



Committee and Date

Audit and Governance Committee

25th June 2026

10:00 am

Item

Public

Internal Audit Annual Opinion 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

This report provides a summary of Internal Audit’s work over 2025/26. Based on 421 recommendations across 60 reports and supporting evidence the Chief Audit Executive’s opinion provides ‘Limited Assurance’ on the Council’s framework for governance, risk and internal control.

2. Executive Summary

- 2.1. This annual report provides members with details of the work undertaken by Internal Audit for the year ended 31 March 2026. It informs on delivery against the approved annual audit plan and includes the Chief Audit Executive’s opinion on the Council’s internal controls, as required by the Global Internal Audit Standards (GIAS). This in turn, contributes to delivering the Accounts and Audit Regulations 2015 requirement to have internal audit, ‘evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’.
- 2.2. Final performance has been good with the revised plan being delivered above the 90% delivery target, in compliance with the GIAS and to the satisfaction of customers. 31 good and reasonable assurances were made in the year accounting for 52% of the opinions delivered. This represents a 6% decrease in the higher levels of assurance compared to the previous year, mirrored by a corresponding increase in limited and unsatisfactory opinions. The percentage split of recommendations has deteriorated, currently 57% significant and fundamental in 2025/26 compared to 47% in 2024/25. It

is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.

- 2.3. Based on internal audit work completed, the overall opinion on the control environment has been “Limited” for the last seven years. The tables at paragraphs 8.5 and 8.6 show the percentage split of assurance ratings, for context 2018/19 was the last year the opinion was not limited. The evidence reviewed during 2025/26 indicates that there remain weaknesses within in the internal control environment. I am satisfied that the Council’s current executive leadership acknowledge the improvement required and there are signs of improvement as the in the final quarter of 2025/26 which saw no unsatisfactory audit assurance opinions and no fundamental recommendations made.
- 2.4. The Council has taken a number of steps since in response to its financial position and wider control environment. These include the declaration of a financial emergency by Cabinet in September 2025, the introduction of significant management action to reduce spend, the stopping of non-essential expenditure and increased challenge of essential spend, and the continued reporting of the financial position to Cabinet on a monthly basis. The Internal Audit Plan has been revised during the year to reflect changing risks and resources, undertaken follow-up work on recommendations in key areas, and continued to report significant control issues and progress to the Audit and Governance Committee.
- 2.5. Since the announcement of a financial emergency in September, the Interim and now appointed Chief Executive has directed and led a number of actions intended to strengthen governance, compliance and organisational oversight. These include establishing the Statutory Officers Group from October 2025 to provide a clearer corporate route for oversight of key governance, legal and financial matters, reinforcing expectations around compliance with the Council’s constitution, policies and procedures; supporting improved corporate oversight of significant risks, control issues and audit findings; and strengthening engagement with the Audit and Governance Committee. The available evidence also points to a stronger emphasis on accountability, governance discipline and the consistent escalation of significant issues, although the full impact of these changes on the wider control environment is still emerging.
- 2.6. While these actions demonstrate response and oversight, the report also notes that the full impact of some measures, including wider organisational change and financial sustainability actions, is not yet fully reflected in the control environment.
- 2.7. Financial sustainability depends heavily on Exceptional Financial Support funded through borrowing of £219.2m. Whilst the Council has set out a response to the challenges within in the Improvement Plan, People Plan, New Directions paper and Corporate Plan, a new medium term financial plan is required which is currently under development.
- 2.8. It is essential for the Council to demonstrate improvements in governance, internal control, and risk management throughout the 2026/2027 period. The findings of this report highlight the need for a proactive approach in addressing weak internal control. A key focus must be placed on fostering a culture where improved accountability across senior management is critical for ensuring active engagement. It should be

noted that External Audit criticised this position in their annual opinion report presented at the November 2025 Audit and Governance Committee meeting.

- 2.9. With the current financial pressures and the need to re-shape the Council, it will be a significant challenge given the current staff capacity to ensure efficient and effective governance, risk management and controls are in place and operating effectively in practice. The pace of change required also presents significant challenges for Shropshire Council into 2026/27 and beyond.
- 2.10. Based on the Internal Audit work undertaken, and management responses received, I can offer Limited assurance for the 2025/26 year that the Council's framework for governance, risk management and internal control is sound and working effectively.
- 2.11. 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. Resourcing constraints continue to put pressure on business-as-usual activities, alongside a challenge to deliver savings and increase income at pace. This in turn increases the possibility of control failures.

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) That Internal Audit have evaluated the effectiveness of the Council's risk management, control and governance processes, considering Global Internal Audit Standards (GIAS) or guidance, the results of which can be used when considering the internal control environment and the Annual Governance Statement for 2025/26.
 - c) The Chief Audit Executive's Limited assurance, year-end opinion on the Council's framework for governance, risk management and internal control.
 - d) Request the executive and senior officers to take the necessary action to address the weaknesses identified.
 - e) Note that despite the limited assurance opinion, the significant progress that the Council has made and continues to make since the announcement of the financial emergency, as evidenced especially in the Q4 performance report.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. The delivery of a risk based Internal Audit Plan is an essential part of ensuring probity and soundness of the Council's financial and risk management systems and procedures. It is closely aligned to the Council's strategic and operational risk

registers and is delivered in an effective manner; where Internal Audit independently and objectively examine, evaluate and report on the adequacy of its customers' control environments as a contribution to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by identifying areas for improvement or potential weaknesses, and engaging with management to address these in respect of current systems and during system design. Failure to maintain robust internal control creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss, poor value for money and reputational damage. Audit work covers all strategic risk areas as identified in the audit plan. Strategic, Operational and project risks are considered in every audit assignment.

- 4.2. Internal Audit operates a strategic risk-based plan. The plan is revisited each year to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. This results in a comprehensive range of audits being undertaken in the year, supporting the overall opinion on the control environment. The plan contains a contingency provision which can be utilised during the year to respond to unforeseen work demands that may arise.
- 4.3. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2015. There are no direct environmental or equalities consequences of this proposal.
- 4.4. Internal Audit customers are consulted on the service that they receive. Feedback is included in this report and continues to be positive.

5. Financial Implications

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

6. Climate Change Appraisal

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

7. Background

- 7.1. This report is the culmination of the work of the Internal Audit team during 2025/26 and seeks to provide:
- A summary of the internal audit work undertaken.
 - An annual opinion on the adequacy of the Council's governance arrangements.
 - Information on the performance of Internal Audit including results of the quality and assurance programme and progress against the improvement plan.
- 7.2. As the Accountable Officer, the Executive Director (Section 151 Officer) has responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives, whilst safeguarding the Council's assets, in accordance with local government legislation. This includes section 151 of the Local Government Act 1972 which requires the Council to plan for the proper administration of its financial affairs.
- 7.3. The Accounts and Audit Regulations 2015 require the Council to have internal audit to; 'evaluate the effectiveness of its risk management, control and governance

processes, taking into account public sector internal auditing standards or guidance'. In addition, Internal Audit are expected to comply with the Global Internal Audit Standards to maintain an ongoing programme of quality assessment and improvement.

