Shropshire Council

Internal Audit Performance Report

April to August 2026

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1. Introduction

1.1. This report provides the Audit and Governance Committee with an update on Internal Audit activity between April and August 2026. It summarises progress in delivering the approved 2026/27 Internal Audit Plan, highlights revisions required in response to changes in resources, risk and Council priorities, and reports the outcomes of completed audit work, including assurance opinions and recommendation themes. The report supports the Committee in maintaining oversight of internal audit delivery and in considering whether the work undertaken to date is sufficient, proportionate and appropriately focused on the Council's key risks, governance arrangements and control environment. The results of completed and ongoing audit work will contribute to the Chief Audit Executive's year-end opinion.

2. Revisions to the 2026/27 Plan

2.1. The original Internal Audit Plan for 2026/27 was approved by the Audit and Governance Committee in February 2026 with the caveat that changes to the plan may be required in year.

2.2. The Internal Audit Plan is intended to remain responsive throughout the year so that audit resources continue to be directed to the areas of greatest risk and value to the Council. Revisions may therefore be required where there are changes in available resources, emerging risks, changes to Council priorities, delays or overruns in planned audit work, or requests for additional advisory, project or assurance support. Any proposed changes are considered in the context of maintaining sufficient and appropriate audit coverage to support delivery of the plan and enable the Chief Audit Executive (CAE) to provide a robust year-end opinion on the Council's governance, risk management and control environment.

2.3. Revisions to the 2026/27 plan provide for a total of 2,025 audit days, a decrease of 377 days from those originally approved. Revisions to the plan are targeted to provide enough activity to inform an end of year opinion. Changes to the planned activity are required following the resignation of a Principal and Senior Auditor. An initial recruitment activity in March 2026 was unsuccessful and a new recruitment campaign is currently underway for a Principal Auditor.

2.4. Delays and overruns on audits have also impacted delivery of the plan. Results of all audit work undertaken will be reported to the Committee following completion and will contribute directly to the CAE's year end opinion.

2.5. The revisions to the 2026/27 Internal Audit Plan have been determined following a review of available audit resources, progress against planned work, delays and overruns on individual assignments, emerging issues identified through completed audit activity, and consultation with senior officers on areas of greatest risk and organisational priority. The review also took account of the S151 Officer request that the plan be reassessed to ensure audit resources remain focused on the areas of greatest value to the Council. This was undertaken during May and June in consultation with all Service Directors.

2.6. The updated strategic risks identified through the Annual Governance Statement review have been considered and continue to be reflected in the revised audit plan. Overall, the revised plan continues to provide coverage across the Council's key strategic risk areas, including financial sustainability, governance and decision making, information

governance, ICT and cyber resilience, safeguarding, health and safety, contract and project management, and delivery of transformation and improvement activity. Although reduced audit capacity requires careful prioritisation, the revised coverage is considered sufficient and proportionate to support the CAE's year-end opinion, subject to ongoing monitoring and further adjustment if significant new risks emerge.

2.7. Recruitment to the vacant Principal Auditor position is currently underway. Once complete, the audit plan will be updated to reflect the change in resources available.

