



Committee and Date

Audit and Governance Committee
25th June 2026

Council
16th July 2026

Item

Public

Audit and Governance Committee Annual Assurance Report to Council 2025/26

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| Cabinet Member (Portfolio Holder): | Heather Kidd, Leader of the Council Sharon Ritchie-Simmons, Chair of the Audit and Governance Committee Roger Evans, Portfolio Holder – Finance | | |

1. Synopsis

A key part of the Audit Committee’s role is to report annually to Full Council on the Committee’s findings, conclusions and recommendations. Audit Committee has some concerns and in the light of the Chief Audit Executive’s opinion can only provide limited assurance.

2. Executive Summary

- 2.1 Attached to this report is the Audit and Governance Committee’s Annual Assurance Report to Council for 2025/26. This provides Council with limited assurance that it has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains consistently.
- 2.2 The Audit and Governance Committee recognises and is concerned about the limitations identified in the internal control framework as reported in the Chief Audit Executive’s Opinion and the potential impact on value for money.

3. Recommendations

3.1 The Audit and Governance Committee is asked to consider and comment on the contents of the Draft Annual Assurance report for 2025/26 before forwarding to Council with the recommendation below.

Recommendation to Council

3.2 Council is asked to:

- a) Endorse the Audit and Governance Committee's opinion that it has operated effectively in accordance with its terms of reference.
- b) Note the limited assurance provided over the Council's Governance, Risk management and internal control arrangements.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The Audit and Governance Committee's Annual Assurance Report is part of the overall internal control arrangements and risk management process. The Committee objectively examines and evaluates the adequacy of the control environment through the reports it receives and in turn can provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement. Internal Audit work covers all strategic risk areas as identified in the Internal Audit Plan. Strategic, operational and project risks relevant to the system or process under review are considered in the scoping of every audit assignment.

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, consultation or climate change requirements or consequences of this proposal.

5. Financial Implications

5.1. There are no direct financial implications arising directly from this report.

6. Climate Change Appraisal

6.1. There are no climate change issues arising directly from this report.

7. Background

- 7.1. A key part of the Audit and Governance Committee's role is 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. In addition, the Committee should report to Council where they have added value, improved or promoted the control environment and performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.
- 7.2. The Audit and Governance Committee has a well-established role within the Council, and it is important that an Annual Assurance report based on the work of the Committee is produced and recommended to Council. In compiling this assurance report, information provided at the Audit Committee meeting on 25th June 2026 has also been considered.
- 7.3. In addition, this report has been reviewed to ensure its continuing compliance with CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition. This requires the Audit Committee to be held to account on a regular basis by the Council specifically in relation to:
- 7.4. Whether the;
- committee has fulfilled its agreed terms of reference;
 - committee has adopted recommended practice;
 - development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities;
 - committee has assessed its own effectiveness, or been the subject of a review, and the conclusions and actions from that review and,
 - what impact the committee has on the improvement of governance, risk and control within the Council.
- 7.5. The annual assurance report to Council for 2025/26, attached to this report, is an aid to addressing the key areas where the Committee should be held to account.

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

- CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition
- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022
- Audit and Governance Committee reports 2025/26
- Internal Audit Annual Report 2025/26