Scope and Purpose of Internal Audit

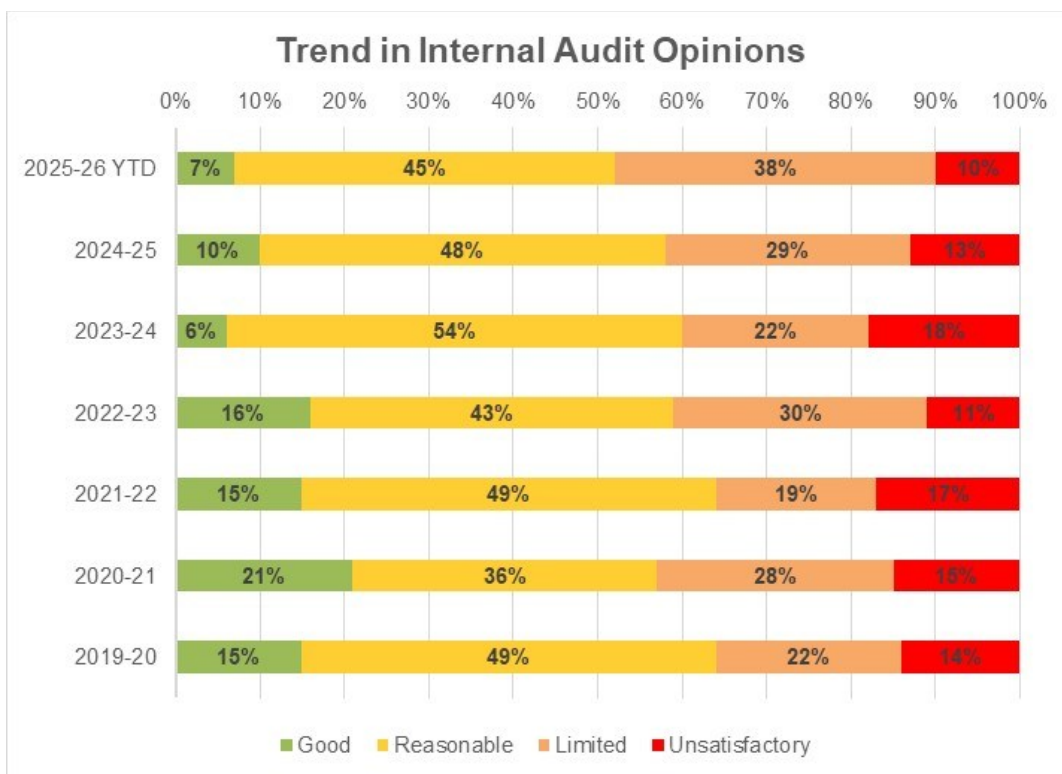
- 7.4. The Global Internal Audit Standards (GIAS) define the scope of the annual report on internal audit activity. The annual report should include an assessment as to the extent to which compliance with the Standards has been achieved. This annual report provides an internal audit opinion that can be used by the Council to inform its governance statement as part of the wider framework of assurances considered. The annual internal audit opinion concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control and incorporates a summary of the work in support of the opinion, a statement on conformance with the GIAS and the results of the quality assurance and improvement programme (QAIP). This is in accordance with the requirements of the 2015 Accounts and Audit Regulations. In addition, Internal Audit has an independent and objective consultancy role to help line managers improve governance, risk management and control.
- 7.5. A self assessment against the internal auditing standards is required on an annual basis. In addition, every five years the Internal Audit service must be externally assessed against those standards. As the external review is due in this financial year the self assessment will not be presented to the committee. The full findings from the external assessment will be presented once complete.
- 7.6. The purpose of Internal Audit is to provide the Council, through the Audit and Governance Committee, the Chief Executive and the Section 151 Officer, with an independent and objective opinion on risk management, control and governance processes and their effectiveness in achieving the Council's agreed objectives.

8. Internal Audit Work Undertaken in 2025/26

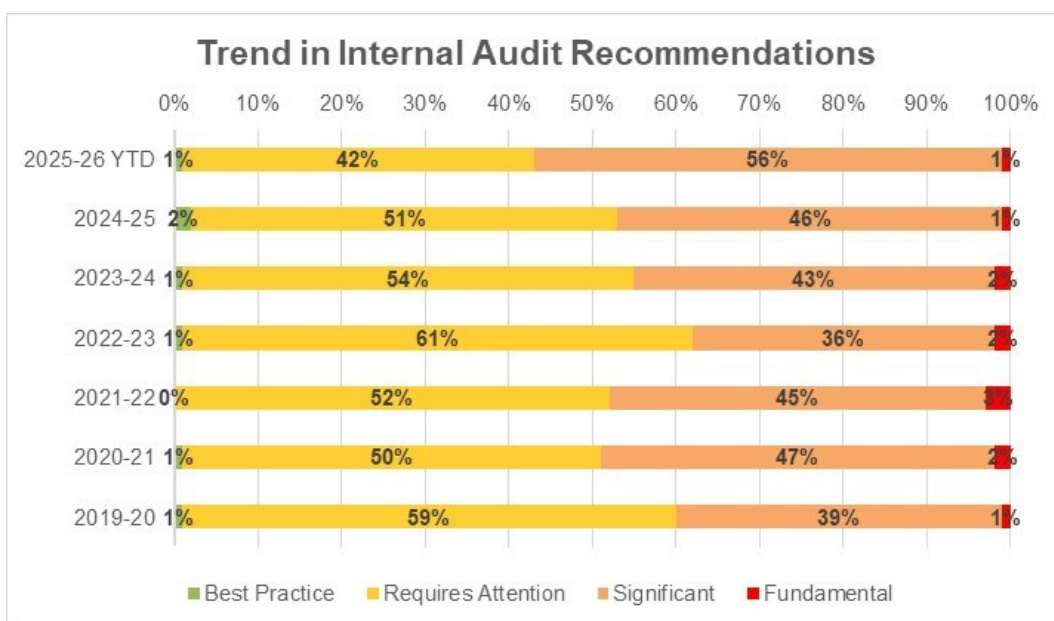
- 8.1. The Internal Audit Plan 2025/26 was considered and approved by the Audit Committee at its meeting on the 16th July 2025. The plan provided for a total of 1,208 days. Revisions were made throughout the year to reflect changing risks and resources, these were approved by the Audit and Governance Committee and the plan revised to 1,302 days. Revisions were necessary to respond to changes to the Council's key risks and requirements.
- 8.2. As Chief Audit Executive I can confirm that the service has been free from interference throughout the year. Activity provided sound coverage for the opinion, which is explored later in this report. Final performance has been good and the target to deliver 90% of the annual plan has been achieved. **Appendix B.**
- 8.3. The audit findings and performance of audit have been set out in summary reports which have been presented to the Audit and Governance Committee during the year. In total 60 final reports have been issued in 2025/26, all are listed with their assurance rating and broken down by service area at **Appendix A, Table 1 and 2.**

8.4. The following set of tables and graphs compare the assurance levels (where given) and categorisation of recommendations made at the Council to demonstrate a direction of travel in relation to the control environment.

8.5. The assurance levels awarded to each completed audit area for 2025/26 are:






8.6. The overall spread of recommendations agreed with management following each audit review for 2025/26 appear in the following chart:








8.7. 31 good and reasonable assurances were made in the year accounting for 52% of the opinions delivered. This represents a 6% decrease in the higher levels of assurance compared to the previous year, mirrored by a 6% increase in limited and

unsatisfactory opinions. Six unsatisfactory opinions and 23 limited assurance opinions were issued in the year. Whilst the percentage of unsatisfactory audits has reduced from 13% to 10% there has been an increase in limited opinions, up from 29% to 38%, whilst this is a small improvement it does not represent a significant change in the overall control environment. It is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.

