Committee and Date

Audit and Governance Committee

26th September 2025

10:00am

Item

Public

Internal Audit Performance 2025/26

Responsible Officer:	Barry Hanson		
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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 summarises Internal Audit's 2025/26 work to date. Lower audit assurances 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 first five and a half months of the approved internal audit plan for 2025/26.

2.2. Nine reasonable, 12 limited and five unsatisfactory assurance opinions have been issued. The 26 final reports contained 175 recommendations, one of which was fundamental.

2.3. This report proposes revisions in the coverage of planned activity for Shropshire Council, with an increase of 64 days from 1,208 days as reported in July 2025 to 1,272 days. Changes to the planned activity are required due to a successful recruitment campaign with a Senior Auditor joining the team from 21st July 2025 and a member of the team being on long term sick leave. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion. The recruitment of an additional Senior Auditor has enabled the three audits requested

at the July Committee meeting to be added to the plan, however due to overruns on audits and the long term absence of one team member additional work cannot be added at this time. Results of all audit works undertaken will be reported to the Audit Committee following completion and will contribute directly to the CAE year end opinion.

2.4. 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. Recommendations

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

a) the performance of Internal Audit against the 2025/26 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.

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 Global Internal Audit Standards (GIAS) as applied in the UK Public Sector. 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. There are currently three vacancies within the team. A recruitment process is currently underway for two of those posts, a further recruitment update is included as part of this Committee agenda.

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. 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.

5.2. 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. 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.

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.

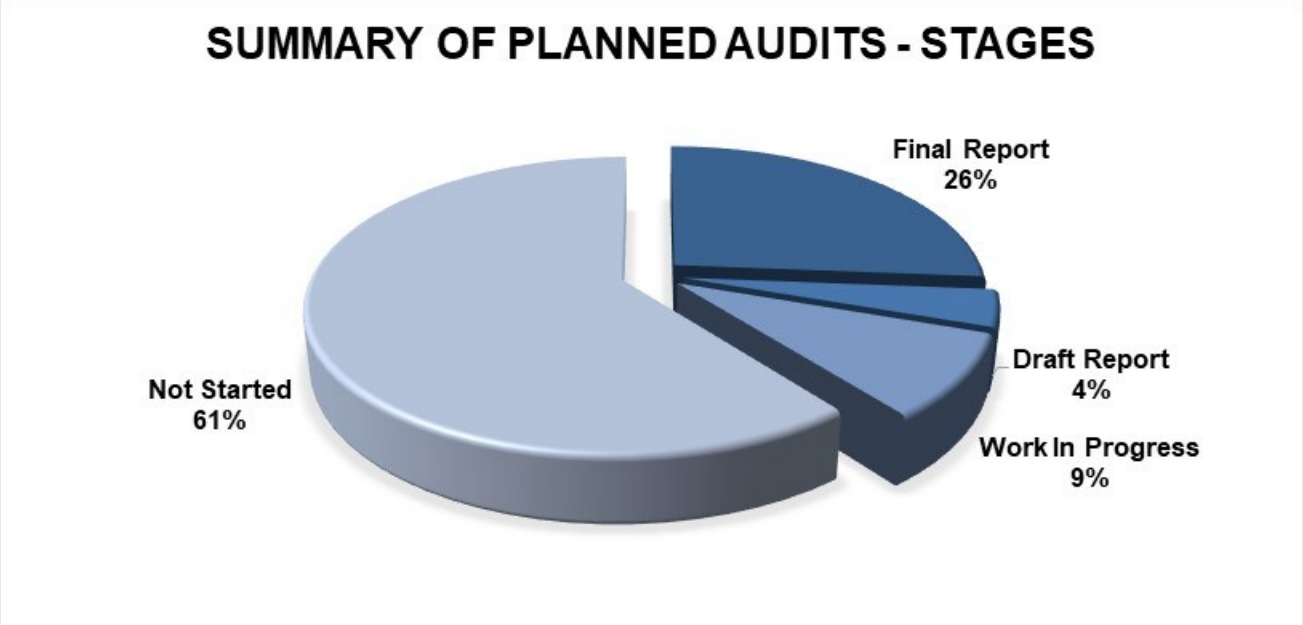
7.2. The 2025/26 Internal Audit Plan was presented to, and approved by the Audit Committee at the 16th July 2025 meeting with the caveat that further adjustments may be necessary. This report provides an update on progress made against the plan up to 17th August 2025 and includes revisions to the plan.

8. Performance Against the Plan 2024/25

8.1. Revisions to the 2025/26 plan provide for a total of 1,272 audit days, an increase of 64 days from those approved by the Committee in July 2025. Changes to the planned activity are required following a successful recruitment campaign in July 2025 with a Senior Auditors joining the team. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion.

8.2. The additional days have been used to bring forward the three audits requested at the July 2025 Committee meeting from the call off list, however, the long-term sickness of one member of the team and overruns on audits, and training for a new recruit has impacted delivery of the plan. Results of all audit works undertaken will be reported to the Audit Committee following completion and will contribute directly to the CAE year end opinion.

