



Committee and Date

Audit Committee

6th February 2025

10:00am

Item

Public



Review of the Audit Committee's Annual Work Plan and Future Learning and Development Requirements 2025/26

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

1. Synopsis

Audit Committee Members agree annually, a plan of work and appropriate learning and development to undertake their duties effectively and deliver them to a high standard therefore ensuring the integrity of the financial reporting and governance of the Council.

2. Executive Summary

- 2.1. It is important that Audit Committee Members have an agreed plan of work for the year ahead and receive appropriate learning and development to deliver their responsibilities effectively. This report provides a proposed Audit Committee work plan and seeks discussion and agreement around a learning and development plan for Members to ensure that they are 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.

3. Recommendations

3.1. The Committee is asked to consider and approve, with appropriate comment:

- The Audit Committee work plan for 2025/26, **Appendix A**;
- A learning and development plan for Members of the committee taking in to account information in **Appendices A and B**.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. By identifying the key topics to be considered at the Audit Committee meetings and receiving appropriate learning and development sessions in respect of their roles and responsibilities, Audit Committee Members can undertake their duties effectively and deliver them to a high standard, thereby adding to:

- the robustness of the risk management framework;
- the adequacy of the internal control environment and
- the integrity of the financial reporting and annual governance of the Council.

4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities or climate change requirements or consequences of this proposal.

5. Financial Implications

5.1. The Audit Committee work plan and learning and development sessions for members will be met from within approved 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 nor 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. The Chartered Institute of Public Finance and Accountancy (CIPFA) identifies the purpose of an Audit Committee, in its Practical Guidance for Local Authorities and Police 2022 Edition, as providing those charged with governance, independent and high-level focus on the adequacy of governance, risk and control arrangements. In local authorities, audit committees are necessary to satisfy the wider requirements for sound financial and internal control. Accounts and Audit (England) Regulations 2015 state 'the relevant authority must ensure that it has a sound system of internal control which; facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk'. With a known work plan, and appropriate and timely learning and development for Members, the committee will be well prepared, and members will gain the knowledge and experience needed to carry out their role effectively.

7.2. Work Plan

The work plan in **Appendix A** continues to be presented in a format which demonstrates how reports to Audit Committee contribute to the delivery of the Committee's Terms of Reference and what assurances they provide.

7.3. The External Auditors, Grant Thornton will confirm their reports and timings at the meeting prior to any work plan approval.

7.4. Learning and Development

CIPFA identify a key characteristic of an effective Audit Committee as having a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. There is a range of knowledge and experience that audit committee members can bring to the committee which will enable it to perform effectively. No one committee member is expected to be an expert in all areas. There are however some core areas of knowledge which committee members need to acquire in addition to the need for regular briefings and training.

7.5. Members need to consider annually their learning and development plan to support them in delivery of their roles. During 2024/25 Members have received three half day sessions covering several topics in detail; i.e.

- Internal Audit Performance Reporting (Feb 24)
- Property / Asset Disposals (Feb 24)
- Risk Management (June 24)
- Treasury Management (June 24)
- The Procurement Act (Sept 24)
- The Council's Operating Model (Sept 24)
- Learning from S114 notices and failure in Local Government (Proposed Feb 25)

7.6. Local Elections are due to be held in May 2025, in addition two members of the Audit Committee have confirmed they will not be standing for re-election; therefore, it is anticipated there will be considerable change to the Committee. A

full induction programme is planned for the Audit Committee as part of the 2025/26 training programme. A further programme of training will need to be developed once the committee membership is known and a self-assessment of skills is completed. It is proposed that training is again provided in three half day sessions over the next twelve months. Sessions are proposed for the 12th June 2025, the 11th September 2025 and the 22nd January 2026.

- 7.7. **Appendix B** identifies training topics for Audit Committee Members to consider. Topics are identified as core areas of knowledge that all Audit Committee Members should seek to acquire plus specialisms that can add value to the committee. Members may also want to hear from key officers of the Council where new or changing activities and risks are emerging and can request this as part of their training.
- 7.8. Whilst members are asked to endorse the initial sessions for learning and development, this will not prevent any additional items being added during the year or changes being made if these are felt to be of value.