- 8.8. A total of 421 recommendations have been made in the 60 final audit reports issued in the year; these are broken down by audit area and have been reported in more detail in performance reports to the Committee throughout the year. The percentage split of recommendations has deteriorated with 57% significant and fundamental compared to 47% last year, with a corresponding decrease in requires attention and best practice recommendations. Again, it is prudent for me to consider this as a key factor in determining the year end opinion on the control environment.
- 8.9. The number of fundamental recommendations has remained fairly static at 1% of the total number of recommendations. They were made on the following audits and have been reported to the Audit and Governance Committee throughout the year for awareness and appropriate management challenge:
- Budget Monitoring
 - ASC Outturn
 - Key Supply Contracts
 - Short Breaks Follow Up
- 8.10. It is management’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 and Governance Committee’s involvement.
- 8.11. The status of Internal Audit recommendations as at 28 April 2026 for recommendations dating back to 2023/24 is shown in the table below:

Status	2025/26	2024/25	2023/24
 Overdue	1	4	0
 Not Yet Due	84	55	17
 Management Assurance	38	112	78

- 8.12. The status of recommendations followed up through Internal Audit work is shown in the table below:

Status	2025/26	2024/25	2023/24
 Implemented	2	39	88
 Partially Implemented	1	33	56
 Repeated	4	32	49
 Superseded	0	14	8
 Low Priority - Closed	145	156	123

Status	Definition
Overdue	The agreed implementation date has passed.
Not Yet Due	The agreed implementation date has not been reached.
Management Assurance (implemented)	The service area has provided assurance they have implemented the agreed actions.
Implemented (Audit verified)	Internal Audit has followed up the recommendation and obtained evidence to confirm the recommendation has been fully implemented and the risk mitigated.
Partially Implemented (Audit verified)	Internal Audit has followed up the recommendation and obtained evidence to confirm the recommendation has not been fully implemented, the control has not been embedded, or the risk has not been fully mitigated.
Repeated (Audit verified)	Internal Audit has followed up the recommendation and has confirmed the recommendation has not been implemented and the risk remains.
Superseded (Audit verified)	Internal Audit has followed up the recommendation and confirmed that the recommendation is no longer valid due to changes to activity or processes and the risk has either been mitigated or tolerated.
Low Priority	Requires attention and best practice recommendations that are not followed up separately by Internal Audit and are left with management to address. These may be subject to follow up as part of the next audit.

8.13. During 2025/26, Internal Audit continued to facilitate work on the National Fraud Initiative (NFI) with data being submitted for both the main biennial exercise and the Council tax / register of elector's data. The results of the NFI will be reported to a later committee. In addition, several internal audit reviews have been conducted to ensure appropriate controls are in place and are operational to counter the risk of fraud, see **Appendix A, Table 1**.

8.14. Counter fraud activities were further supported by learning following individual investigations. Where internal control weaknesses have been identified, results are reported in a management report and recommendations made and agreed to help reduce a repeat of any inappropriate activity.

8.15. Although Internal Audit is primarily an assurance function, internal audit activity should also add value to the Council. Contingencies are provided in the plan to allow for such activities and review areas reprioritised based on risks. Details of the added value work have been reported to the Audit Committee throughout the year in the performance reports, headlines of which appear in **Appendix A Table 1**.

8.16. Work has also been completed for external clients including honorary and voluntary bodies in addition to the drafting and auditing of financial statements and certification of grant claims.

An Annual Opinion on the Adequacy of the Council's Governance Arrangements

8.17. When considering an annual audit opinion, it should be noted that assurances given can never be absolute. The Internal Audit service can however provide the Council

with a level of assurance as to whether there are any major weaknesses to be found in risk management, governance and control processes, **Appendix A Table 6** shows opinion criteria.

8.18. The matters raised in this report are only those which came to Internal Audit's attention during its internal audit work and are not necessarily a comprehensive statement of all the strengths or weaknesses that exist, or of all the improvements that may be required.

8.19. In arriving at my opinion as CAE, I have taken the following matters into account:

- Results of all audits undertaken during the year ended 31 March 2026;
- Results of Corporate Governance review (reasonable assurance) and Risk Management (limited assurance);
- Results of fundamental audit reviews, self-assessments and their direction of travel; **Appendix A, Table 2.**
- Implementation of recommendations of a fundamental nature;
- Savings delivery, financial instability, capitalisation directive and exceptional financial support application;
- Assurance levels provided and their direction of travel, and those of the recommendation ratings, compared against the risk appetite of the Council;
- Fundamental recommendations not implemented by management and the consequent risks;
- Effects of any material changes in the organisation's objectives or activities;
- Matters arising from previous reports to the Audit Committee and/or Council;
- Outcome of key Internal Audit reviews including budget management, debt recovery, workforce planning and risk management.
- If any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed which may have impinged on Internal Audit's ability to meet the full internal audit needs of the Council, and
- Proportion of the Council's internal audit needs that have been covered to date.
- Implementation of internal audit recommendations both through audit testing and management assurances received. Consideration of the Internal Audit Manager's recommendation briefing reports to the Statutory officers.

8.20. In addition, I have also considered other forms of assurance, such as:

- Ofsted outcomes
- CQC inspection outcomes
- External Audit findings and recommendations
- Outcomes of the corporate peer review

8.21. Further consideration of the assurance levels of completed audits shows:

- i. The plan continued to flex to respond to changes to the risk environment, these were approved in September 2025, November 2025 and February 2026 by the Audit and Governance Committee. The revised planned work alongside other audit activity has helped provide the appropriate assurance to the Council. Some of the other areas contributing to the opinion appear in **Appendix A, Table 1.**
- ii. There are concerns that unsatisfactory assurances have not sufficiently reduced (10% of total assurances delivered in 2025/26) whilst it is recognised

- that complex areas take time to turn around, there has been a focus on addressing these by escalating to Service Directors for appropriate action.
- iii. The improvement plans were in development in the final quarter of 2025/26 and its too early to assess the impact of these in the wider system.
 - iv. Cyber security continues to be key, and the Council's reliance on digital systems significant and remains a high strategic risk.
 - v. Given the overall proportion of assurance levels of key systems and delays in delivering improved controls (some of which were fundamental and significant), the level of assurance the Chief Audit Executive can provide to the Council is impacted upon.
 - vi. It is planned to revisit unsatisfactory audits and fundamental recommendations in 2026/27. Where resources are available, limited assurance areas will also be followed up on a priority basis.

8.22. When considering the points above, as Chief Audit Executive I can offer limited Assurance for 2025/26 that the Council's framework for governance, risk management and internal control is sound and operating effectively in practice.

8.23. All assurances are provided on the basis that management carry out the actions they have agreed in respect of the recommendations made to address any weakness identified and improvements suggested.

Based on the Internal Audit work management responses received; I can offer limited assurance for the 2025/26 year on the Council's framework for governance, risk management and internal control for the 7th consecutive year. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments but where discrete parts of the system of internal control remain unaffected. The limited assurance opinion reflects the continued presence of weaknesses in the Council's governance, risk management and internal control arrangements identified through internal audit work during 2025/26. While audit plan delivery was strong and there were signs of improvement later in the year, the overall pattern of findings remained a concern, with 48% of completed audits resulting in limited or unsatisfactory assurance and 57% of all recommendations graded significant or fundamental. These weaknesses were significant in aggregate, particularly in key systems such as budget monitoring, risk management and workforce resilience, and indicate that important controls are not yet operating consistently or effectively enough across the organisation. The opinion therefore recognises both the action being taken to improve and the fact that the impact of these changes is not yet sufficiently embedded to support a higher level of assurance.

Information on the performance of Internal Audit including results of the quality and assurance programme and progress against the improvement plan.

8.24. Audit Performance is demonstrated by measuring achievement against the plan, ensuring compliance against the Public Sector Internal Audit Standards, benchmarking the service against others in the sector and evaluating improvements made over the previous twelve months. The effectiveness of Internal Audit is further reviewed through the Audit Committee's delivery of its responsibilities and feedback gained from customer satisfaction surveys.