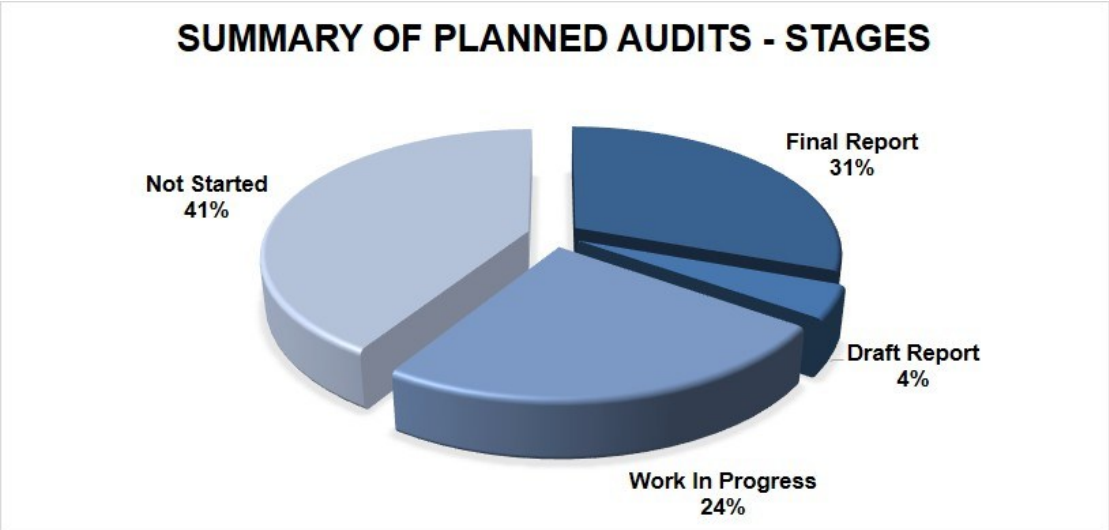
3. Performance Against the Plan 2026/27

3.1. In total, 29 final reports have been issued in the period from 1st April 2026 to 31st August 2026, all are listed with their assurance rating, recommendation ratings and direction of travel below:

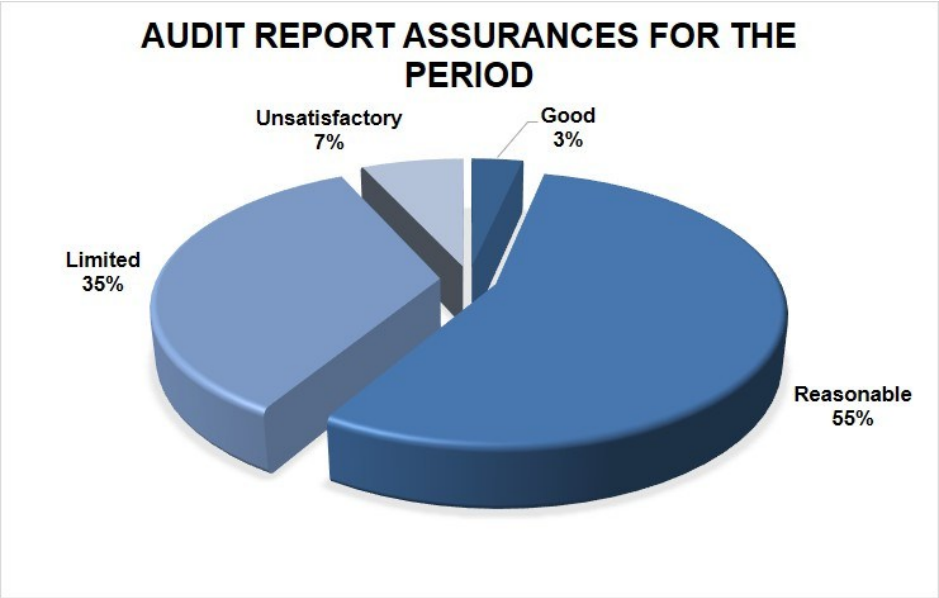
	Audit Opinion					Recommendations				
Audit Name	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice	Direction of Travel
Assistive Technologies 2025/26		1					3	4		N/A
Children's Direct Payments 2025/26				1			8	3		ß à
Magic Notes AI 2025/26		1					3	4		N/A
Purchasing Cards - Children's Residential Homes			1				5	5		N/A
Bishops Castle Community College 2025/26			1			1	6	8		á
Monitoring of Schools Deficit and Surplus Budgets				1		1	6	3		N/A
Direct Payments Briefing Note							4	1		N/A
Homelessness Follow Up 2025/26			1				2	7		ß à
Emergency Planning 2025/26		1					4	4		ß à
Food Standards & Hygiene		1					1	3		â
IDOX IT Application 2025/26		1					1	4		ß à
Corporate Governance 2025/26		1						9		ß à
Health and Safety Governance 2025/26			1				7	3		â
BluPrint - Print Unit Operations 2025/26			1				4	4		ß à
Database Access, Admin and Management Follow Up		1						3		á
ICT Project Financing and Recharges 2025/26			1				4	1		ß à
Public Sector Network (PSN) Accreditation 2025/26		1					1	1		N/A
Remote Support 2025/26		1					2	2		á
Shirehall Data Centre - Decommissioning Project		1					2	4		N/A
Payroll System Follow Up 2025/26			1				12	15		ß à