Local Member: N/A

Appendices

Appendix A - Draft Audit Committee Annual Assurance Report 2025/26

APPENDIX A

AUDIT COMMITTEE ANNUAL ASSURANCE REPORT FINANCIAL YEAR 2025/26

STATEMENT FROM THE CHAIRMAN OF THE AUDIT COMMITTEE

1. Governance in and of the public sector continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. In Shropshire we have a Code of Corporate Governance which is reviewed annually in line with the best practice issued by CIPFA and SOLACE; we have also produced an Annual Governance Statement, again in line with best practice and legislative requirements. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives and providing good service to our community.
2. Shropshire Council has an Audit and Governance Committee that is long established in seeking to maintain and improve our governance procedures. The Committee is a key component of the Council's corporate governance arrangements and a major source of assurance of the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance.
3. This year the Committee has held seven planned meetings including the meeting held on 25th June 2026. The committee have received and considered a substantial number of reports across key areas of the Council's activity (**see Annex A**).
4. Membership of the Audit and Governance Committee for 2025/26 was made up of the following Councillors: Duncan Kerr (Chair), Kate Halliday (Vice Chair), Malcolm Myles-Hook, Rhys Gratton, Mark Owen, Duncan Borrowman, Carl Rowley, Sharon Ritchie-Simmons and Nigel Lumby. Substitutes were invited to attend and contribute at all meetings and training. An independent member, Jim Arnold was appointed in January 2023, but resigned from this position in January 2026. The recruitment of a new independent member is currently under consideration with an anticipated completion during the summer.
5. The benefits to the Council of operating an effective Audit Committee are:
 - Maintaining public confidence in the objectivity and fairness of financial and other reporting.
 - Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement.
 - Providing a sharp focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process.
 - Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.

- Providing additional assurance through a process of independent and objective review.
 - Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
 - Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.
6. The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend all meetings of the Committee to offer their advice where needed.
7. The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Chief Finance Officer (Executive Director of Resources /Section 151 Officer) in achieving our aims and objectives. We have put together a work and development plan for the year to enable key tasks to be considered and completed.
8. As Chair of the Committee, I see training as a key priority for members to undertake our roles effectively. The Committee has undertaken a full and extensive programme in 2025/26. Training has been received in relation to:
- The role of the Audit Committee and Interpreting Internal Audit Performance Reports
 - Interpreting the Financial Statements
 - Audit Committee Self Assessment and Skills Framework
 - The Role of the Audit Committee (LGA Training)
 - Risk Management
 - Treasury Management
9. Members also have access to CIPFA's Better Governance Forum network which provides specific information in the form of regular briefings, training events, and an informative web site.

Details of Reports/Information Received

10. **Annex A** provides a summary of the key reports and information received by the Audit and Governance Committee at its meetings. These appear categorised in the areas which, under the Terms of Reference, the Committee have a responsibility to consider and report upon. They are
- Governance;
 - Risk management framework;
 - Controls, including specific focus on:
 - Contracts and partnerships
 - Fraud, corruption and whistleblowing
 - Value for money
11. Following receipt of the reports the Audit and Governance Committee:
- Resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

- Resolved that the risk management and assurance framework was not operating as intended and that improvements were needed in this area.
 - Recognise the increased risks in the control environment and resolved that there is still a need to ensure continual monitoring by management and members alike on the internal control environment.
 - Resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).
 - Resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.
 - Resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.
12. The Chief Audit Executive has offered Limited Assurance for the 2025/26 year on the Council's framework for governance, risk management and internal control. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. Given that this is the 7th year reporting a limited assurance opinion, it is critical for the Council to demonstrate improvements in governance, internal control, and risk management throughout the 2026/27 period. The findings of this report highlight the need for a proactive approach in addressing the areas rated limited or unsatisfactory assurance during 2025/26.
13. The loss of key officers through the Council's voluntary redundancy programme, interim roles including those in statutory positions place further pressure on the delivery of the required improvement activities and required transformation works. This coupled with the statutory recommendation from the External Auditors highlights the scale of the challenges ahead. Credible and serviceable plans are required to reduce reliance on exceptional financial support in the medium to long term.
14. The Chief Audit Executive's overall opinion on the control environment has been "Limited" for seven years. The Committee shares the concern that there has been no demonstrable improvement in the internal control environment during 2025/26. There is a significant risk that this position is accepted as the norm and puts further pressure on the achievement of the Council's aims and objectives as set out in the Improvement Plan, People Plan, New Directions and corporate plan. It is therefore crucial that appropriate action is taken to reverse this position.
15. This will require a culture change across the organisation and embedding of the values and principles of audit and governance in every part of the Council. This will not be an easy task as the Council faces the following challenges:

- a) For seven years in succession the Council has only received a limited assurance on the Council's framework for governance, risk and internal control from the Chief Audit Executive.
- b) The Council faces an unprecedented financial situation which was adjudged to be perilous three years ago and has worsened since then with external audit identifying significant weakness in financial stability and governance and issuing a statutory recommendation. There is likely to be a corresponding increase in public scrutiny as tough decisions have to be made focussing attention on efficiency, effectiveness, value for money and good governance.
- c) The latest update of the strategic risk register shows a very significant increased risk of failure of officers and members to adhere to governance arrangements.

Annual Statement of Assurance

16. Based on:

- The work carried out by the Internal and External Auditors and their reports presented to this Committee;
- Reports from service managers and;
- The work carried out by the Section 151 Officer, Head of Policy and Governance and their reports presented to this Committee

The Audit and Governance Committee recognises and is concerned about the limitations identified in the internal control framework and the impact on value for money. Therefore on balance, the Committee can provide limited assurance, founded on those reports, explanations and assurances received, that the Council has in place adequate and effective governance, risk management and internal control systems; internal, external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects.

Signed

Date

On behalf of the Audit and Governance Committee

ANNEX A

Summary of assurance reports received by Audit and Governance Committee

Governance

- **Management report - ; Annual Governance Statement (AGS) and a review of the effectiveness of the Council's internal controls and Shropshire's Code of Corporate Governance**

Report of the Section 151 Officer on the effectiveness of the system of internal controls and the production of the Annual Governance Statement is due to be presented to the July Audit and Governance Committee meeting, a draft version is not yet available. Compliance with the Corporate Governance Code for 2025/26 has been as reasonable. It confirmed the Council's commitment to the principles of good corporate governance.

- **Annual Review of Audit and Governance Committee Terms of Reference**

Report of the S151 Officer which ensures that the Council continues to provide an effective Audit and Governance Committee. Terms of Reference are considered and approved by members annually. Changes were made to the name of the Committee from the Audit Committee to the Audit and Governance Committee to better reflect its role. The size of the Committee was increased by four to ensure that all political groups can be represented. The changes were approved by Council on 17th July 2025.

- **Annual Audit and Governance Committee Self-Assessment**

The report of the Section 151 Officer which asked members to review and comment on compliance with the Chartered Institute of Public Finance and Accountancy's guidance on the function and operation of audit committees. There is significant compliance with the code and an improvement plan to address areas of partial compliance.

- **Internal Audit Charter and Mandate**

Report of the Chief Audit Executive which set out the requirement for an annual review of the Internal Audit Charter and Mandate which had been completed. The Charter demonstrates how Internal Audit complies with Global Internal Audit Standards. The Audit and Governance Committee approves the Charter which incorporates the mandate, mission, code of ethics, definition and core principles of Internal Audit. Minor changes were made to better align with GIAS.

- **Draft Audit Committee Annual Work Plan and Future Training Requirements 2026/27**

Report of the Chief Audit Executive which provided a proposed Audit and Governance Committee work plan and sought discussion and agreement around a learning and development plan for members to ensure they were well informed and appropriately skilled to fulfil their role. Therefore ensuring the integrity of the financial reporting and governance of the Council.

- **Internal Audit Recruitment Update**

The Committee requested an update from the Chief Audit Executive following their concerns regarding the level of Internal Audit resources. The report provided members with the current Internal Audit structure and confirmed increased capacity following a successful recruitment campaign. One post remained vacant and one was deleted to achieve the savings target.

The Audit and Governance Committee resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

Risk Management Framework

➤ **Management report: Strategic risks update**

The management of the strategic risks is a key process which underpins the successful achievement of our priorities and outcomes. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

Reports during the year set out the existing strategic risk exposure. There were 10 strategic risks on the strategic risk register at the time of the biannual review in June 2025 with one in draft. Nine of these were high risk and one was medium. The report provided the rationale for the increased risk scores and noted that 100% of strategic risks were above the tolerance level. A strategic risk regarding the Economic Growth Strategy had been archived.