Aspect of measure	Target 2025/26	Actual 2025/26
Percentage of revised plan delivered	90%	104%
Compliance with Global Internal Audit Standards	Compliant	Compliant
Percentage of customers satisfied overall with the service	80%	93%

- 8.25. Internal Audit employ a risk-based approach to determining the audit needs of the Council at the start of the year and use a risk-based methodology in planning and conducting audit assignments. All work has been performed in accordance with GIAS. To ensure the quality of the work performed, a programme of quality measures is used, which includes:
- Supervision of staff conducting audit work;
 - Review of files of working papers and reports by managers and partners;
 - Receipt of formal feedback from managers to audit findings and recommendations;
 - Follow up reviews for reports attracting low assurance levels and recommendation follow up processes;
 - The use of satisfaction surveys for each completed assignment;
 - The maintenance of guidance and procedures.
- 8.26. There have been no instances during the year which have impacted on Internal Audit's independence and/or have led to any declarations of interest.
- 8.27. An annual review of Internal Audit is conducted in the form of a self-assessment and confirmed compliance with the Global Internal Audit Standards. In addition, an external assessment was conducted by CIPFA and reported to the February 2022 meeting of this committee demonstrated compliance with the Public Sector Internal Audit standards (PSIAS). The external assessment will be repeated in 2026/2027 under the Global Internal Audit Standards (GIAS) as applied in the UK Public Sector.
- 8.28. Internal Audit recognises the importance of meeting customer expectations as well as conforming to the Global Internal Audit Standards. The service continually focuses on delivering high quality internal audit services to clients seeking opportunities to improve where possible.
- Commitment to quality begins with ensuring that appropriately skilled and experienced people are recruited and developed to undertake audits.
 - Audit practice includes ongoing quality reviews for all assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified that each assignment has been completed on time, within budget and to the required quality standard.
 - A Quality Assurance Framework includes all aspects of the Internal Audit Activity including governance, professional practice and communication. The quality of audits is evidenced through performance and delivery, feedback from our clients and an annual self-assessment.
 - There is a corporate financial commitment to training and developing staff the budget for which is managed centrally. Training provision is reviewed continually through the Personal Development Plans (PDP) process and regular meetings with individual auditors. Individual training programmes are developed to ensure that

staff are kept up to date with the latest technical / professional information and to ensure that they are equipped with the appropriate skills to perform their role.

- 8.29. Customers are asked for feedback on their audit experience and quality of the service after most reviews. This helps to ensure that audit work meets client expectations and that quality is maintained. The percentages of excellent and good responses for the last three years are detailed in **Appendix A, Table 7** and remain above our target, but we are not complacent. It is pleasing to note that the percentage of customers scoring the service as high or excellent has increased slightly to 98% (97% 2024/25). Where individual ratings are low, or showing a downward trend, we do value the opportunity to explore the reasons for these with our customer to identify the key issues and improve where appropriate and possible.
- 8.30. During 2025/26 several compliments and comments have been received in respect of the service from both questionnaires and directly, a selection of these appears at **Appendix A, Table 8**. It is pleasing that I can report that most comments have been very positive reflecting the hard work the team devote to establishing a good professional relationship with clients and making the client comfortable and the process as easy as possible whilst still delivering the service. All other comments are followed up with the author to identify where lessons can be learnt and improvements made.
- 8.31. Recognising the challenges in internal audit delivery, a new “Audit Business Partnering Model” has been embedded during 2025/26. This allocates each Service Director with a Principal Auditor as key point of contact for internal audit / assurance and advisory works. Regular meetings will be held to discuss recommendations due for implementation, scheduled audits and associated planning as well as providing assurance and advice on control related matters arising.
- 8.32. All Internal Audit work has been completed in accordance with the agreed plan and the outcomes of final reports have been reported to the Audit and Governance Committee.

Review of the effectiveness of Internal Audit work by the Audit and Governance Committee

- 8.33. The Council had a new Audit and Governance Committee in place over 2025/26 and operates in accordance with best practice. Its terms of reference and associated working practices are aligned with those suggested by CIPFA and are reviewed annually. Its members received regular training on the role of the committee and how they can best support this, including LGA external training as well as the roles of internal and external audit. It undertakes an annual self-assessment exercise and seeks to improve the way in which it operates.
- 8.34. The Committee provides an Annual Assurance Report to Council to summarise its work and opinion on internal controls. This report is also located on this agenda.
- 8.35. The Council’s Audit and Governance Committee considers external and internal audit reports and the Committee requests management responses to any significant issues reported, including reporting the progress made in implementing audit recommendations. Senior officers have attended the Audit and Governance Committee to provide management updates in relation to several reports, examples

include, the improvement plan, Children's social care budget management and agency and consultancy staff.

9. Conclusions

- 9.1. The Internal Audit Service has completed enough independent activity for the Chief Audit Executive to provide an annual opinion on the adequacy of the Council's framework for governance, risk management and internal control, the overall opinion is Limited.
- 9.2. Information on the performance of Internal Audit demonstrates compliance with the GIAS and no areas of significant concern.

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

Internal Audit Performance Report and Revised Annual Audit Plan 2025/26 – Audit and Governance Committee 5th February 2026

Internal Audit Performance Report and Revised Annual Audit Plan 2025/26 – Audit Committee 27th November 2025

Internal Audit Performance Report and Revised Annual Audit Plan 2025/26 – Audit Committee 26th September 2025

Internal Audit Plan 2025/26 - Audit Committee 16th July 2025

Global Internal Audit Standards (GIAS)

Audit Management System (Pentana)

Accounts and Audit Regulations 2015, 2018 and Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, Amendment Regulations 2022

Local Member: All

Appendices

Appendix A

Table 1: Final audit report assurance opinions issued in 2025/26

Table 2: Audit opinions made on fundamental systems 2025/26

Table 3: Audit assurance opinions

Table 4: Audit recommendation categories

Table 5: Recommendation follow up process (risk based)

Table 6: The principles and assurance criteria applied to the Chief Audit Executive's opinion

Table 7: Customer Feedback Survey Forms

Table 8: Summary of compliments and comments 2025/26

Appendix B - Audit plan performance– annual report 2025/26

APPENDIX A**Table 1: Final audit report assurance opinions issued in 2025/26****Summary**

Audits 2025 / 26	Assurance	%	Direction of travel ¹	Audits 2024 / 25	%	Audits 2023 / 24	%
4	Good	7	↓	6	10	4	6
27	Reasonable	45	↓	29	48	37	54
31	Sub total	52	↓	35	58	41	60
23	Limited	38	↓	17	29	15	22
6	Unsatisfactory	10	↑	8	13	12	18
29	Sub total	48	↓	25	42	27	40
60	Overall total	100	N/A	60	100	68	100

Full Details

	Audit	Assurance
1.	IT Code of Practice / Acceptable Use	Good
2.	Virtual School	Good
3.	Waste Contract Follow Up – Strategy and Reporting Oversight Arrangements	Good
4.	Outdoor Partnerships Follow Up	Good
5.	Children's Residential Care Contract Management Follow Up	Reasonable
6.	External Catering Contracts	Reasonable
7.	Pay360 Income Application 2024/25	Reasonable
8.	IT Contract Management 2024/25	Reasonable
9.	Microsoft Co-Pilot / AI 2024/25	Reasonable
10.	Shirehall Decant 2024/25	Reasonable
11.	Shrewsbury Shopping Centre Follow Up 2024/25	Reasonable
12.	North West Relief Road (NWRR) Follow Up 2024/25	Reasonable
13.	Economic Growth Strategy/Big Plan 2024/25	Reasonable
14.	Foster Care Payments Follow Up	Reasonable
15.	Community Equipment Contract Mediquip- PPM Follow up	Reasonable
16.	Library Management System - Application Review	Reasonable
17.	IT Project Management	Reasonable
18.	Much Wenlock Sports Centre- Joint Use Follow Up	Reasonable
19.	Management and Control of CCTV Operations Follow Up	Reasonable
20.	Corporate Governance 2024/25	Reasonable
21.	ICT Restructure	Reasonable
22.	Network Switch Management	Reasonable

