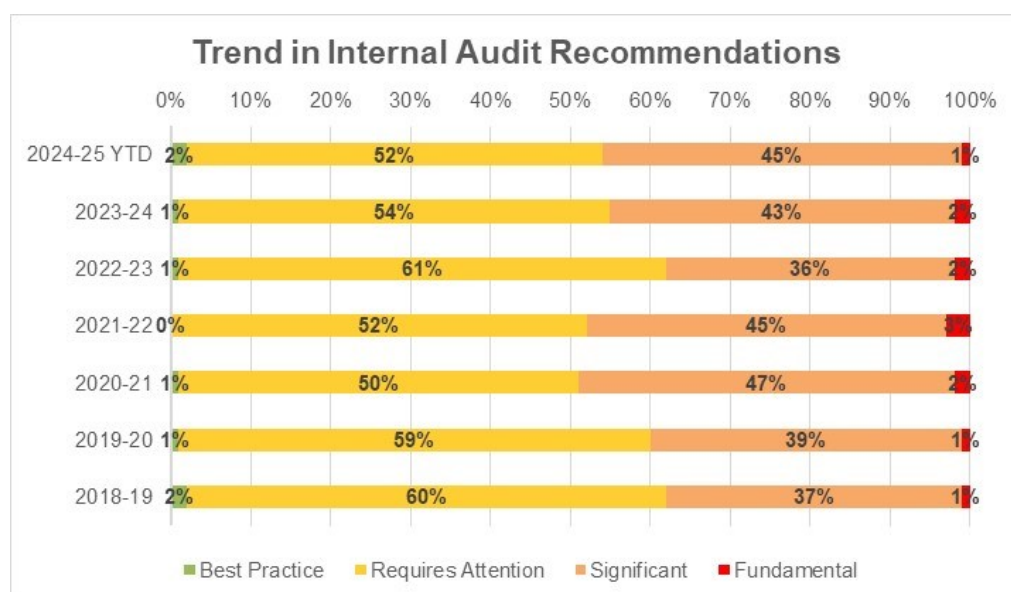
8.16. The number of lower-level assurances to date, 37%, is slightly below the outturn for 2023/24 of 40%. Full details of the audits completed and their assurance opinions can be found at **Appendix A, Table 2**.

8.17. There is no strong overall pattern of areas attracting lower assurances ratings however, Place directorate has the highest numbers of lower levels of assurance at this point with six limited and two unsatisfactory audit opinions.

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 28th November 2024

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 2024 to 12th January 2025
Table 2: Final audit report assurance opinions and recommendation summary 1st April 2024 to 12th January 2025
Table 3: Unsatisfactory and limited assurance opinions in the period 21st October 2024 to 12th January 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 B - Audit plan by service 1st April 2024 to 12th January 2025

APPENDIX A

Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 1st April 2024 to 12th January 2025

	Original Plan	Revised Plan	12th January 2025 Actual	% of Original Complete	% of Revised Complete
Chief Executive	52	54	46.6	90%	86%
Health and Wellbeing	34	9	9.3	27%	103%
People	76	118	96.0	126%	81%
Adult Services	25	50	40.7	163%	81%
Children's Services	31	59	46.9	151%	80%
Education and Achievement	20	9	8.4	42%	93%
Place	127	179	130.2	103%	73%
Resources	287	394	290.6	101%	74%
Finance and Technology	175	262	193.2	110%	74%
Legal and Governance	51	46	35.3	69%	77%
Workforce and Improvement	61	86	62.1	102%	72%
S151 Planned Audit	**576**	**754**	**572.7**	**99%**	**76%**
Contingencies and other chargeable work	336	307	188.3	56%	61%
Total S151 Audit	**912**	**1,061**	**761.0**	**83%**	**72%**
External Clients	224	205	162.4	73%	79%
Total	**1,136**	**1,266**	**923.4**	**81%**	**73%**

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 2024 to 12th January 2025

	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
Audit Name									
Chief Executive									
Corporate Governance 2023/24		1							
CCTV Follow up 2023/24			1				10	7	
Social Media				1			7	1	
Embedding the Shropshire Plan				1		1	7	3	1
	0	**1**	**1**	**2**		**1**	**24**	**11**	**1**

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	
Private Water Supplies		1					2	3	
	0	**2**	**0**	**0**		**0**	**3**	**5**	**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	
Theatre Ticketing and Online Booking Application		1					1	8	
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		
The Lantern Follow Up				1			13	8	
Section 38 Road Adoption				1			9	8	
	2	**7**	**6**	**2**		**1**	**54**	**64**	**1**
Resources - Finance and Technology									
Treasury Management 2023/24	1							4	1
Firewall Management Follow Up 2023/24		1					1	4	