Members noted that no risks had improved over the last two years and questioned the effectiveness of mitigating actions.

As part of the review in December 2025 strategic risks were reassessed. Eight were assessed as high risk.. Two strategic risks relating to safeguarding children and the impact of increased waiting lists in DoLs, OT and SI.

Three strategic risks were scores at the maximum level of 25, those being:

- Failure to protect and manage the impact of a targeted cyber attack on ICT systems used by the Authority.
- Inability to contain overall committed expenditure within the current available resources within this financial year.
- Inability to set a balanced budget for a given year within the MTFS

Strategic risks are monitored to enable achievement of Council priorities and outcomes and are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

➤ **Internal Audit report of the review of Risk Management Audit 2025/26**

The report of the Internal Audit Manager summarised the detailed findings identified in the Internal Audit review of risk management of which the overall control environment had been assessed as limited, with evidence of non-compliance with some key controls. The Committee received assurance from the Strategy and Scrutiny Manager that work was underway to address the weaknesses identified.

➤ **Internal Audit Annual plan 2026/27**

The Committee received the report of the Head of Policy and Governance outlining the proposed risk based Internal Audit Plan for 2026/27. The plan covered key areas including governance, ethics, IT governance, risk management, and fraud management. The annual risk assessment, undertaken with senior leadership and the Section 151 Officer, ensured that audit activity remained aligned with the Council's risk profile. The plan reflected wider organisational challenges, including transformation and improvement activity, workforce pressures, financial constraints, and recommendations from external auditors.

The Audit and Governance Committee resolved that the risk management and assurance framework was not operating as intended and that improvements were needed in this area.

Controls

➤ **Management Update: Agency and Consultancy Staff Management Update**

The Committee requested a management update following an Unsatisfactory audit opinion which followed two previous limited assurances.

The HR and OD Manager presented the report from the Service Director for Enabling which reported that 10 recommendations had been implemented and two remained in progress with an anticipated implementation date in early 2027.

➤ **Management Report: Children's Social Care Budget Management Update**

Members requested a management update an update following a limited audit opinion.

The Director of Children's Services outlined the seven recommendations and confirmed that four would be taken forward at pace whilst some deadlines may need to extend into October due to the preparation for the recent Ofsted inspection.

➤ **Management Update: Internal Control Management Update**

Committee members requested a management update from the Leader and Interim Chief Executive following six years of limited assurance from the Chief Audit Executive.

The Interim Chief Executive and Leader of the Council outlined the actions taken to address the Committee's concerns including greater management oversight, the publication of an improvement plan and establishing an independently chaired Improvement Board. Members were reassured by the improvements underway but remained concerned about ongoing operational and cultural changes. The Interim Chief Executive committed to providing updates to each Audit and Governance Committee.

➤ **Management Update: Adult Social Care Outturn Update**

The Audit Committee received a report from the Interim Chief Executive providing an update on the issues that contributed to the significant changes in the financial position between period 11 and 12 during 2024/25. An Internal Audit review had been commissioned which made six recommendations, including one fundamental issue. Management assurance was provided that the fundamental recommendation has been implemented and most other recommendations were expected to be fully

implemented by the next Committee meeting in February 2026. A further update was requested to be presented to the June 2026 Committee.

A further report was presented at the February 2026 Committee meeting, management assurance was provided that three recommendations had been implemented, including the fundamental recommendation regarding reporting actuals in budget monitoring. Three recommendations remain in progress. An update will be provided by Internal Audit to a future meeting when a follow up review has been completed.

➤ **Management Update: The Lantern**

Members received an update regarding the actions taken to address four repeated unsatisfactory audit assurance opinion. The establishment had been subject to repeated audits of its income collection and letting arrangements and had consistently failed to implement the agreed actions despite management assurances previously provided to the Committee. Management assurances were provided that all recommendations had been addressed following the implementation of a new booking system. The Committee agreed that Internal Audit would report back in June or July 2026 once they had completed a follow up audit.