¹ Based on percentages

	Audit	Assurance
23.	Continuing Healthcare Funding Follow Up	ReasonableA
24.	Liquid Logic IT Application (Childrens and Adults)	Reasonable
25.	Care Act - Market Shaping	Reasonable
26.	Workforce Board	Reasonable
27.	Microsoft Intune - Follow Up	Reasonable
28.	Solar Winds Network Monitoring	Reasonable
29.	Northgate - Revenues and Benefits IT Application	Reasonable
30.	Transport Management Office Follow Up	Reasonable
31.	Feedback and Insight Follow Up	Reasonable
32.	Section 17 Payments Follow Up 2024/25	Limited
33.	Waste Management - Garden Waste Collections	Limited
34.	Housing Options/Homelessness	Limited
35.	VAT	Limited
36.	Equality Diversity and Inclusion Arrangements Follow Up 2024/25	Limited
37.	Holiday Pay 2024/25	Limited
38.	Workforce Planning – Impact of Voluntary Redundancy on Key Skills and Delegated Responsibilities 2024/25	Limited
39.	SNOW IT Asset Management 2024/25	Limited
40.	Security of Council Buildings Follow Up	Limited
41.	WSP Contract 2024/25	Limited
42.	Feedback and Insight 2024/25	Limited
43.	IT Monitoring Use of Facilities 2024/25	Limited
44.	Shirehall Disposal	Limited
45.	New Operating Model Pilot	Limited
46.	Travel and Subsistence Follow Up	Limited
47.	Coroners and Mortuary Service	Limited
48.	PMO Project Management	Limited
49.	Risk Management	Limited
50.	Children's Social Care Budget Management Follow Up	Limited
51.	Section 17 Payments Follow Up	Limited
52.	Adults Direct Payments	Limited
53.	Debt Recovery	Limited
54.	Organisational Workforce Resilience	Limited
55.	Short Breaks Follow up	Unsatisfactory (FR)
56.	Deferred Payments 2024/25	Unsatisfactory
57.	The Lantern Follow Up	Unsatisfactory
58.	Digital Mail Room 2024/25	Unsatisfactory
59.	Telecommunications - Contracts, Procurement and Monitoring	Unsatisfactory
60.	Budget Monitoring	Unsatisfactory (FR)

	Other areas contributing to the opinion	
1.	LTP Bus Subsidy Grant (BSOG)	Grant
2.	Home Upgrade Grant (HUG) Phase 2	Grant
3.	Supporting Families Grant - March 2025 Claim 2024/25	Grant
4.	DfT Incentive Element Grant	Grant
5.	Annual Governance Statement	Consultancy

	Other areas contributing to the opinion	
6.	Financial Evaluations	Consultancy
7.	National Fraud Initiative	Consultancy
8.	Schools Financial Value Standard	Consultancy
9.	Schools Self-Assessment	Consultancy
10.	Payroll Data Analytics	Consultancy
11.	Active Directory Data Analytics	Consultancy
12.	Strategy and Change Working Group	Consultancy
13.	Input to improvement programme 8 “Getting the Basics Right”	Consultancy
14.	Empty Homes Briefing Note	Briefing Note
15.	IDOX IT Application Briefing Note	Briefing Note
16.	CIPFA Financial Resilience Review Briefing Note	Briefing Note
17.	Back up Arrangements and Data Centres & Infrastructure Briefing Note	Briefing Note
18.	Transport Operations Group Briefing Note	Briefing Note
19.	Key Supply Contracts Briefing Note	Briefing Note (FR)
20.	ASC Outturn	Briefing Note (FR)
21.	Bishops Castle Community College Briefing Note	Briefing Note
22.	NFI Updates September 2025 and February 2026	Briefing Notes
23.	Recommendation Follow Up -Statutory Officers	Briefing Note
24.	NFI Duplicate Payments Briefing Note	Briefing Note
25.	Fighting Fraud and Corruption Locally Assessment Briefing Note	Briefing Note
26.	Highways Other Major Contracts Briefing Note	Briefing Note
27.	Disaster Recovery, Nutanix and Business Continuity Briefing Note	Briefing Note
28.	Housing Client Side Follow Up	Briefing Note
29.	Workforce Planning	Briefing Note
30.	Ethical Framework Follow Up	Briefing Note
31.	VAT Follow Up	Briefing Note
32.	New Operating Model Pilot Follow Up	Briefing Note
33.	Embedding the Shropshire Plan Follow Up	Briefing Note

Key

Text in blue	High risk from an internal audit perspective.
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Table 2: Audit Opinions made on fundamental systems

Fundamental system	Direction of travel	Level of assurance given
Budget Monitoring	↓	Unsatisfactory
Children’s Social Care Budget Management	=	Limited
Corporate Governance	=	Reasonable
Debt Recovery	↓	Limited
<i>Payroll (Draft)</i>	=	<i>Limited</i>
Risk Management	↓	Limited
VAT	=	Limited

Table 3: 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 4: 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 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.

Table 6: The principles and assurance criteria applied to the Chief Audit Executive’s opinion:

Principles applied to the opinion:

1. Authentic: Opinions are fair, reliable and honest
2. Transparent: Opinions are qualified with evidence or professional judgement
3. Strategic: Macro level information without undue detail
4. Insightful: Information is engaging and generates discussion
5. Resolute: Opinion is delivered with courage and conviction

Assurance criteria applied:

Opinion	Indication of when this type of opinion may be given ²	Traditional Opinion
Substantial	Limited number of medium risk related weaknesses identified but generally only low risk rated weaknesses have been found in individual assignments/ observations. No one area is classified as high or/ critical risk	Unqualified
Reasonable	Medium risk rated weakness identified in individual assignments/ observations that are not significant in aggregate to the system of governance, risk management or control. High risk rated weaknesses identified in individual assignments/ observations that are isolated to specific systems, processes and services None of the individual assignment reports/ observations have an overall high or critical risk.	
Limited	Medium risk related weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected and/or High risk rated weaknesses identified in individual assignments/ observations that are significant in aggregate but discrete parts of the system of internal control remain unaffected, and/or Critical risk rated weaknesses identified in individual assignments/ observations that are not widespread to the system of internal control, and More than a minority of the individual assignment reports/ observations may have an overall report classification or rating of high or critical risk.	
No Assurance	High risk rated weaknesses identified in individual assignments/ observations that in aggregate are widespread to the system of internal control and/or; Critical risk rated weaknesses identified in individual assignments/ observations that are widespread to the system of internal control or; More than a minority of the individual assignment reports/ observations have an overall report classification of either high or critical risk;	Qualified

² Indicators refer not only to Internal Audit reviews, but wider assurance providers and intelligence from across the business that is evidenced, an example would be peer reviews.