Audit Name	Audit Opinion					Recommendations				Direction of Travel
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice	
Highways Maintenance - Term Maintenance - Kier Contract Follow up 2025/26		1					1			á
Shrewsbury Riverside Redevelopment Programme 2025/26			1				7	6		N/A
Chipside and MI Permit Systems - Application Review 2025/26		1						4		á
Freedom of Information (FOI), Subject Access Requests (SAR) and Environmental Information Regulation Requests (EIR)	1							1		á
NFI - Declarations of Interest Review 2025/26							1			N/A
Committee Reporting and Management		1					3	4		N/A
Members Allowances and Expenses		1					1	2		ßà
Members Development Training 2025/26			1				4			N/A
ASC Outturn 2025/26			1				4	1		N/A
Warm Homes Local Grant							2	6		N/A
Social Media		1						2		á
Performance Management Framework 2025/26		1					2	6		N/A
Total	**1**	**16**	**10**	**2**		**2**	**100**	**120**	**0**	
Percentage	3%	55%	35%	7%		1%	45%	54%	0%	

3.2. The following chart shows performance against the approved Internal Audit Plan for 2026/27:



3.3. The assurance level awarded to each completed audit in this period appear in the chart below:



3.4. The breakdown of recommendation classifications made as part of each audit in this period appear in the chart below:

3.5. In the period up to the 31st August 2026, 17 reports have been issued providing good or reasonable assurances and accounting for 58% of the opinions delivered. This represents a significant increase in the higher levels of assurance for this period, compared to 35% in the same reporting period for 2025/26 and the previous year outturn of 52%. This is offset by a corresponding decrease in limited and unsatisfactory assurances, currently 42% for the period compared to 65% in the same period for 2025/26 and the previous year outturn of 48%. Whilst it is early in the 2026/27 reporting cycle, the reduction in lower assurances delivered is encouraging.

3.6. The proportion of audits receiving Good or Reasonable assurance has increased compared with the same reporting period in 2025/26. However, given the relatively small number of completed audits at this stage of the year, this movement should be interpreted with caution and should not, at this point, be regarded as evidence of a

statistically significant change in the overall control environment. The position will continue to be monitored as more audits are completed during the year.

3.7. Details of control objectives evaluated and not found to be in place as part of the planned audit reviews that resulted in limited and unsatisfactory assurances, appear below:

Unsatisfactory and limited assurance opinions issued in the period from 1st April 31st August 2026

Listed below against each audit are the management controls that were reviewed and found either not to be in place or operating satisfactorily.

Unsatisfactory assurance

Children and Young People– Children's Direct Payments 2025/26 (Unsatisfactory 2022/23)

- The recommendations made in the previous audit have been implemented.
- The system is operated in accordance with up-to-date policies, procedures, Financial Rules, statutory regulations and legislation, to which relevant staff have access.
- Contractual agreements are in place between all parties involved in the scheme.
- Appropriate processes are in place to set up and assist new users of Direct Payments.
- Expenditure is monitored on a regular basis and the recovery of surplus funds made where appropriate.
- Relevant staff have DBS clearance.
- Management information is produced on a regular basis and is subject to independent review in a timely manner.