Audit Name	Audit Opinion				Recommendations			
	Good	Reasonable	Limited	Unsatisfactory	Fundamental	Significant	Requires Attention	Best Practice
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		
VAT 2023/24			1			4	2	
WhatsApp Follow Up				1		5		
Other, including added value and briefing notes							14	
	1	9	1	1	0	25	49	1
Resources - Workforce and Improvement								
Recruitment Arrangements Follow up 2023/24			1			3	1	
Risk Management		1				2	2	
	0	1	1	0	0	5	3	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	26	11	7	4	147	167	6
Percentage	10%	53%	23%	14%	1%	45%	52%	2%

Table 3: Unsatisfactory and limited assurance opinions issued in the period from 21st October 2024 to 12th January 2025[1]

Unsatisfactory assurance

Chief Executive– Embedding the Shropshire Plan
- The Shropshire Plan has a clear action plan with SMART actions and clear lines of responsibility accountability.
- Service Plans are created that align to the Shropshire Plan.
- The Shropshire Plan is communicated to staff and is embedded as part of performance development plans.
- The Shropshire Plan is embedded into the decision-marking within the council.

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[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.

- Performance reporting aligns to the delivery of the Shropshire plan.
- Delivery on the outcomes of the Shropshire Plan are clearly reported to all stakeholders on a regular basis.

Place– Section 38 Road Adoption (Limited 2018/19)
- The system is operated in accordance with up-to-date policies, procedures, Financial Rules, statutory regulations and legislation to which relevant staff have access.
- There are appropriate processes are in place to identify and process highways adoptions.
- All proposals are adequately reviewed to ensure developments are technically valid for adoption.
- There are appropriate systems in place to invoke the Advance Payment Code (APC) unless a Section 38 agreement is being entered into.
- Section 38 agreements are prepared by appropriately qualified staff and signed on a timely basis.
- Income received in respect of Section 38 agreements are promptly and accurately accounted for.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

Resources– WhatsApp (Unsatisfactory 2023/24)
- To ensure that the System complies with all external legislation and regulations.
- To ensure that the application authentication and authorisation mechanisms are secure.
- To ensure that users have received the required training.
- To ensure that output is secure, accurate and reaches the intended recipient in a timely manner.
- To ensure that there are continuity processes are in place to ensure system availability.
- To ensure that management/Audit trails are in place.
- To ensure that clear procedures are in place for the authorisation of changes and system changes are applied by appropriately qualified staff.

Limited assurance

Place– Highways Other Major Contracts Follow Up (Unsatisfactory 2022/23)
- Previous audit recommendations have been implemented.
- All Highways procurement is undertaken in line with corporate financial and procurement rules.
- The contracts include key performance indicators which are monitored in accordance with the contract.

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.

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 2024 TO 12th JANUARY 2025

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	12th January 2025 Actual	% Original Complete	% Revised Complete
CHIEF EXECUTIVE								
Governance	19	0	0	5	24	17.1	90%	71%
OCE	25	0	0	-8	17	16.4	66%	96%
Communications	8	3	2	0	13	13.1	164%	101%
CHIEF EXECUTIVE	**52**	**3**	**2**	**-3**	**54**	**46.6**	**90%**	**86%**
RESOURCES								
Finance and Technology								
Finance and S151 Officer	55	0	5	-15	45	31.0	56%	69%
Financial Management	28	6	0	11	45	46.8	167%	104%
ICT	52	11	5	16	84	45.5	88%	54%
Information Governance	7	0	0	2	9	8.6	123%	96%
Print Services (Blu Print)	0	0	0	10	10	0.0	0%	0%
Revenues and Benefits	10	0	20	-1	29	29.0	290%	100%
Treasury	0	6	0	0	6	6.4	0%	107%
	175	**30**	**30**	**27**	**262**	**193.2**	**110%**	**74%**
Workforce and Improvement								
Risk Management	8	0	0	3	11	11.6	145%	105%
Human Resources	37	4	8	5	54	35.8	97%	66%
Corporate Performance Management	16	0	0	5	21	14.7	92%	70%
	61	**4**	**8**	**13**	**86**	**62.1**	**102%**	**72%**
Legal and Governance								
Information Governance	13	3	0	0	16	11.0	85%	69%
Procurement	38	0	0	-8	30	24.3	64%	81%
	51	**3**	**0**	**-8**	**46**	**35.3**	**69%**	**77%**