Opinion	Indication of when this type of opinion may be given ²	Traditional Opinion
	Lack of management action to deliver improvements, may be identified by repeating recommendations of a high or critical risk.	
Disclaimer	An opinion cannot be issued because insufficient internal audit work has been completed due to either: -restrictions in the agreed audit programme, which means that audit work would not provide enough evidence to conclude on the adequacy and effectiveness of governance, risk management and control, or - unable to complete enough reviews and gather enough evidence to conclude on the adequacy of arrangements for governance, risk management and control.	Qualified

Table 7: Customer Feedback Survey Forms - percentage of excellent and good responses

Item Being Scored	2023/24	2024/25	2025/26	Direction of Travel
Pre-audit arrangements	88%	98%	98%	=
Post-audit briefing	86%	92%	98%	↑
Audit coverage/scope of the audit	86%	98%	96%	↓
Timeliness of production of report	81%	96%	98%	↑
Accuracy and clarity of report	90%	96%	93%	↓
Practicality of recommendations	80%	96%	94%	↓
Professionalism of approach	95%	98%	100%	↑
Communication skills	97%	98%	100%	↑
Timeliness, competence, manner	89%	96%	98%	↑
Number of forms returned	58	54	56	↑
% of forms scored as excellent and good	88%	97%	98%	↑

Table 8: Summary of compliments and comments 2025/26³

The audit itself is very helpful. It was carried out very well and has resulted in a good report with clear recommendations. Implementation of these recommendations should lead to improvement. My concerns do not relate to the audit but to the context in which the audit was carried out and the current challenges working for Shropshire Council. I feel it is important to record these here.

³ Depersonalised for public reporting

The audit and subsequent recommendations will ensure that our transition to a new way of working incorporates the audit findings into our processes and procedures. As always, the approach of the audit officers is one of support, and we acknowledge their contribution.

The Auditor was friendly, approachable and pragmatic in his approach to the audit. He had a very thorough and efficient approach and was easy to reach with any queries or clarifications, a very good job overall!

The Auditor has been excellent in this process and a credit to the team. Listened and interpreted the description of processes, understanding what the team do to achieve these daily tasks and workflow.

I appreciate the work of the audit team and the role they play in supporting teams to develop more efficient and robust processes. This is the first audit conducted since I came into post and it has helped me to identify gaps in processes and ways to develop myself and my team to provide a more efficient service.

In this instance my expectation was that the audit focus would be on how the introduction of the chargeable service was undertaken however, there has been more focus on existing elements of the contract and budget savings, hence the responses and actions are more relevant to next steps to develop negotiation strategy rather than lessons learned from the introduction of the chargeable service.

I have already fed back about concerns that this audit was looking back to a previous audit completed in 2017/18. The new report indicates that the outcome "Limited assurance" is a worsened position than that previously reported indicating a deterioration. This was a very long time ago and I am not aware if the actions were completed at the time or not. The service has changed markedly due to new legislation and statutory duties, increasing demand and new structures and staffing provision. Possibly when there is such a long gap the Audit should start again and not compare with the position 7 years earlier. The service has improved significantly in the last 3 years and this report may give readers a false impression of the direction of travel. *Audit Comment - The comparative reference to the 2017/18 review is included only to provide historical context and should not be read as the primary basis for the current assurance conclusion. Internal Audit's assessment is grounded in evidence obtained from the current audit period and reflects the extent to which today's key risks are being identified, understood and mitigated through an effective control framework. In this context, 'Limited assurance' indicates that, based on testing performed, there remain control weaknesses which increase the likelihood and/or impact of current risks. The assurance rating does not imply a judgement on effort or service direction of travel; it highlights risk exposure and where mitigations are not yet operating consistently or are not sufficiently evidenced.*

The Auditor approached the audit in a professional manner, asked relevant questions, and provided detailed explanations of her findings. Each audit serves as an opportunity for reflection, and the progress made since the previous audit demonstrates that we are moving in a positive direction.

Very happy with how the Audit was conducted which benefited from being slightly later this year due to delays in our year end accounts being able to be confirmed. The Auditor and team were good to work with and from our perspective this being our 4th audit by Shropshire we are pleased that the process has become more straight forward and the use of share point to share documents has been really helpful.

I would have preferred for reference to be made to the changing political landscape and associated challenges within the body of the report to provide context in terms of the recommendations and findings. Acknowledging that this has been included in the management response.

As we are all aware having the time currently is rare, personally I felt that meeting and request of information was met with the consideration of the service and time restraints with certain pressures currently. I felt the questions and investigations were challenging the status quo and that can only be a positive. The communication between the auditor and the service was excellent.

Thanks for your help, this has been a very useful exercise.

The audit has been carried out with very little disruption to the team, this is appreciated. It is also very helpful that the Auditor has experience of the work of our team which has meant we have not had to spend time explaining processes. Only feedback would be that requests for information were followed up very quickly with chasers not allowing time for staff to collate the requested information.

We would like to express our appreciation to the Auditor for her outstanding communication skills, insightful questions, and genuine understanding of the challenges related to the service. The team has collectively agreed that, once the new processes are fully embedded, we would welcome another follow-up audit conducted by the same Auditor so that she can review the improvements firsthand.

With the assurance scoring, it would be beneficial if there was something to say Reasonable+ when the findings are close to Strengthening control – as it can be viewed as a negative not having the top bracket.

The scope of the audit changed regularly, but I just about managed to keep up. My comments at each stage were rarely included in reports, so I had to re-iterate them a few times. The audit also touched on corporate processes out of my control, but the issues appeared to remain with me. Lastly, different auditors dipped in and out of the process, meaning I had to go over things a few times and information I supplied was not available to other people involved. The Auditor who was my main contact was always helpful and approachable.

The result of this audit has been very positive, with improvements in management insight, governance and control. I feel much more in control as a result.

Feedback form to be MS Form compared to email attachment. This adds strain to IT storage and reduces management ability to quickly provide feedback. This will also save Audit time reviewing individual word documents. The Auditor is very professional and timely. I value the way she listens to my feedback and take on board any comments regarding recommendations or amendments to report content. This approach ensures the full and current picture is accurately documented. Recommendations on occasions with previous audits are down to line managers or senior managers. HR, like many other Enabling service teams put all the policies, procedures and training in place, yet recommendations fall back to HR for monitoring and action. A new approach to manager actions required as a result of recommendations needs reporting collectively up to LB/Statutory Officers to ensure actions being carried out/completed because how will managers know otherwise.

The audit itself was helpful, professionally delivered, and has resulted in a clear report with constructive recommendations. However, during the audit process I raised concerns about the scope of the review. In my view, several significant contributory factors were outside scope, despite being central to the issues identified. These include sustained demand that exceeds staffing capacity, ongoing recruitment and retention challenges, short notice and unplanned requests from service areas, and increasing case complexity. These factors have directly contributed to staff working additional unpaid hours and to pressures in meeting statutory timescales. Without this context, there is a risk that the report could be interpreted as indicating non compliance or poor management practice, when in reality staff have been working under exceptionally challenging conditions to maintain service delivery. The audit framework does not fully allow for recognition of the sustained effort, resilience and commitment shown by the team in continuing to deliver statutory and priority work under prolonged pressure. My concern is that a reader unfamiliar with the operational environment may conclude that there has been significant failure in time management or leadership, rather than understanding the cumulative impact of rising demand, increasing expectations placed on the service, and dependency on other services to complete investigations and responses. The team has been under sustained pressure for several years, with staff routinely working beyond contracted hours. The cumulative effect of repeated audits and reviews has been challenging for morale, particularly where staff feel their commitment and perseverance have not been fully acknowledged.

As Team Leader, I remain committed to implementing the recommendations where possible. However, given that current workload already exceeds available capacity, progress on these actions will inevitably need to be balanced against the delivery of core statutory duties and priority work. Without an increase in staffing capacity aligned to demand, it will not be possible to deliver all requirements or fully address the issues raised without further impact on staff wellbeing or service delivery.

The audit was conducted in a thorough and comprehensive manner, covering all relevant aspects of both the operational and business processes. The debrief session was informative and constructive, offering a chance to discuss findings in depth and deliver actionable, supportive feedback. As always, the Auditor has been meticulous and supportive during all our audits, and I would like to personally thank her for her time.