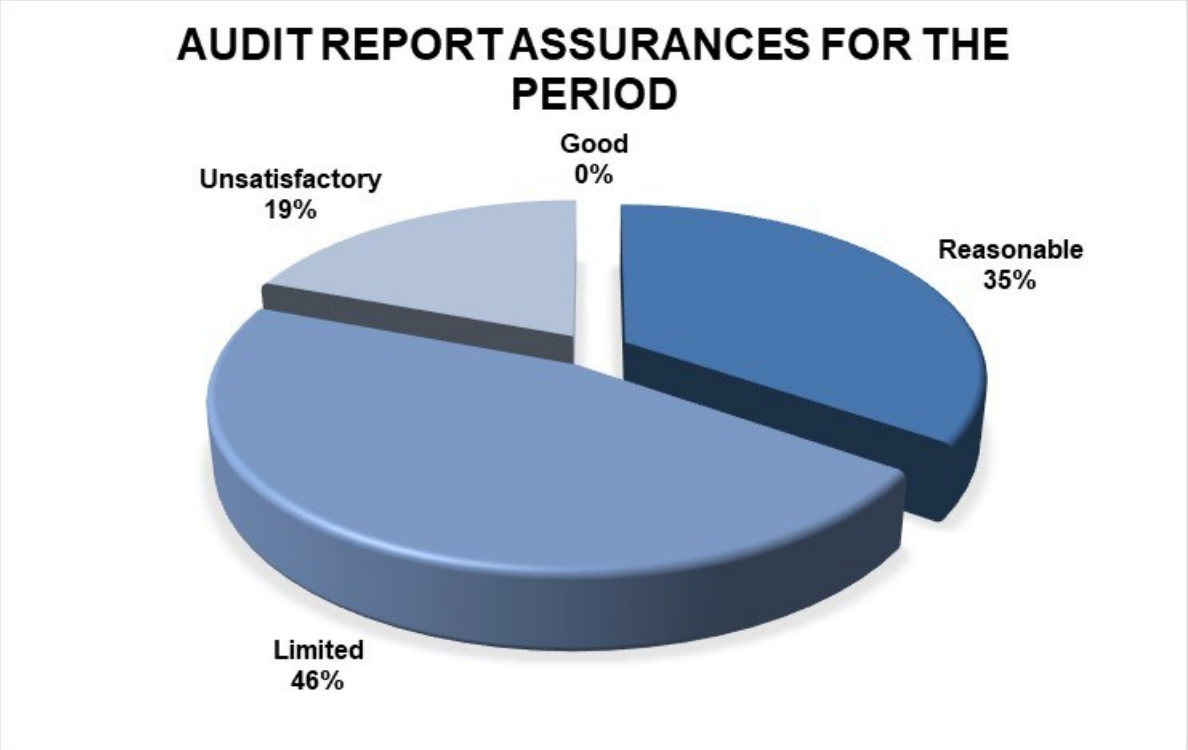
8.3. In total, 26 final reports have been issued in the period from 1st April 2025 to 17th August 2025, all are listed with their assurance rating and broken down by service area at paragraph 8.4. The following chart shows performance against the approved Internal Audit Plan for 2025/26:



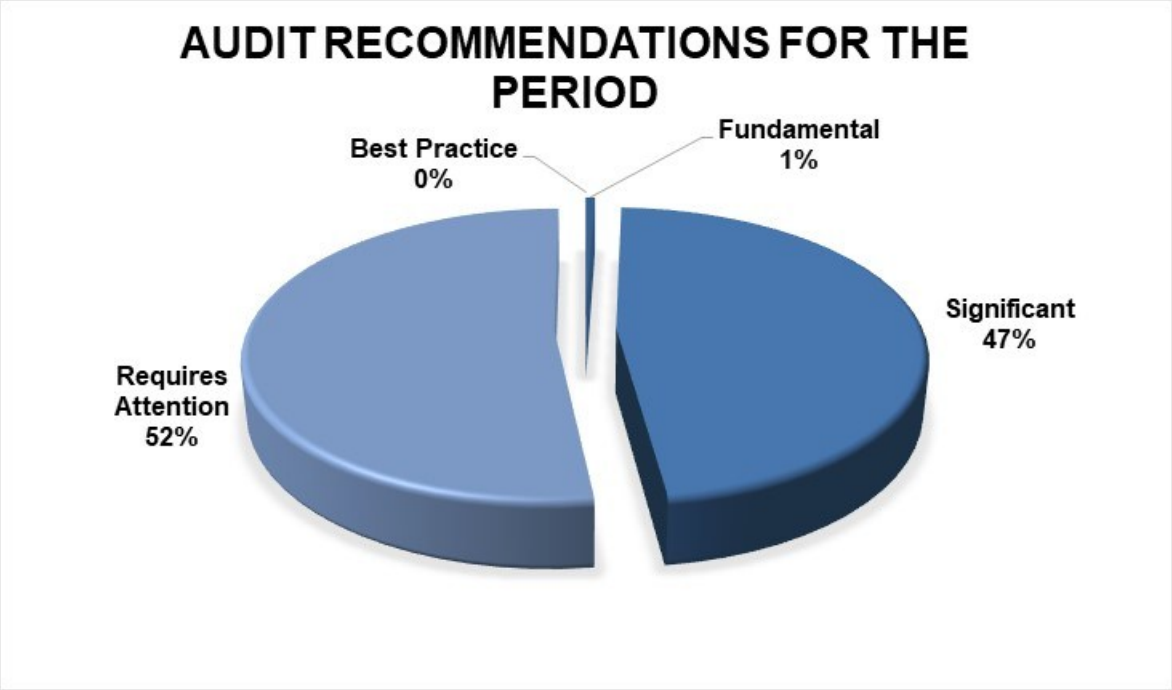
8.4. The following audits have been completed in the period:

Audit Name	Audit Opinion					Recommendations				Direction of Travel
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice	
Children's Residential Care Contract Management Follow Up		1					3	3		↑
Section 17 Payments Follow Up 2024/25			1				3	4		←→
Short Breaks Follow up				1		1	1			←→
External Catering Contracts		1					1			←→
Deferred Payments 2024/25				1			9	10		↓
Waste Management - Garden Waste Collections			1				4	2		N/A
Housing Options/Homelessness			1				5	8		↓
The Lantern Follow Up				1						←→
Pay360 Income Application 2024/25		1					1	7		N/A
VAT			1				4	2		←→
Equality Diversity and Inclusion Arrangements Follow Up 2024/25			1				2	2		←→
Holiday Pay 2024/25			1				2	2		N/A
Workforce Planning – Impact of Voluntary Redundancy on Key Skills and Delegated Responsibilities 2024/25			1				2	4		N/A
Digital Mail Room 2024/25				1			5	2		↓
IT Contract Management 2024/25		1					1	2		↑
Microsoft Co-Pilot / Ai 2024/25		1					1	4		N/A
SNOW IT Asset Management 2024/25			1				2	6		↓
Telecommunications - Contracts, Procurement and Monitoring				1			7	3		↓
Security of Council Buildings Follow Up			1				2	1		←→
Shirehall Decant 2024/25		1					3	3		N/A
Shrewsbury Shopping Centre Follow Up 2024/25		1					2	2		↑
North West Relief Road (NWRR) Follow Up 2024/25		1					3	1		↑
WSP Contract 2024/25			1				5	8		←→
Feedback and Insight 2024/25			1				10	5		N/A
IT Monitoring Use of Facilities 2024/25			1				2	5		←→
Economic Growth Strategy/Big Plan 2024/25		1					3	5		↑
Total	**0**	**9**	**12**	**5**		**1**	**83**	**91**	**0**	
Percentage	0%	35%	46%	19%		1%	47%	52%	0%	

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



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



8.7. In the period up to the 17th August 2025, nine reports have been issued providing good or reasonable assurances and accounting for 35% of the opinions delivered. This represents a significant decrease in the higher levels of assurance for this period, compared to 83% in the same reporting period for 2024/25 and the previous year outturn of 58%. This is offset by a corresponding increase in limited and unsatisfactory assurances, currently 65% for the period compared to 17% in the same period for 2024/25 and the previous year outturn of 42%. Whilst it is

early in the 2025/26 reporting cycle, the higher proportion of lower assurances delivered is a concern.

8.8. Details of control objectives evaluated and not found to be in place as part of the planned audit reviews that resulted in limited and unsatisfactory assurances, appear in **Appendix A, Table 1**. The appendix also includes descriptions of the levels of assurance used in assessing the control environment and the classification of recommendations, **Tables 2 and 3** and provides a glossary of common terms, **Table 4**.

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

8.9. Four draft reports are awaiting management responses, which will be included in the next performance report. Work has also commenced for external clients in addition to the drafting and auditing of financial statements for external clients and the certification of grant claims for Shropshire Council.

8.10. A total of 175 recommendations have been made in the 26 final audit reports issued during this period; the breakdown of these by audit and recommendation rating are shown at paragraph 8.4. One fundamental recommendation has been made which is detailed below:

Short Breaks Follow Up 2025/26
Recommendation: The Service Manager and Commissioning Manager confirmed the three contracts have not been re-procured and have been extended for another year. The contract with Energize (All In) Short Breaks was extended as per the contract and does not require an exemption. Testing identified the service area were looking for options to extend the contracts in October 2024 and disclosed this to the contract provider. However, the exemptions weren't requested from the Monitoring Officer until February. Prior to the exemptions being requested from the Monitoring Officer, these were considered by People Directorate Management Team (DMT) in January. The exemptions were refused by the Monitoring Officer who advised the contracts would need to be considered by EMT. In March, Executive Management Team (EMT) gave approval to extend these for another year. There is no reference in the Council's Contract Procurement Rules (CPR) or Constitution that exemptions can be granted by EMT. Therefore, this is a breach of the CPR. There is currently an extensive work programme to review and change the overall short breaks model.
Work will continue to define the new model to provide alternative solutions to support family needs and children. Once the model is determined, contracts will procured as required.
Risk: Failure to re-model the short breaks offer 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. It is acknowledged that EMT balanced the risk of service continuity for vulnerable young people, with the CPR breach in their decision making and in their recommended timeline and actions agreed.
Management Response: The extensive work programme to review and change the overall short breaks model must continue at pace to determine and meet the requirements of a child or young person who has a disability and lives in Shropshire. Contracts must be procured in line with the Council's Contract

Procedural Rules and formalised prior to the existing expiry date of 31st March 2026. (Updated from
recommendation made and agreed in 2023/24).
Target Implementation Date: 1st April 2026

Question 2: Do Members wish to receive an update from the service area in relation to the fundamental recommendation?[1]

8.11. It is the identified manager's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 5** sets out the approach adopted to following up recommendations highlighting Audit Committee's involvement.