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

Previous training session records

CIPFA's Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition

Accounts and Audit Regulations 2015

Local Member: N/A

Appendices

Appendix A – Audit Committee Work Plan 2025/26 and Summary

Appendix B – Audit Committee Members development topics

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
Core business 26 June 2025		
1. Section 151 Officer: Statement of Accounts.	<p>Ensure that the narrative report to the accounts help the public understand the Council's financial management of public funds.</p> <p>Consider the outcome of the External Audit and the appropriateness of management responses. Seek assurance that the Council has appropriate accounting policies in place to ensure that items are treated correctly in the accounts.</p>	<p>To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</p>
2. Section 151 Officer: Annual Governance Statement (AGS) and review of the effectiveness of the Council's internal controls and Shropshire Council's Code of Corporate Governance.	<p>Confirm that the final Annual Governance Statement accurately reflects the Committee's understanding of how the Council is run.</p> <p>Gain assurance that management have progressed the agreed actions associated with the significant issues / key risks identified in the Annual Governance Statement.</p> <p>That the Council has very strong compliance with the Code of Corporate Governance which is part of the overall internal control framework and contributes to the Council's strong governance arrangements.</p>	<p>To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, considering Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.</p> <p>To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.</p> <p>To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.</p>

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
3. Section 151 Officer: Financial Outturn report.	<p>Provides the financial outturn of the Council's revenue budget for the year and therefore considers the effect that any over/underspend has on the Council's balances.</p> <p>Provides details of the potential risks affecting the balances and financial health of the Council.</p> <p>Provides the financial outturn of the Council's capital budget for the year and therefore considers the impact that slippage within the programme will have on the financing of the capital programme in the future, including any future revenue implications.</p>	<p>To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</p> <p>To consider the Council's arrangements for securing value for money and review assurances and assessments on the effectiveness of these arrangements.</p>
Core business 16 July 2025		
1. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p>	<p>To consider reports from the Chief Audit Executive on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p>

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	<p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To receive reports outlining the action taken where the Chief Audit Executive has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p> <p>To approve significant interim changes to the risk based internal audit plan and resource requirements.</p>
2. Internal Audit: Annual Report.	<p>Chief Audit Executive's overall opinion on the Council's internal control environment.</p> <p>Performance against the revised internal audit plan.</p> <p>Provides a review of the effectiveness of the systems of internal control.</p>	<p>To consider the Chief Audit Executive's annual report, specifically:</p> <p>a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of Internal Audit.</p> <p>b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.</p>

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
3. Section 151 Officer: Annual review of internal audit: quality assurance and improvement programme (QAIP).	That Internal Audit complies with the Public Sector Internal Audit Standards and is effective in doing so. That there is an improvement programme in place to ensure that any identified gaps are addressed.	<p>To consider reports from the Chief Audit Executive on Internal Audit's performance during the year, these will include reports on:</p> <ul style="list-style-type: none"> the results of the Quality Assurance and Improvement Programme; and instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance should be included in the Annual Governance Statement. <p>To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.</p>
4. Internal audit: Annual assurance report of Audit Committee to Council.	<p>Provide assurance that the Committee has adequately discharged its terms of reference and has positively contributed to how well the Council is run.</p> <p>Provides Council with an independent assurance report that the Council has in place adequate and effective risk management and internal control systems that can be relied upon and which contribute to the high corporate governance standards that this Council expects and has consistently maintained.</p>	<p>To report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements.</p> <p>To report to Council where the Audit Committee have added value, improved or promoted the control environment and performance in relation to</p>

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
		the Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.
5. Assistant Director Workforce: Annual Whistleblowing report.	Assurance that as part of the Counter Fraud, Bribery and Anti-Corruption Strategy the Whistleblowing policy contributes to our zero tolerance of fraud, bribery and corruption.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.
6. Section 151 Officer: Annual Treasury report.	Provide assurance on the treasury activities for Shropshire Council, including the investment performance of the internal Treasury team.	<p>To receive regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities. The Committee is not responsible for the regular monitoring of treasury management activity.</p> <p>To review the treasury risk profile and adequacy of treasury risk management procedures and assurances on treasury management.</p>
7. HR and OD Manager: Risk Annual report	<p>To understand the current strategic risk exposure together with recent modifications and planned changes to strategic risk management within the Council.</p> <p>Gain assurance that the Council is effectively managing its key risks – has good risk management systems / processes in place that enable decision makers to understand the level of risk being taken and the Council is prepared to accept.</p>	To monitor the effective development and operation of risk management in the Council.

