Committee and Date	Item
Audit and Governance Committee 26th September 2025 10:00am	

Healthy People
Healthy Economy
Healthy Environment
Healthy Organisation

Internal Audit Recruitment Update

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Cabinet Member (Portfolio Holder):	Heather Kidd, Leader of the Council Duncan Kerr, Chairman of the Audit and Governance Committee Roger Evans, Portfolio Holder – Finance		

1. Synopsis

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

2. Recommendations

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

Report

3. Risk Assessment and Opportunities Appraisal

3.1. An effective Internal Audit Service examines, evaluates and reports objectively on the risk management, control and governance processes, taking account of internal auditing standards or guidance as a contribution to the proper, economic, efficient and effective use of resources.

3.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015.

3.3. Proper practices' can be demonstrated through compliance with the Global Internal Audit Standards (GIAS). Vacancy management and recruitment, whilst an ongoing risk, has been managed proactively throughout 2024/25 and activities undertaken to mitigate and manage associated team risks going forward in 2025/26. Further recruitment will be considered following the successful integration of the new team members.

3.4. There is a specific requirement under GIAS to report on the resourcing of the Internal Audit team - Domain III Standard 8.2.

3.5. There are no direct environmental, equalities or consultation consequences.

4. Financial Implications

4.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

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

4.3. As part of the 2025/26 budget, Internal Audit had an identified savings target of £78,720 which was originally anticipated to be met through the capitalisation of any audit time relating to providing assurance on transformation. Internal Audit were identified for review in phase one of the restructuring programme, this has resulted in one post being removed from the structure and a saving of £46,180 being delivered. The remaining £32,540 savings target cannot be delivered on a permanent basis. Although this may be delivered on a one-off basis in 2025/26 due to the vacancies in the team.

5. Climate Change Appraisal

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

6. Background

6.1. Following the February 2025 Audit Committee meeting, a further Internal Audit resources update report was presented to the June committee meeting. At which point a further update was requested regarding the remaining vacant positions within the structure.

6.2. The size of the Internal Audit Team is determined by the structure agreed with the Section 151 (s151) Officer. The available resource within the structure is determined by the ability to recruit and retain staff in those posts. The Chief Audit Executive (CAE) and s151 Officer work closely to ensure that resources practically available are deployed to ensure adequate coverage of the Council's internal control environment to enable a year end opinion to be arrived at. While there have been vacancies in the team over the last financial year, there has been recruitment to ensure a minimum level of coverage is attained as a minimum.

6.3. The recruitment process was completed in April 2025. Successful appointment was made to the Principal Auditor IT position and the successful candidate started on 28th July 2025. One Auditor position was also filled and the successful candidate started on 9th June 2025. A further recruitment for a qualified and experienced Senior Auditor was completed in June 2025. A successful appointment was made and the candidate started on 21st July 2025.

6.4. There are currently three vacant posts within the structure, these being one Senior Auditor Fraud and Investigations position, and two career graded Auditor/Senior Auditor positions.

6.5. Given that three new recruits have recently joined the team, there is limited capacity to onboard additional trainee or apprentice level auditors at this time, although this is a longer-term ambition. The Council is going through significant change and this also has an impact on operational internal audit delivery.

6.6. Apprentices require significant training and mentorship, which can be time-consuming for existing staff. If the team is already stretched thin, dedicating time to train an apprentice might not be feasible. Initially, apprentices may not contribute significantly to productivity as they are still learning. This can be a drawback when the organisation needs immediate results and cannot afford a temporary dip in productivity. Limited resources are better allocated to critical areas that directly impact the organisation's core operations and immediate objectives. Recruiting an apprentice might divert these essential resources and significantly alter the level and scope of audits completed.

6.7. A recruitment will be completed by October 2025 for qualified and experienced Senior Auditor level candidates to fill the remaining two positions. Consideration of the approach for the Senior Auditor Fraud and Investigations position is currently underway with the newly appointed Principal Auditor IT who has significant experience in the management of counter fraud services. Once we have considered the options appropriate recruitment will take place.

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

Local Member:	N/A
Appendices	
N/A	