8.12. The following demonstrates areas where internal audit have added value with unplanned, project or advisory work, not included in the original plan.

- **National Fraud Initiative (NFI) -** The team are co-ordinating the submission of the data for 2024/25 NFI process.
- **Schools Financial Value Standard (SFVS) -** Assessed for maintained schools to inform the programme of financial assessment and audit. Individual SVFS's are referred to as part of specific audits, to evaluate their alignment with Audit's independent judgements. Audit informs the governing body and the local authority of any major discrepancies in judgements and follows up on recommendations in line with agreed processes.
- **Empty Homes Briefing Note -** An audit of Empty Homes was due to be completed in 2024/25. However, the Empty Homes service has been discontinued and the dedicated officer was made redundant at the end of 2024. The Empty Homes Strategy 2022-2025 document was not renewed after 31st March 2025, although Empty Homes is included briefly in the new Housing Strategy. A review was undertaken to provide assurance that the Council is still fulfilling its statutory duties as stated in the LGA report, in respect of Empty Homes, even though the Council's Empty Homes Strategy has been discontinued owing to the Council's service cuts. This was presented as a briefing note rather than an assurance report with an audit opinion. It therefore did not include recommendations or provide a level of assurance but instead aimed to inform as to areas that would benefit from further review and enhancement in the future.
- **IDOX IT Application Briefing Note -** An audit of the IDOX IT Application was due to be completed in 2024/25 following a move to a cloud based system. Issues were identified by management early in the project that led to the project "go live" being delayed. There are still a number of unresolved issues and management action has been taken to date to address these and therefore it has been agreed that there is no value in completing an assurance audit at this time.
- **CIPFA Financial Resilience Review Briefing Note -** The scope of the review was to assess progress against the twenty recommendations set out in the action plan under the following four headings as per the CIPFA report issued in May 2024. A briefing note has been issued summarising progress made against implementing those recommendations.

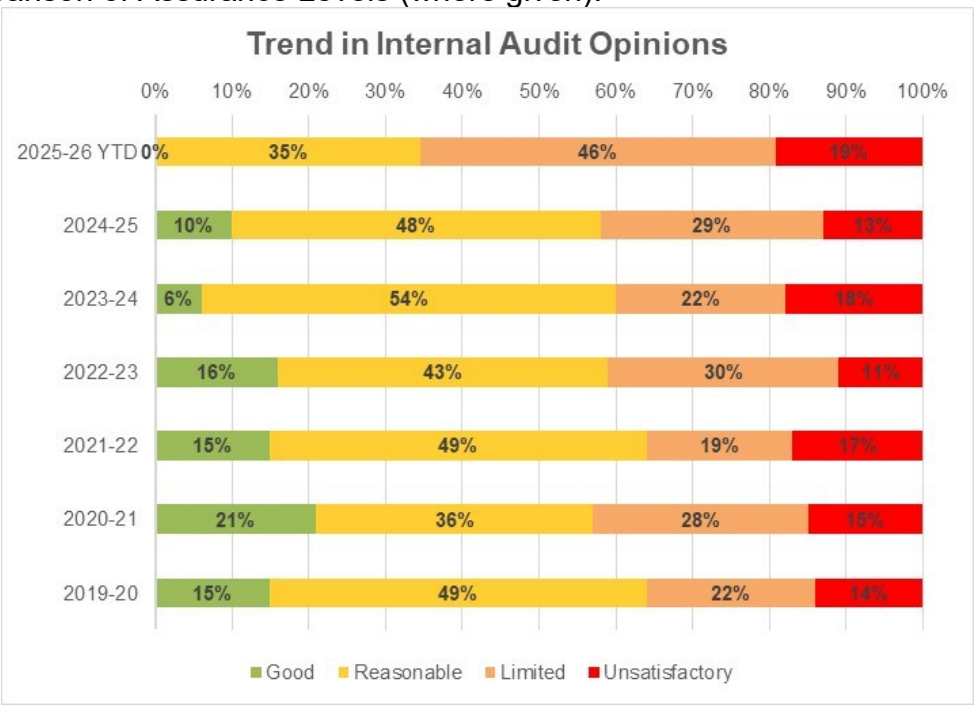
[1] A management update in relation to Short Breaks was provided to at the July Audit Committee meeting. A follow up audit will be scheduled for Q2 2026/27

- **Back up Arrangements and Data Centres & Infrastructure Briefing Note -** Audits of Back Up Arrangements and Data Centres & Infrastructures were due to be completed in 2024/25, however, these systems were being reconfigured at the time and therefore limited value in assessment of the current controls in place. The briefing note set out the position and proposed timescales for the completion of the works.
- **Payroll Data Analytics -** Analysis of payroll data was undertaken to identify data quality improvements. This information was shared with the HR/Payroll Manager to enable the HR Business Partners to support those not using the system correctly.
- **Transport Operations Group Briefing Note -** An Audit of the Transport Operations Group was due to be completed in 2025/26 to follow up the recommendations made in the limited assurance 2018/19 audit. The Vehicle and Fleet Manager anticipated that 19 of the 25 previous recommendations would be impacted by the implementation of a new software system from August 2025. Given the significant and imminent changes to the control framework, a follow up audit is not considered appropriate at this time. The follow up audit will be delayed until after the new system has been implemented and has been running for a period of time, in order to allow all data to have been transferred and a suitable period of operational activity to enable an effective audit review. A follow up will be scheduled with the service by quarter four 2025/26.