Children and Young People – Monitoring of Schools Deficit and Surplus Budgets 2026/27

- Management of school deficits operates in accordance with up-to-date policies, procedures, financial regulations, and statutory requirements, and these are accessible to all relevant staff.
- Governance arrangements provide clear reporting arrangements to senior management, Schools Forum and elected members, with roles and responsibilities defined.
- Processes in place to identify potential deficits, including the use of census data and forward projections. Planned deficits must be licensed and submitted to the local authority within the specified timescales.
- Deficit recovery plans demonstrate realistic and sustainable pathways to financial recovery and are subject to ongoing oversight and review.
- The deficit licensing and approval process is appropriately controlled, ensuring that planned deficits are authorised, and supported by credible financial plans aligned with the Scheme for Financing Schools.
- Management monitoring and oversight arrangements are in place for receiving, reviewing, and challenging financial monitoring received from schools.
- Management information relating to deficit and surplus positions is accurate, produced regularly, and is used to inform strategic decision making and reporting to relevant governance bodies.

Limited assurance

Children and Young People – Purchasing Cards - Children's and Residential Homes

- Policy and guidance in place for the use of purchasing cards, specifically in relation to Children's residential settings.
- Process in place for the control and management of cardholders, including approvals, limits, usage and the issuing of, holding, revoking and return of purchasing cards.
- There is suitable review, approval and oversight arrangements in place for the use of purchasing cards.
- Appropriate budget monitoring and spend analysis arrangements in place.

Children and Young People – Bishops Castle Community College (Unsatisfactory 2023/24, Limited 2021/22, Unsatisfactory 2019/20)

- Previous audit recommendations have been implemented.
- Regular budget monitoring is performed, and any significant variations are investigated.
- Budget income is identified, collected and banked in accordance with procedures.
- Purchases are appropriate, authorised, recorded correctly and comply with Financial Regulations and Contract Procedure Rules.
- The school fund is operated in accordance with the school fund notes of guidance.

Communities and Customer– Homelessness Follow Up 2025/26 (Limited 2025/26)

- Recommendations relating to performance on the Homelessness Strategy being reviewed by Cabinet have been implemented.
- Recommendations relating to income being received in respect of temporary accommodation being credited to the correct account in a timely manner have been implemented.
- Recommendations relating to appropriate IT arrangements being in place to ensure that risks regarding information technology are being suitably mitigated have been implemented.
- Recommendations relating to management information being produced on a regular basis and being subject to independent review in a timely manner have been implemented.

Enabling – Health and Safety Governance 2025/26

- The recommendations made in the previous audit have been implemented.
- There is a Health and Safety Management System and Policy which provides a structure for the overall management of activities and the management of risks.
- There is an approach where planning enables the implementation of health, safety and welfare arrangements.
- A management structure and arrangements for delivering the Health and Safety policy are in place including communication, competence of employees, operational control to manage risks and consultation.
- Health and Safety performance is measured and checked against agreed standards to identify where improvement is needed.
- There is a review of performance based on data from monitoring and from independent audits of the Health and Safety Management System.

Enabling– BluPrint – Print Unit Operations 2025/26 (Limited 2017/18)

- The recommendations made in the previous audit have been implemented.
- The objectives and performance measures for the Print Unit are defined.
- Print Unit data and communications are securely managed in line with internal policy and legislation (Data Protection Act 1998 / GDPR).
- Procurement of out-sourced printing services is undertaken in line with current procurement rules.

Enabling – ICT Project Financing and Recharges 2025/26 (Limited 2017/18)

- Recommendations from previous audit have been addressed and resolved in an appropriate manner.
- ICT Project Financial management is clearly defined and appropriately documented.
- Project costs and charges are set in advance of project commencing and undergo an appropriate monitoring process throughout the project.
- All project variances are identified, reported and managed appropriately.

Enabling – Payroll System Follow Up 2025/26 (Limited 2023/24, Unsatisfactory 2021/22 and 2020/21)

- Previous audit recommendations have been implemented.
- Employee pay is calculated accurately and is aligned to their authorised position and working hours.
- Temporary variations including sick pay and maternity pay are appropriately controlled.
- Deductions are correctly made from staff and are appropriately paid over to the relevant bodies.
- Leavers are promptly processed and not paid beyond their last day of employment.