The Auditor had a positive approach to this audit and showed understanding when we needed to delay the start. He respected the knowledge of the team and we had a timely exchange of information. This has been the most in depth audit we have received regarding the governance of system processes. We would like to thank the Auditor for his support throughout this audit.

AUDIT PLAN PERFORMANCE – ANNUAL REPORT 2025/26

Strategic Risk	Audit Name	Original Plan Days	August Revision	November Revision	January Revision	Revised Plan Days	31 st March 2026 Actual	Status	Audit Opinion	Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
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 Follow Up 2024/25	0				0	0.7	Complete	Reasonable		3	1		↑
BBS / PAR	Continuing Health Care (CHC) Funding	8				8	6.6	Complete	Reasonable		2			↑
CYB	Liquid Logic IT Application (Adults & Children's) / Controcc	15			5	20	20.2	Complete	Reasonable		1	5		↔
GOV	Bishops Castle Community College	10	-8			2	1.5	Complete	Briefing Note					N/A
SGC	Children's Residential Care Contract Management	4				4	4.4	Complete	Reasonable		3	3		↑
SGC / BBS	Children's Social Care Budget Management	5				5	7.7	Complete	Limited		4			↔
SGC	Short Breaks Follow up	4				4	3.8	Complete	Unsatisfactory	1	1			↔
BBS	External Catering Contracts	2				2	2.4	Complete	Reasonable		1			↔
SGC	Foster Care	5	2			7	6.9	Complete	Reasonable		2	5		↑
GOV	Schools Self Assessments (Audit Provided)	8			2	10	11.4	Complete	N/A					N/A
BBS	Section 17 Payments Follow Up	0			5	5	5.1	Complete	Limited		2	3		↔
GOV	Schools Financial Value Statement	2				2	2.9	Complete	N/A					N/A
SGC	Virtual School	10				10	9.0	Complete	Good			1		N/A
BBS	Care Act - Market Shaping	10		2	2	14	13.2	Complete	Reasonable		1	5		N/A
CCS	Garden Waste Collection	8				8	8.4	Complete	Limited		4	2		N/A
GOV	Housing Client Side	5				5	1.0	Complete	Briefing Note					N/A
BBS	Key Supply Contracts	10		-7		3	2.5	Complete	Briefing Note	1				N/A
GOV	Much Wenlock Sports Centre - Joint Use	5		7	1	13	13.5	Complete	Reasonable		2	2		↑
BBS	Deferred Payments 2024/25	0	8			8	7.6	Complete	Unsatisfactory		9	10		↓
BBS	Personal Budgets / Direct Payments Finance Team- Adults	10			2	12	18.3	Complete	Limited		6	5		↔

Strategic Risk	Audit Name	Original Plan Days	August Revision	November Revision	January Revision	Revised Plan Days	31 st March 2026 Actual	Status	Audit Opinion	Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
CCS	Waste - Veolia Contract	8				8	7.1	Complete	Good			1		↑
BBS	Community Equipment Contract Medequip - PPM Follow Up	3	8			11	10.7	Complete	Reasonable		1	2		↑
GOV	Empty Homes 2024/25	0	9			9	9.3	Complete	Briefing Note					N/A
GOV	Library Management System - Application Review	8		4		12	11.7	Complete	Reasonable		4	11		↑
BBS	Housing Options / Homelessness	12	12			24	23.8	Complete	Limited		5	8		↓
GOV	Management & Control of CCTV Operations	6		5	1	12	12.6	Complete	Reasonable		2	6		↑
GOV	Outdoor Partnerships Follow Up	0				0	6.1	Complete	Good			2		N/A
GOV	The Lantern Follow Up	5	-2			3	1.7	Complete	Unsatisfactory					←→
GOV	Corporate Governance 24/25	0				0	2.4	Complete	Reasonable		2	3		←→
GOV	Recommendation Follow Up	0			8	8	8.8	Complete	Briefing Note					
GOV	Ethical Framework Follow Up	10				10	5.8	Complete	Briefing Note					N/A
BBS	Adult Social Care Outturn	0		21		21	20.7	Complete	Briefing Note	1	4	1		N/A
CYB	Active Directory Analytics	10			2	12	12.5	Complete	Briefing Note			10		N/A
BBS	Budget Monitoring	8	10	4		22	22.3	Complete	Unsatisfactory	1	5	4		↓
CYB	Business Continuity Planning	10				10		Complete	Briefing Note					N/A
BBS	Debt Recovery	15		9		24	25.2	Complete	Limited		4	5		↓
GOV	Digital Mail Room 2024/25	0	4			4	3.6	Complete	Unsatisfactory		5	2		↓
CYB	Disaster Recovery	5				5	0.7	Complete	Briefing Note					N/A
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
SKI	Workforce Planning	10			-8	2	2.7	Complete	Briefing Note					N/A
GOV	IT Code of Practice / Acceptable Use	8				8	7.6	Complete	Good			3	2	↑
GOV	ICT Restructure	5				5	4.8	Complete	Reasonable			3		N/A
CYB	Microsoft Intune	5				5	12.1	Complete	Reasonable		1	4	1	↑
CYB	Network Switch Management	10			-2	8	7.7	Complete	Reasonable			5		N/A
CYB	Northgate - Revenues & Benefits IT Application	10			2	12	14.9	Complete	Reasonable			5		←→
CYB	Nutanix Data Centre Solution	10				10		Complete	Briefing Note					N/A
SKI	Organisational Workforce Resilience	0	15			15	17.7	Complete	Limited		5	4		N/A
CYB	Pay360 Income Application 2024/25	0	2			2	2.6	Complete	Reasonable		1	7		N/A
GOV	Payroll Data Analytics (IDEA) 24/25 Q4	1				1	1.9	Complete	N/A					N/A
GOV	Payroll Data Analytics (IDEA) Q1	1				1	0.3	Complete	N/A					N/A
GOV	Payroll Data Analytics (IDEA) Q2	1				1	0.6	Complete	N/A					N/A
GOV	Payroll Data Analytics (IDEA) Q3	1				1	0.3	Complete	N/A					N/A
BBS	Purchasing Card Spend Review	0		8	2	10	10.5	Complete	Briefing Note		4			N/A
GOV	Security of Council Buildings Follow Up	5				5	5.5	Complete	Limited		2	1		←→
EGS	Shirehall Disposal	7		2		9	8.7	Complete	Limited		3			N/A
EGS	Shirehall Decant 2024/25	0	2			2	1.7	Complete	Reasonable		3	3		N/A
CYB	Solar Winds Arm - Active Directory Rights Management	10				10	9.3	Complete	Reasonable		1	3		N/A