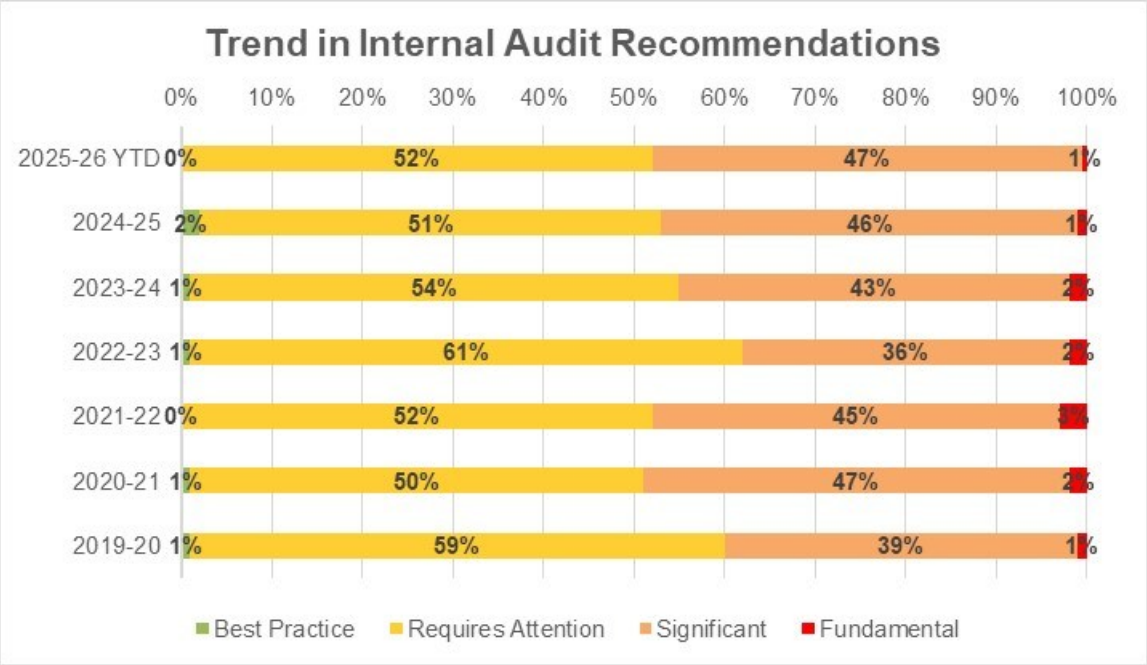
Direction of travel

8.13. 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:



8.14. The number of lower-level assurances to date, 65%, is higher than the outturn for 2024/25 of 42%. As noted in paragraph 8.7, this is a concern.

8.15. Full details of the audits completed and their assurance opinions can be found at paragraph 8.4.

Performance Measures

8.16. 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)

Draft Internal Audit Risk Based Plan 2025/26 - Audit Committee 16th July 2025
Global Internal Audit Standards (GIAS)
CIPFA Application Note: GIAS in the UK Public Sector
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

APPENDIX A

Table 1: Unsatisfactory and limited assurance opinions issued in the period from 1st April 17th August 2025[2]

Unsatisfactory assurance

Commissioning– Deferred Payments 2024/25 (Limited 2021/22)

- Previous audit recommendations have been implemented.
- Written procedures and policies are in place in relation to deferred payments.
- A process exists to ensure that deferred payment applications are received and processed appropriately.
- Deferred Payment Agreements are recorded on the ContrOCC System.
- Deferred payment accounts are controlled in an appropriate manner.

Children and Young People – Short Breaks Follow Up (Unsatisfactory 2023/24)

- Contracts are in place with providers of Domiciliary and Respite Services.
- Adequate contract performance management processes are in place.

Communities and Customer – The Lantern Follow Up (Unsatisfactory 2019/20, 2021/22 and 2024/25)

- 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.
- Previous recommendation has been implemented regarding appropriate procedures being in place for the security of staff and material assets.

Enabling– Digital Mail Room 2024/25

- The set up of the digital mail folders and authorisation of access is requested and approved.
- The access provided to digital mail folders is restricted for leavers and where appropriate, movers within the Council.
- The hard copy documents as instructed, are returned to the service areas or mail sender, or retained and destroyed.
- There is regular management reporting across different service areas of the volumes of mail processed.

Enabling – Telecommunications – Contracts, Procurement and Monitoring (Limited 2021/22)

- The recommendation made in the previous audit have been implemented.

[2] 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.

- Appropriate internal policies have been formally documented in relation to fixed and mobile communications.
- Formal contract tendering and management processes are in place with formally assigned responsibility.
- Telecommunications technology is appropriate to the size and nature of the teams across the Council.
- Billing analysis is undertaken on a regular basis.
- Appropriate management arrangements are in place to recharge budget managers for usage of fixed line and mobile telephony.