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
8. External Audit: Fee Letter.	To provide a clear indication as to the External Auditor's fees for the year.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
9. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •several challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
10. Internal Audit: Fraud, investigations and RIPA update.	Provide assurances and an update on current fraud and investigations undertaken by Internal Audit and the impact these have on the internal control environment together with an update on activity under the Regulation of Investigatory Powers Act (RIPA).	<p>To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.</p> <p>To monitor the counter-fraud, bribery and corruption strategy, actions and resources.</p>
Other assurance		
11. External Audit: Pension Fund Audit Plan (information).	Evidence that the External Auditor understands the Council's business, risk, challenges and opportunities it is facing. Explanation of its audit approach and the scope of its plans for the Pension Fund.	To consider specific reports as agreed with the External Auditor and other inspection agencies.
Core business: 26 September 2025		

Appendix A: Audit Committee Work Plan – 2025/26

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
1. HR and OD Manager: Strategic Risks update.	<p>Assurances that the management of strategic risks which is a key process that underpins the successful achievement of the Council's priorities and outcomes is robust. Strategic risks are a key aspect of the Annual Governance Statement.</p> <p>Provide information to confirm to the Audit Committee that they are receiving assurances on the key risk areas within the Council and how these are being managed through the internal controls and governance processes.</p>	To monitor the effective development and operation of risk management in the Council.
2. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To consider reports from the Chief Audit Executive on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To receive reports outlining the action taken where the Chief Audit Executive has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p>

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
		To approve significant interim changes to the risk based internal audit plan and resource requirements.
3. Internal Audit: Annual review of Audit Committee Terms of Reference.	Ensures the Audit Committees continues to benefit the Council by continuing to provide an effective service assessed against current best practice.	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
4. Internal Audit: Annual review of Internal Audit Charter.	Assurance that effective corporate governance arrangements are maintained in the Council, part of which is evidenced by a current Internal Audit Charter.	To approve the Internal Audit Charter.
5. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
6. External Audit: Annual Audit Letter.	Provides assurances on the key findings arising from the work that External Audit have carried out at the Council.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
7. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.

Appendix A: Audit Committee Work Plan – 2025/26

Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	environment together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.	To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
Other assurance		
8. External Audit: Audit Findings report Shropshire County Pension Fund (information).	<p>Seek assurance over the adequacy of the External Audit opinion on the financial statements and the Council's value for money arrangements.</p> <p>Ensure any issues / risks identified are being effectively managed.</p>	To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.
Core business: 27 November 2024		
1. External Audit: Audit Findings report Shropshire Council	<p>Seek assurance over the adequacy of the External Audit opinion on the financial statements and the Council's value for money arrangements.</p> <p>Ensure any issues / risks identified are being effectively managed.</p>	To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.
2. Section 151 Officer Final Statement of Accounts	<p>Approve the final audited outturn position for the financial year and details of any amendments made to the Draft Statement of Accounts during the audit process.</p> <p>Where a meeting is held before the 31st July, to agree that the Executive Director of Resources (s151 Officer) be authorised to make any minor adjustments to the Statement of Accounts prior to the 31st July.</p>	To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	Agree that the Executive Director of Resources (s151 Officer) and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.	
3. Internal Audit: Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities; including an update on the National Fraud Initiative (NFI).	<p>Confirm that the Council's counter fraud activity is targeted and effective.</p> <p>Ensure that appropriate progress is being made on the delivery of the Counter Fraud plan.</p> <p>Ensure that lessons have been learnt – understand fraud risks facing the Council and actions being taken to reduce the risk</p> <p>Provides confirmation that the Counter Fraud, Bribery and Anti-Corruption Strategy has been reviewed in line with best practice and continues to underpin the Council's commitment to prevent all forms of fraud, bribery and corruption whether it be attempted on, or from within, the Council, thus demonstrating the strategy's continuing and important role in the corporate governance and internal control framework.</p>	To monitor the counter-fraud, bribery and corruption strategy, actions and resources.

Appendix A: Audit Committee Work Plan – 2025/26		
Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	Provides an update and assurances on the outcomes of the National Fraud Initiative.	
4. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To consider reports from the Chief Audit Executive on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To receive reports outlining the action taken where the Chief Audit Executive has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p> <p>To approve significant interim changes to the risk based internal audit plan and resource requirements.</p>
5. Section 151 Officer: Treasury Strategy Mid-Year report.	Provide assurance on the treasury activities for Shropshire Council, including the investment performance of the internal Treasury team.	To receive regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities. The Committee

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
		<p>is not responsible for the regular monitoring of treasury management activity.</p> <p>To review the treasury risk profile and adequacy of treasury risk management procedures and assurances on treasury management.</p>
6. Section 151 Officer: Annual Audit Committee self-assessment.	Confirmation that the Audit Committee is working effectively and where any further improvements are identified to improve its overall effectiveness, there are plans to implement these.	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
7. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
8. External Audit: Certification Summary report.	Seek assurances that claims and returns have been managed appropriately and that there are no significant errors that would result in loss of funding.	To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.