Strategic Risk	Audit Name	Original Plan Days	August Revision	November Revision	January Revision	Revised Plan Days	31 st March 2026 Actual	Status	Audit Opinion	Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
CYB / GOV	SNOW IT Asset Management 2024/25	0	9			9	9.2	Complete	Limited		2	6		↓
GOV	Telecommunications - Contracts, Procurement and Monitoring 2024/25	0	17			17	17.3	Complete	Unsatisfactory		7	3		↓
BBS	Travel and Subsistence Follow Up	4		10	1	15	15.9	Complete	Limited		2	2		↔
GOV	VAT	5				5	4.2	Complete	Limited		4	2		↔
GOV	VAT Follow Up	0			4	4	1.2	Complete	Briefing Note		4	2		↔
CYB	WhatsApp Follow Up	3		-2		1	1.1	Complete	Briefing Note		4			↔
BBS	BSOG Grant Bus Subsidy	2				2	1.9	Complete	N/A					N/A
GOV	Highways Other Major Contracts (Grounds Maintenance)	2				2	3.9	Complete	Briefing Note		4	1		N/A
GOV	Transport Management Office	10	-8			2	1.3	Complete	Briefing Note					N/A
GOV	Transport Management Office Follow Up	0	10			10	10.2	Complete	Reasonable		1	6		↑
GOV / BBS	WSP Contract 2024/25	0	5			5	5.0	Complete	Limited		5	8		↔
GOV	Coroners and Mortuary Service	0	10			10	10.3	Complete	Limited		3	5		N/A
GOV	Counter Fraud Work - NFI Purchase Ledger Duplicate Payments Matches	15			-7	8	12.7	Complete	Briefing Note					N/A
GOV	Counter Fraud Work - Fighting Fraud and Corruption Locally Assessment				7	7	7.3	Complete	Briefing Note		3	6		N/A
GOV	Feedback and Insight Follow Up	0			4	4	8.5	Complete	Reasonable		3	4		↑
BBS	Home Upgrade Grant (HUG) Phase 2			15		15	21.8	Complete	Grant					N/A
BBS	DfT Incentive Element Grant					0	1.1	Complete	N/A					N/A
GOV	NFI September 2025 Update					0	0.3	Complete	Briefing Note					N/A
GOV	NFI Q3 Update					0	0.7	Complete	Briefing Note					N/A
GOV / BBS	New Operating Model (NOM) Pilot	10		1		11	11.3	Complete	Limited		3	6		N/A
GOV / BBS	New Operating Model (NOM) Pilot Follow Up	0			4	4	1.7	Complete	Briefing Note					N/A
GOV	PMO Project Management	0	12	1		13	12.9	Complete	Limited		4	3		N/A
GOV	IT Project Management	0	8	1		9	8.8	Complete	Reasonable		1	4		↔
GOV / BBS	Workforce Board Review	0			8	8	7.8	Complete	Reasonable		2	6		N/A
GOV	Risk Management	10			5	15	14.9	Complete	Limited		6	5		↓
GOV / BBS	Embedding the Shropshire Plan Follow Up	5			-3	2	0.6	Complete	Briefing note					N/A
GOV	Financial Evaluations	30		-10		20	15.7	Complete	N/A					N/A
BBS	Finance - Final Grant Claims	8				8		Complete	N/A					N/A
GOV	National Fraud Initiative (NFI)	20				20	11.3	Complete	N/A					N/A
GOV	Bishops Castle Community College	0	8			8	15.3	Draft						
SGC	Magic Notes AI	7				7	10.4	Draft						
BBS	Homelessness Follow Up	0			4	4	6.6	Draft						
GOV	Corporate Governance	8				8	6.4	Draft						

Strategic Risk	Audit Name	Original Plan Days	August Revision	November Revision	January Revision	Revised Plan Days	31 st March 2026 Actual	Status	Audit Opinion	Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
BBS	Adult Social Care Outturn Follow Up	0			4	4	4.7	Draft						
BBS	Agency Workers & Consultants Follow Up	5				5	12.9	Draft						
GOV	BluPrint - Print Unit Operations	6			2	8	15.0	Draft						
MHW	Health & Safety Governance	8			7	15	29.7	Draft						
CYB	IDOX Planning, Building Control & Gazetteer Management System	10				10	10.7	Draft						
GOV	Counter Fraud Work - NFI Declaration of Interest Review	0				0	15.5	Draft						
GOV	Members Development Training	0		8	9	17	16.9	Draft						
GOV	Annual Governance Statement (AGS)	1				1	0.9	Draft						
GOV	Performance Management Framework	8				8	10.0	Draft						
GOV	Assistive Technologies including BOTS	10				10	10.0	In Progress						
SGC	Adoption Process including allowances	10				10	4.9	In Progress						
SGC	Direct Payments Children	10				10	14.2	In Progress						
SGC / BBS	SEND Statutory and Regulatory Framework	10				10	5.9	In Progress						
CCS	Garden Waste Collection Follow Up	0			4	4	2.5	In Progress						
CCS	Emergency Planning	8				8	11.9	In Progress						
GOV	The Lantern	0	5			5	2.8	In Progress						
CYB	Database Access / Admin / Management	8				8	0.8	In Progress						
BBS	ICT Project Financing and Recharges	5				5	4.9	In Progress						
GOV	Payroll System	25			5	30	31.2	In Progress						
CYB	PSN (public sector network) Accreditation	5				5	5.4	In Progress						
CYB	Remote Support	5				5	2.2	In Progress						
GOV / BBS	Big Town Plan / Shrewsbury Riverside Development	10				10	14.3	In Progress						
GOV	Chipside Parking System IT Application Review	10				10	2.9	In Progress						
GOV	Highways Term Maintenance -Kier	15				15	15.7	In Progress						
GOV	Counter Fraud, Policies and Training - Fraud Risk Assessment	2				2	6.0	In Progress						
GOV	Equality Diversity and Inclusion Arrangements Follow Up	0			2	2		Carried Forward						
GOV / BBS	Holiday Pay Follow Up	0			2	2		Carried Forward						
SKI	Impact of Voluntary Redundancy on Key Skills and Delegated Responsibilities	0			4	4		Carried Forward						
GOV / BBS	Payroll Leaver and Sickness Verification	0			8	8	0.9	Carried Forward						
GOV	Education Health and Care Plans AI	7			-7	0		Cut						
GOV	Procurement Strategy	8			-6	2	0.4	Cut						
CYB	Amazon Web Services (AWS) Platform	10				10	6.3	Cut						
CYB	Conditional Access	7			-7	0		Cut						
CYB	Corporate Networking - Active Directory	10			-10	0		Cut						
CYB	Decommissioning Shirehall Data Centre Project	10			-10	0		Cut						

Strategic Risk	Audit Name	Original Plan Days	August Revision	November Revision	January Revision	Revised Plan Days	31 st March 2026 Actual	Status	Audit Opinion	Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
GOV	Power BI Reporting and Development	7			-7	0		Cut						
MHW / SKI	Recruitment Arrangements Follow Up	6			-5	1	1.1	Cut						
CYB	Unified Communications	7			-7	0		Cut						
GOV	CONFIRM-Highways Management System	10			-10	0		Cut						
GOV	Partnerships	8			-8	0		Cut						
GOV	Section 38 Road Adoption	4			-4	0	0.1	Cut						
	Total Shropshire Council Planned Work	709	153	79	15	956	974.1							
	CONTINGENCIES													
	Advisory Contingency	20	0	0	0	20	18.7							
	Fraud Contingency	150	-50	-56	-24	20	10.9							
	Unplanned Audit Contingency	50	-42	0	0	8	38.3							
	Other non audit Chargeable Work	120	3	14	0	137	150.5							
	CONTINGENCIES	340	-89	-42	-24	185	218.4							
	Total for Shropshire	1,049	64	37	-9	1,141	1,192.5							
	EXTERNAL CLIENTS	159	0	2	0	161	164.6							
	Total Chargeable	1,208	64	39	-9	1,302	1,357.1							

Strategic Risk Key

Strategic Risk	Abbreviation	Likelihood	Impact	Status
Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority	CYB	5	5	25
Inability to contain overall committed expenditure within the current available resources within this financial year	BBS	5	5	25
Inability to set a balanced budget for a given year within the MTFS.	BBS	5	5	25
Failure of Officers and Members to adhere to Governance arrangements.	GOV	5	4	20
Health & Wellbeing of The Workforce	MHW	5	4	20
Critical Skills shortage impacting on Recruitment, Retention & Succession Planning	SKI	5	4	20
Impact of extreme pressures upon partners (social care, health, and criminal justice)	PAR	5	4	20
Responding and Adapting to Climate Change	CCS	4	4	16
Impact of increased waiting lists in relation to DoLs, OT and SI	WLI	4	4	16
Safeguarding children	SGC	3	4	12