Limited assurance

Children and Young People – Section 17 Payments Follow Up 2024/25 (Limited 2015/16 and 2023/24)

- The recommendations made in the previous audit have been implemented.
- There are procedures in place to ensure compliance with Section 17 of the Children Act 1989, local policies and procedures.
- The imprest account is operated in accordance with Imprest Procedures and all monies can be accounted for. Payments are processed in relation to Section 17 of the Children Act 1989.
- Purchasing cards are used appropriately for reasonable and necessary expenditure.

Commissioning – Waste Management – Garden Waste Collections

- There is a suitable contract and appropriate contract payments for collection of garden waste bins.
- There is efficient collection of garden waste bins where the service is ordered, and payment made.
- There is management information including planned savings monitoring, reported and reviewed on a regular basis.

Enabling – Equality, Diversity and Inclusion Arrangements Follow Up 2024/25 (Limited 2023/24)

- Previous recommendations have been implemented regarding appropriate management arrangements being in place to govern Equality, Diversity and Inclusion within the Council.
- Previous recommendations have been implemented regarding the administration of Equality, Diversity and Inclusion being undertaken in line with the Corporate Policies.
- Previous recommendations have been implemented regarding there being appropriate and adequate procedures in place for the administration of Equality, Diversity and Inclusion practices.

Enabling– SNOW IT Asset Management 2024/25 (Reasonable 2022/23)

- To ensure that management arrangements and system administrative procedures have been documented.
- To ensure that appropriate arrangements are in place for the receipt and custody of ICT assets.
- To ensure that ICT assets held in stock are routinely reconciled to the inventory records.
- To ensure that appropriate arrangements are in place for accurately updating the inventory records with any distributions/disposals.

Enabling – VAT (Limited 2020/21 and 2023/24)

- 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.

Enabling – Workforce Planning- Impact of Voluntary Redundancy on Key Skills and Delegated Responsibilities 2024/25

- Approvals for voluntary redundancy consider the impacts on granting the request prior to making a decision.
- Where approvals are granted for officers with key skills/delegated roles, mitigations have been established within the service to ensure business delivery is not impacted

Infrastructure– WSP Contract Management 2024/25 (Limited 2021/22)

- The recommendations made and agreed in the previous audit have been implemented.
- The Council have appropriate arrangements in place for the management of the WSP Contract.
- There are suitable arrangements in place to verify that payments to WSP are valid, accurate and correctly authorised.
- There is an appropriate mechanism in place for the identification and management of risk.

Legal and Governance – IT Monitoring Use of Facilities 2024/25 (Limited 2018/19)

- Previous audit recommendations have been implemented.
- Arrangements are in place for the prevention, detection and investigation of misuse of IT Facilities.
- Risks associated with the misuse of facilities are documented, regularly assessed and updated.

Legal and Governance – Feedback and Insight 2024/25

- Previous Recommendations have been implemented
- Flexible Working Hours Policies/Annualised Hours Policies are being adhered to.
- Hours of work are formally recorded.
- The Feedback and Insight Team has sufficient resources to undertake its statutory duties and deliver their other responsibilities.
- Processes and IT systems are in place to deliver work within the required timescales.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

Communities and Customer – Housing Options and Homelessness

- Previous recommendations have been actioned
- Performance on the Homelessness Strategy is reviewed by Cabinet.
- Shropshire Council provides temporary accommodation (TA) for all those who are in need and satisfy the relevant criteria within the Shropshire area[3].

[3] This control has not been achieved, due to a lack of a formalised and documented process for selecting and approving TA, and B&Bs providers, and financial management of achieving this, not that SC does not provide TA for all those in need and satisfy the relevant criteria within the Shropshire area.

- Income received in respect of temporary accommodation is credited to the correct account in a timely manner.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

Enabling – Holiday Pay

- Holiday pay is calculated and paid correctly.
- Checks are in place to ensure system calculations are accurate.
- Staff are able to record and submit their hours worked and this is approved by a manager for accuracy.
- Checks are in place to ensure system calculations are accurate.

Enabling – Security of Council Buildings Follow Up (Limited 2024/25)

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

Table 2: 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 3: 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 4: 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 5: 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.