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9. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an 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.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption. To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
Other assurance		
10. None planned.		
Core business: 5 February 2026		
1. HR and OD Manager: Strategic Risks update.	Assurances that the management of strategic risks which is a key process that underpins the successful achievement of the Council's priorities and outcomes is robust. Strategic risks are a key aspect of the Annual Governance Statement. Provide information to confirm to the Audit Committee that they are receiving assurances on the key risk areas within the Council and how these are being managed through the internal controls and governance processes.	To monitor the effective development and operation of risk management in the Council.
2. Section 151 Officer: Treasury Strategy.	Provides assurances that the Council's Treasury Management practice complies with CIPFA's Code of Practice on Treasury Management, the Council's Treasury Policy Statement, Treasury Management Practices and the Prudential Code for Capital Finance and together with the rigorous internal controls will enable the Council to manage the risk associated with	To consider the robustness of the Council's treasury management strategy, policies and procedures before their submission to Cabinet and Full Council, ensuring that controls are satisfactory.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
	Treasury Management activities and reduce any potential for financial loss.	
3. Internal Audit: Report of the audit review of Risk Management.	Provides independent assurance on the overall control environment for the Risk Management system that the Council is effectively managing its key risks – has good risk management systems / processes in place that enable decision makers to understand the level of risk being taken and the Council is prepared to accept.	To monitor the effective development and operation of risk management in the Council.
4. Internal Audit: Performance report and revised Annual Audit Plan.	<p>Understand the level of assurances being given because of audit work and their impact on the Council's governance, risk and control environment.</p> <p>Ensure management action is taken to improve controls / manage risks identified.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Confirm appropriate progress being made on the delivery of the audit plan and performance targets.</p> <p>Understand any resourcing issues because of changes to the plan.</p>	<p>To consider reports from the Chief Audit Executive on Internal Audit's performance during the year, including the performance of external providers of Internal Audit Services. These will include updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work.</p> <p>To consider summaries of specific internal audit reports as requested.</p> <p>To receive reports outlining the action taken where the Chief Audit Executive has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.</p>

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
		To approve significant interim changes to the risk based internal audit plan and resource requirements.
5. Internal Audit: Draft Annual Internal Audit risk-based plan.	<p>That the Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Chief Audit Executive's opinion.</p> <p>Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year.</p> <p>Ensure that the Internal Audit Resource has sufficient capacity and capability to deliver the plan.</p> <p>Seek an understanding of what assurances Internal Audit will be providing the Committee to help it discharge its terms of reference.</p> <p>Gain assurance that the Council has effective arrangements in place to fight fraud locally and that counter fraud resources are targeted to the Council's key fraud risks.</p>	<p>To approve, but not direct, the risk-based internal audit plan, including internal audit resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.</p> <p>To make appropriate enquiries of both management and the Chief Audit Executive to determine if there are any inappropriate scope or resource limitations.</p>
6. Internal Audit: Draft Audit Committee annual work plan and	Assurance that the agreed plan of work for the year ahead will deliver against the terms of reference of the Audit Committee and that Members will receive	To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

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Report	Assurances Required / Being Sought	Relevancy – Terms of Reference
future training requirements.	appropriate learning and development to deliver their responsibilities effectively.	
7. Internal Audit: Fraud, special investigations and RIPA update.	Provide assurances and an 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.	To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption. To monitor the counter-fraud, bribery and corruption strategy, actions and resources.
8. External Audit: Annual Plan.	Evidence that the External Auditor understands the Council's business, risk, challenges and opportunities it is facing. Explanation of its audit approach and the scope of its plans.	To comment on the scope and depth of external audit work and to ensure it gives value for money.
9. External Audit: Informing the risk assessment.	As part of External Audit's risk assessment procedures, they obtain an understanding of management processes and the Audit Committee's oversight of the following areas: <ul style="list-style-type: none"> • Fraud • Laws and regulations • Going concern • Related party transactions • Accounting estimates This report includes a series of questions on each of these areas and the response we have received from the Council's management, for Audit Committee to consider whether the responses are consistent with its understanding and whether there are any further comments it wishes to make.	To comment on the scope and depth of external audit work and to ensure it gives value for money.