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	12th January 2025 Actual	% Original Complete	% Revised Complete
RESOURCES	**287**	**37**	**38**	**32**	**394**	**290.6**	**101%**	**74%**
PEOPLE								
Joint Commissioning								
Community and Partnerships	21	7	-2	0	26	26.2	125%	101%
Business Support	4	0	9	0	13	3.0	75%	23%
	25	**7**	**7**	**0**	**39**	**29.2**	**117%**	**75%**
Adult Social Care								
Long Term Support	0	8	3	0	11	11.5	0%	105%
	0	**8**	**3**	**0**	**11**	**11.5**	**0%**	**105%**
Education and Achievement								
Education Access	10	0	0	-1	9	8.4	84%	93%
Secondary Schools	10	0	0	-10	0	0.0	0%	0%
	20	**0**	**0**	**-11**	**9**	**8.4**	**42%**	**93%**
Children's Social Care and Safeguarding								
Children's Placement Services & Joint Adoption	23	14	0	0	37	33.2	144%	90%
Assessment & Looked After Children	0	6	8	0	14	6.4	0%	46%
	23	**20**	**8**	**0**	**51**	**39.6**	**172%**	**78%**
Early Help, Partnership and Commissioning	**8**	**0**	**0**	**0**	**8**	**7.3**	**91%**	**91%**
PEOPLE	**76**	**35**	**18**	**-11**	**118**	**96.0**	**126%**	**81%**

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	12th January 2025 Actual	% Original Complete	% Revised Complete
PLACE								
Business Enterprise and Commercial Services								
Property and Development	23	4	1	0	28	21.1	92%	75%
Shire Services	0	10	-1	0	9	9.1	0%	101%
	23	**14**	**0**	**0**	**37**	**30.2**	**131%**	**82%**
Economy and Place								
Business Growth and Investment	18	8	0	-2	24	13.0	72%	54%
Environment and Sustainability	3	0	0	0	3	2.7	90%	90%
	21	**8**	**0**	**-2**	**27**	**15.7**	**75%**	**58%**
Infrastructure and Communities								
Highways	30	11	4	-2	43	26.9	90%	63%
Public Transport	4	3	0	0	7	7.4	185%	106%
Library Services	10	0	10	-10	10	10.0	100%	100%
	44	**14**	**14**	**-12**	**60**	**44.3**	**101%**	**74%**
Homes and Communities								
Business and Consumer Protection	14	-1	0	0	13	4.8	34%	37%
Community Protection	0	0	0	8	8	0.0	0%	0%
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	13.1	164%	101%
	39	**14**	**7**	**-5**	**55**	**40.0**	**103%**	**73%**
PLACE	**127**	**50**	**21**	**-19**	**179**	**130.2**	**103%**	**73%**

	Original Plan Days	August Revision	October Revision	January Revision	Revised Plan Days	12th January 2025 Actual	% Original Complete	% Revised Complete
HEALTH AND WELLBEING								
Public Health								
Public Health	30	0	0	-30	0	0.4	1%	0%
Ecology and Pest Control	4	0	5	0	9	8.6	215%	96%
Community Safety	0	0	0	0	0	0.3	0%	0%
	34	**0**	**5**	**-30**	**9**	**9.3**	**27%**	**103%**
HEALTH AND WELLBEING	**34**	**0**	**5**	**-30**	**9**	**9.3**	**27%**	**103%**
Total Shropshire Council Planned Work	**576**	**125**	**84**	**-31**	**754**	**572.7**	**99%**	**76%**
CONTINGENCIES								
Advisory Contingency	20	0	0	-12	8	5.3	27%	66%
Fraud Contingency	150	0	0	0	150	98.6	66%	66%
Unplanned Audit Contingency	50	77	-97	0	40	0.0	0%	0%
Other non audit Chargeable Work	116	7	0	-4	119	84.4	73%	71%
CONTINGENCIES	**336**	**84**	**-97**	**-16**	**307**	**188.3**	**56%**	**61%**
Total for Shropshire	**912**	**209**	**-13**	**-47**	**1,061**	**761.0**	**83%**	**72%**
EXTERNAL CLIENTS	**224**	**2**	**0**	**-21**	**205**	**162.4**	**73%**	**79%**
Total Chargeable	**1,136**	**211**	**-13**	**-68**	**1,266**	**923.4**	**81%**	**73%**