APPENDIX B

AUDIT PLAN BY SERVICE –PERFORMANCE REPORT FROM 1st APRIL TO 17th AUGUST 2025

Strategic Risk	Audit Name	Original Plan Days	August Revision	Revised Plan Days	17th August 2025 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
								Fundamental	Significant	Requires Attention	Best Practice	
CYB	Back-up arrangements Follow Up 2024/25	0		0	0.4	Complete	Briefing Note					N/A
BBS/GOV	CIPFA Financial Resilience Review 2024/25	0		0	1.0	Complete	Briefing Note					N/A
CYB	Data Centres and Infrastructure 2024/25	0		0	0.0	Complete	Briefing Note					N/A
CYB	IDOX Cloud Regulatory Services IT Application 2024/25	0		0	0.7	Complete	Briefing Note					N/A
GOV	IT Contract Management 2024/25	0		0	0.7	Complete	Reasonable		1	2		↑
CYB	Microsoft Co-Pilot / Ai 2024/25	0		0	0.7	Complete	Reasonable		1	4		N/A
BBS/GOV	Shrewsbury Shopping Centre Follow Up 2024/25	0		0	0.6	Complete	Reasonable		2	2		↑
GOV/SKI	Workforce Planning – Impact of Voluntary Redundancy on Key Skills and Delegated Responsibilities 2024/25	0		0	0.3	Complete	Limited		2	4		N/A
CYB	IT Monitoring Use of Facilities 2024/25	0		0	1.1	Complete	Limited		2	5		←→
BBS	Economic Growth Strategy/Big Plan 2024/25	0		0	0.8	Complete	Reasonable		3	5		↑
GOV	Feedback and Insight 2024/25	0		0	0.4	Complete	Limited		10	5		N/A
BBS	Section 17 Payments Follow Up 2024/25	0		0	0.5	Complete	Limited		3	4		←→
BBS	Supporting Families Grant - March 2025 Claim 2024/25	0		0	0.0	Complete	N/A					N/A
BBS/GOV	North West Relief Road (NWRR) Follow Up 2024/25	0		0	0.7	Complete	Reasonable		3	1		↑
BBS	Deferred Payments 2024/25	0	8	8	7.6	Complete	Unsatisfactory		9	10		↓
GOV	Empty Homes 2024/25	0	9	9	9.3	Complete	Briefing Note					N/A
GOV	Digital Mail Room 2024/25	0	4	4	3.6	Complete	Unsatisfactory		5	2		↓
GOV	Equality Diversity and Inclusion Arrangements Follow Up 2024/25	0	5	5	5.4	Complete	Limited		2	2		←→
GOV/BBS	Holiday Pay 2024/25	0	10	10	10.1	Complete	Limited		2	2		N/A
CYB	Pay360 Income Application 2024/25	0	2	2	1.8	Complete	Reasonable		1	7		N/A
EGS	Shirehall Decant 2024/25	0	2	2	1.7	Complete	Reasonable		3	3		N/A
CYB/GOV	SNOW IT Asset Management 2024/25	0	9	9	8.9	Complete	Limited		2	6		↓
GOV	Telecommunications - Contracts, Procurement and Monitoring 2024/25	0	17	17	17.3	Complete	Unsatisfactory		7	3		↓
GOV/BBS	WSP Contract 2024/25	0	5	5	5.0	Complete	Limited		5	8		←→
GOV	The Lantern	5	-2	3	1.7	Complete	Unsatisfactory					←→
GOV	TOG (Transport Operations Group)	10	-8	2	1.3	Complete	Briefing Note					N/A
SGC	Children's Residential Care Contract Management	4		4	4.4	Complete	Reasonable		3	3		↑
SGC	Domiciliary & Respite Services (Short Breaks)	4		4	3.8	Complete	Unsatisfactory	1	1			←→
BBS	External Catering Contracts	2		2	2.4	Complete	Reasonable		1			←→
GOV	SFVS - Schools Financial Value Statement	2		2	2.9	Complete	N/A					N/A
CCS	Garden Waste Collection	8		8	8.4	Complete	Limited		4	2		N/A
BBS	Housing Options / Homelessness	12	12	24	23.8	Complete	Limited		5	8		↓
GOV	Payroll Data Analytics (IDEA) 24/25 Q4	1		1	1.9	Complete	N/A					N/A

Strategic Risk	Audit Name	Original Plan Days	August Revision	Revised Plan Days	17th August 2025 Actual	Status	Audit Opinion	Recommendations				
								Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
GOV	Payroll Data Analytics (IDEA) Q1	1		1	0.3	Complete	N/A					N/A
GOV	Security of Council Buildings Health and Safety	5		5	5.5	Complete	Limited		2	1		←→
GOV	VAT	5		5	4.2	Complete	Limited		4	2		←→
SGC	Foster Care	5	2	7	6.7	Draft						
BBS	Community Equipment Contract (Medequip)	3	8	11	10.6	Draft						
GOV	Corporate Governance 24/25	0		0	2.0	Draft						
EGS	Shirehall Disposal	7		7	7.0	Draft						
CCS	Waste - Veolia Contract	8		8	3.7	In Progress						
GOV	Management & Control of CCTV Operations	6		6	0.8	In Progress						
BBS	Budget Management	8	10	18	14.4	In Progress						
BBS	Debt Recovery	15		15	8.5	In Progress						
GOV	IT Code of Practice / Acceptable Use	8		8	3.2	In Progress						
BBS	Travel and Subsistence	4		4	0.8	In Progress						
BBS	Home Upgrade Grant (HUG) Phase 2	0		0	5.3	In Progress						
GOV / BBS	New Operating Model (NOM)	10		10	9.6	In Progress						
GOV	PMO Project Management	0	12	12	5.3	In Progress						
GOV	IT Project Management	0	8	8	1.3	In Progress						
GOV	Financial Evaluations	30		30	5.5	In Progress						
GOV	Counter Fraud Work	15		15		In Progress						
GOV	Counter Fraud, Policies and Training	2		2		In Progress						
BBS	Finance - Final Grant Claims	8		8		In Progress						
GOV	National Fraud Initiative (NFI)	20		20	5.3	In Progress						
GOV	Bishops Castle Community College	10	-8	2	1.4	Delayed						
MHW	Health & Safety	8		8	0.5	Delayed						
GOV	Assistive Technologies including BOTS	10		10		Not Started						
BBS / PAR	Continuing Health Care (CHC) Funding	8		8		Not Started						
CYB	Liquid Logic Application (Adults & Childrens) / Controcc	15		15	1.1	Not Started						
SGC	Adoption Process including allowances	10		10		Not Started						
GOV	Bishops Castle Community College	0	8	8		Not Started						
SGC / BBS	Children's Social Care Budget Management	5		5		Not Started						
SGC	Direct Payments Children	10		10	0.8	Not Started						
GOV	EHCP AI	7		7		Not Started						
SGC	Magic Notes AI	7		7		Not Started						
GOV	Schools Self Assessments (Audit Provided)	8		8	1.1	Not Started						
SGC / BBS	SEND Commissioning	10		10		Not Started						
SGC	Virtual School	10		10	2.8	Not Started						
BBS	Care Act - Market Shaping	10		10	2.3	Not Started						