➤ **Management Update Deferred Payments Management Update**

The Committee received a management update following an unsatisfactory audit opinion, this area had previously been assessed as limited in 2021/22. Management assurance was provided that all recommendations had either been completed or were in advanced progress. The Committee agreed that Internal Audit would report back at a future meeting once they had completed a follow up audit.

➤ **Management Update: Improvement Plan Update**

The Committee received a report from the Interim Chief Executive which provided a summary of the arrangements in place to ensure delivery of the Council's Improvement Plan. The report was introduced by the Service Director for Strategy and Change.

Members agreed that adequate assurance had been obtained at this stage and assurance would be reassessed upon the presentation of additional evidence and outcomes.

➤ **Management Update: Supply Contracts Management Update**

The Committee received a management update following an Internal Audit briefing note outlining the decision to postpone the scheduled audit. This area had been previously assessed as limited in 2019/20.

The Service Director for Commissioning provided an update on the current position together with a range of improvement actions following their own self-assessment against a national framework.

➤ **Management Update: Shirehall Decant Management Update**

The Committee requested a management update on the project to dispose of the Shirehall following a limited Internal Audit assurance report.

The Head of Property and Development provided an update on progress made in implementing the report recommendations, one was reported as implemented and two were reported to be due for implementation by 31/03/26.

➤ **Internal Audit performance report and revised annual audit plan 2025/26**

Report of the Chief Audit Executive provided Members with an update of the work undertaken by Internal Audit throughout the year. By September Members were informed that 26 final reports had been issued which included one fundamental recommendation. Revisions were made to the plan following a successful recruitment campaign.

By the year end the Chief Audit Executive informed members that 60 final reports had been issued which included four fundamental recommendations.

Lower assurance levels and fundamental recommendations were separately identified throughout the year. Where appropriate, members requested management updates at subsequent meetings which are detailed in this report.

➤ **Internal Audit Annual Report 2025/26**

Report of the Chief Audit Executive on achievements against the revised internal audit plan for 2025/26 and the annual internal audit assurance. The Chief Audit Executive gave limited assurance for the year that the Council's framework for governance, risk management and internal control is sound and working effectively.

Revisions were made to the plan to reflect both changing resources and risks. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected.

The Audit and Governance Committee recognise the increased risks in the control environment and resolved that there is still a need to ensure continual monitoring by management and members alike on the internal control environment.

Controls: Fraud, Corruption and Whistleblowing

➤ **Fraud, special investigation and Regulation of Investigatory Powers Act (RIPA) update (Exempted by categories 2, 3 and 7)**

Members are provided with exempt reports of the Internal Audit Manager providing an update on the current fraud and special investigations undertaken by Internal Audit and current RIPA activity.

Following the departure of the postholder under the voluntary redundancy programme there are currently no arrangements in place for RIPA activity. The last update was received in July 2024 with the interim arrangements still yet to be decided.

➤ **Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative**

The report of the Chief Audit Executive outlined the measures undertaken in the last year to evaluate the potential for the occurrence of fraud, and how the Council managed these risks with the aim of prevention, detection and subsequent reporting of fraud, bribery and corruption. Members were provided with an update of the national fraud landscape and sector best practice guidance.

➤ **Fraud Investigation Options**

The report of the Section 151 Officer considered the motion referred to the Audit and Governance Committee by Council regarding the proposal to create a dedicated Counter Fraud Team. Following the consideration of a number of options the Committee agreed to refer this back to Cabinet to decide on the best way forward and recommended the setting up of a Task and Finish Group.