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10. External Audit: Audit progress report and sector update.	<p>Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.</p> <p>The paper also includes:</p> <ul style="list-style-type: none"> •a summary of emerging national issues and developments that may be relevant to the Council; and •several challenge questions in respect of these emerging issues which the Committee may wish to consider. 	<p>To consider specific reports as agreed with the External Auditor and other inspection agencies.</p> <p>To comment on the scope and depth of external audit work and to ensure it gives value for money.</p>
Other assurance		
11. None planned		

APPENDIX A

Audit Committee Work Plan 2025/26 Summary

Audit Committee Work Plan 2025/26	22 May 2025	12 June 2025	26 June 2025	16 July 2025	11 Sept 2025	26 Sept 2025	27 Nov 2025	22 Jan 2026	5 Feb 2026	Report originator
Training Sessions		✓			✓			✓		
Regular Committees	✓		✓	✓		✓	✓		✓	
Election of Chair and Vice Chair	✓									
Statement of Accounts – preparation of draft and sign off (Statutory deadline 31 May 2025 ¹)			✓							Section 151 Officer
Annual Governance Statement (AGS) and review of the effectiveness of the Council's internal controls and Shropshire Council's Code of Corporate Governance			✓							Section 151 Officer
Financial Outturn Report			✓							Section 151 Officer
Risk Annual Report			✓							HR & OD Manager
Internal Audit Annual Report				✓						Internal Audit
Annual review of Internal Audit: Quality Assurance and Improvement Programme (QAIP)				✓						Section 151 Officer
Annual Assurance Report of Audit Committee to Council				✓						Internal Audit

¹ This is the deadline for the draft accounts to be published and sent to External Audit

Audit Committee Work Plan 2025/26	22 May 2025	12 June 2025	26 June 2025	16 July 2025	11 Sept 2025	26 Sept 2025	27 Nov 2025	22 Jan 2026	5 Feb 2026	Report originator
Annual Whistleblowing report				✓						Assistant Director Workforce
Annual Treasury Report				✓						Section 151 Officer
Audit Fee Letter				✓						External Audit
Audit Progress Report and Sector Update				✓		✓	✓		✓	External Audit
Fraud, special investigations and RIPA Updates (part 2)				✓		✓	✓		✓	Internal Audit
Pension Fund Audit Plan (information)				✓						External Audit
9. Audit Findings Report Shropshire Council (AFR)							✓			External Audit
Final approval - Statement of Accounts							✓			Section 151 Officer
Strategic Risks update						✓			✓	HR & OD Manager
Performance Report and revised Annual Audit Plan				✓		✓	✓		✓	Internal Audit
Audit Findings: Shropshire County Pension Fund (Information)						✓				External Audit
Annual Audit Letter						✓				External Audit
Annual review of Audit Committee Terms of Reference						✓				Internal Audit
Annual review of Internal Audit Charter						✓				Internal Audit

Audit Committee Work Plan 2025/26	22 May 2025	12 June 2025	26 June 2025	16 July 2025	11 Sept 2025	26 Sept 2025	27 Nov 2025	22 Jan 2026	5 Feb 2026	Report originator
Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities; including an update on the National Fraud Initiative (NFI)							✓			Internal Audit
Treasury Strategy Mid-Year Report							✓			Section 151 Officer
Annual Audit Committee Self-Assessment							✓			Section 151 Officer
Certification Summary Report							✓			External Audit
Treasury Strategy									✓	Section 151 Officer
Report of the Audit Review of Risk Management									✓	Internal Audit
Draft Annual Internal Audit Risk Based Plan									✓	Internal Audit
Draft Audit Committee annual work plan and future training requirements									✓	Internal Audit
Audit Plan									✓	External Audit
Informing the risk assessment									✓	External Audit

Key to table

Committee dates - fixed
Training dates

Appendix B

Audit Committee Members development topics

Core areas of knowledge	Specialist knowledge that adds value to the Audit Committee	Core skills
Organisational knowledge Audit committee role and function Governance Internal audit Financial management and accounting External audit Risk management Counter fraud, bribery, corruption and whistleblowing Values of good governance Treasury management	Accountancy Internal audit Risk management Governance and legal Service knowledge relevant to the different Council functions Programme and project management IT systems and IT governance	Strategic thinking and understanding of materiality Questioning and constructive challenge Focus on improvement Able to balance practicality against theory Clear communication skills and focus on the needs of users Objectivity Meeting management skills