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								Fundamental	Significant	Requires Attention	Best Practice	
BBS	Key Supply Contracts	10		10	0.9	Not Started						
GOV	Much Wenlock Sports Centre - Joint Use	5		5	0.2	Not Started						
BBS	Personal Budgets / Direct Payments Finance Team-Adults	10		10	0.6	Not Started						
GOV	Procurement Strategy	8		8		Not Started						
CYB	Amazon Web Services (AWS) Platform	10		10		Not Started						
CCS	Emergency Planning	8		8	0.3	Not Started						
GOV	Galaxy - Libraries System	8		8	1.1	Not Started						
GOV	Housing Client Side	5		5		Not Started						
GOV	The Lantern	0	5	5		Not Started						
GOV	Corporate Governance	8		8		Not Started						
GOV	Ethics / Culture	10		10	0.3	Not Started						
CYB	Active Directory Analytics	10		10		Not Started						
BBS	Agency & Consultancy Staff	5		5	0.7	Not Started						
Gov	BluPrint - Print Unit Operations	6		6		Not Started						
CYB	Business Continuity Planning	10		10		Not Started						
CYB	Conditional Access	7		7		Not Started						
CYB	Corporate Networking - Active Directory	10		10		Not Started						
CYB	Database Access / Admin / Management	8		8		Not Started						
CYB	Decommission Shirehall Data Centre Project	10		10		Not Started						
CYB	Disaster Recovery	5		5		Not Started						
SKI	Human Resources / Workforce Planning	10		10		Not Started						
BBS	ICT Project Financing and Recharges	5		5		Not Started						
GOV	IT Restructure	5		5		Not Started						
CYB	Mobile Device Management - Intune	5		5		Not Started						
CYB	Networking Switch Management	10		10		Not Started						
CYB	Northgate - Revenues & Benefits Application	10		10	0.3	Not Started						
CYB	Nutanix Data Centre Solution	10		10		Not Started						
SKI	Organisational Workforce Resiliance	0	15	15	0.4	Not Started						
GOV	Payroll Data Analytics (IDEA) Q2	1		1		Not Started						
GOV	Payroll Data Analytics (IDEA) Q3	1		1		Not Started						
GOV	Payroll System	25		25		Not Started						
GOV	Power BI Reporting and Development	7		7		Not Started						
CYB	PSN (public sector network) Accreditation	5		5		Not Started						
MHW / SKI	Recruitment / Retention / Redeployment arrangements	6		6	1.1	Not Started						
CYB	Remote Support	5		5		Not Started						
CYB	Solar Winds Network Monitoring	10		10		Not Started						
CYB	Unified Communications	7		7		Not Started						
CYB	WhatsApp	3		3	0.0	Not Started						

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GOV / BBS	Big Town Plan / Shrewsbury Riverside Development	10		10		Not Started						
N/A	BSOG Grant Bus Subsidy	2		2		Not Started						
GOV	Chipside Parking System Application Review	10		10	0.3	Not Started						
GOV	CONFIRM-Highways Management System	10		10		Not Started						
GOV	Highways Maintenance - Term Maintenance -Kier	15		15		Not Started						
GOV	Highways Other Major Contracts	2		2		Not Started						
CYB	IDOX Planning, Building Control & Gazetteer Management System	10		10		Not Started						
GOV	Partnerships	8		8		Not Started						
GOV	Section 38 Road Adoption	4		4		Not Started						
GOV	TOG (Transport Operations Group)	0	10	10		Not Started						
GOV	Coroners and Mortuary Service	0	10	10	1.7	Not Started						
GOV	Annual Governance Statement (AGS)	1		1	0.3	Not Started						
GOV	Performance Management & PI's	8		8		Not Started						
GOV	Risk Management	10		10		Not Started						
GOV / BBS	Shropshire Plan Delivery	5		5	0.1	Not Started						
Total Shropshire Council Planned Work		**709**	**153**	**862**	**248**							
CONTINGENCIES												
Advisory Contingency		20	0	20	7.0							
Fraud Contingency		150	-50	100	21.4							
Unplanned Audit Contingency		50	-42	8	0.0							
Other non audit Chargeable Work		120	3	123	66.2							
CONTINGENCIES		**340**	**-89**	**251**	**94.6**							
Total for Shropshire		**1,049**	**64**	**1,113**	**342.1**							
EXTERNAL CLIENTS		**159**	**0**	**159**	**40.8**							
Total Chargeable		**1,208**	**64**	**1,272**	**382.9**							