Cabinet considered the proposal at their meeting on 11th March 2026 and resolved that the Section 151 officer will prepare a proposal for the 2027/28 budget to create a corporate fraud team, dependent on an appropriate budget being identified

➤ **Annual Whistleblowing report**

Report of the HR and OD Manager which provides an update on the cases reported under the Whistleblowing arrangements will be reported to this committee meeting.

The Audit and Governance Committee resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).

Controls: Value for Money

Sound internal controls lead to the effective, efficient and economic use of Council resources (VFM), assurances are taken from the robustness of the internal control environment, management of risks, soundness of governance and any additional reports add weight to these.

➤ **External Audit: Auditors Annual Report**

Report of the Engagement Lead (Grant Thornton) summarising the work undertaken, a key element of which is the Council's Value for Money (VFM) arrangements for the year ending 31 March 2025.

➤ **Contract Rules Exemptions Update (exempted by category 3)**

Report of the Service Director Legal and Governance on exemptions to the corporate procurement rules ensures transparency, accountability and oversight in the procurement process. This also provides assurance to the Audit and Governance Committee that these exemptions are granted in line with the approved policy and ensures that the Council is not exposed to unnecessary financial, legal or reputational risk.

The Audit and Governance Committee resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.

Financial Reporting

➤ **External Audit: Letter on the Financial Position Based on Period 4**

The Committee received the External Auditor's letter highlighting their concerns about the Council's financial position and the potential need for a Section 114 notice if the position did not improve significantly and rapidly.

➤ **External Audit: Shropshire County Pension Fund Interim Audit Findings (Information) 2024/25**

Report of the Engagement Lead (Grant Thornton) summarised the interim findings for the year ended 31 March 2025 on the audit of the Pension Fund financial statements. It confirmed that there were no issues around the Fund's ability to continue as a going concern and that it was intended to issue an unqualified opinion to the Pensions Committee.

➤ **External Audit: Draft Auditors Annual Report**

The Committee received the report of the Engagement Lead from Grant Thornton which highlighted the Council's Financial Challenges. The report included one statutory and three key recommendations that focussed on financial resilience. The Committee referred the Auditor's report to Council as it was not in the Committee's remit to provide a response.

➤ **External Audit: Shropshire Council Audit Findings Report 2024/25**

In November 2025 the Committee received the report from the Engagement Lead which set out progress with the audit, current findings and the timeline for the audit opinion being agreed. The opinion was delayed pending receipt of a capitalisation directive from the Ministry of Housing, Communities and Local Government (MHCLG)

➤ **Financial outturn report 2025/26**

The report from the Section 151 Officer providing details of the revenue outturn position for the Council and the full year capital expenditure and financing of the Council's capital programme will be presented at the July 2026 Committee meeting.

➤ **Approval of the Council's Statement of Accounts including a review of accounting policies**

November 2025: The Committee received the report of the Section 151 Officer which provided the final approval of the Statement of Accounts for 2024/25 noting the minor amendments and unadjusted misstatement.

Treasury Management

➤ **Annual Treasury Report 2025/26**

The report of the Section 151 Officer setting out the borrowing and investment outturn for 2025/26, will be presented to this meeting together with the Treasury limits and Prudential Indicators.

➤ **Treasury Strategy 2025/26 mid-year report**

The report of Section 151 Officer provided Members with an economic update for the first six months of 2025/26, along with reviews of the Treasury Strategy 2025/26 and Annual Investment Strategy, the Council's investment portfolio for 2025/26, the Council's borrowing strategy for 2025/26, any debt rescheduling taken and compliance with Treasury and Prudential limits for 2025/26.

➤ **Treasury Strategy 2026/27**

Report of the Section 151 Officer which proposed the Treasury Strategy for 2026/27. It set out the arrangements for how the council would appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFS. He explained that the report set out the current market conditions that the Council were working within along with the prudential indicators which gave a measure of the financial viability from a capital point of view and a borrowing point of view for the organisation. The strategy was approved with the proviso that a supplementary paper be provided setting out the contingency planning relating to Exceptional Financial Support.

The Audit and Governance Committee resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.