Infrastructure – Shrewsbury Riverside Development Programme 2025/26

- To ensure that robust governance structures are in place and operating effectively to oversee the Riverside Development Phase 1, with clear accountability and transparent decision making.
- To ensure procurement activity complies with Contract Procedure Rules and relevant regulations, and that contracts provide appropriate protection, value for money, and clarity of obligations.
- To ensure contractor and consultant performance is effectively managed, with mechanisms in place to monitor quality, progress, and achievement of milestones.

Legal and Governance – Members Development and Training 2025/26

- There is a Member training and development framework that is aligned to constitution requirements to ensure Members fulfil their roles effectively.
- The effectiveness of training and development activities is assessed through ongoing monitoring and evaluation of the methods and resources used.
- Mechanisms exist to capture feedback and lessons learned, and to implement improvements to the training and development programme.
- Training and development of elected members is subject to strategic oversight.

S151 Finance – Adult Social Care Outturn 2025/26

- The recommendations made in the Adult Social Care Budget Outturn Variance Briefing Note 2024-25 have been implemented:

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

3.8. A total of 222 recommendations have been made in the 29 final audit reports issued during this period; the breakdown of these by audit and recommendation rating are shown at paragraph 3.1. Two fundamental recommendations have been made which are detailed below:

Monitoring of Schools Deficit and Surplus Budgets

Six schools were forecasting a deficit budget position in 2025/26, five of these had not formally notified the Council of an expected deficit by the required deadline of 1 February 2025. Whilst all schools had subsequently prepared and approved budget plans for the 2025/26 year, supporting Deficit Recovery Plans (Annex B) and applications for licensed deficit budgets were often absent, incomplete or prepared significantly after budget approval. Where schools had not complied with the requirements of the deficit budget process, there was no evidence that the Council's formal escalation arrangements had been applied. There is limited assurance that deficit budgets are being managed consistently and that schools are being held accountable for compliance with the Council's financial management requirements.
Recommendation: The Council should strengthen the oversight of schools' compliance against the Scheme for the Financing of Schools and the Deficit Budget Protocol to ensure that schools operating with or forecasting a deficit position comply with the approved process.
Risk: Schools may operate with unmanaged or unapproved deficit budgets without appropriate scrutiny, challenge or intervention, leading to non-compliance with the Deficit Budget Protocol, weakened financial governance and an increased risk of deficits escalating without timely corrective action.
Management Response: Appoint responsible officers for alerting management when a deficit arises or is projected. Ensure collaborative working and communication between Finance and Education Quality and Safeguarding in order to follow the Deficit Protocol fully and ensure robust communication with Heads and Governors of schools with concerns.
Target Implementation Date: 31st December 2026

Bishops Castle Community College
A signed deficit recovery plan has only been in place since October 2025 despite a historic deficit over a long period of time. The plan does not give any clear requirements of how the school will reduce the deficit and what reporting will take place to Shropshire Council. The three year budget plan has been approved by the Governing Body but shows an increase of the deficit to approximately £1 million in 2027/28. The Head Teacher confirmed discussions are being held with local MATs with the possibility of joining, with a special Governor meeting to be held in June with a local MAT.
Recommendation: The college should consider any future proposals from the MAT and confirm their decision to secure the future of the college.
Risk: Failure to join a MAT could lead to continuing budget pressures resulting in a reduction of teaching standards and a negative impact on staff and pupils at the College.
Management Response: A signed agreement is in place with Shropshire LA that indicates that the schools should aim to reduce the deficit by £10,000 per financial year. The school has completed the EPS process to reduce staffing costs due to unfunded pay increases. This will result in significantly increased class sizes and reduced curriculum flexibility for the 2026-27 academic year and beyond. The EPS process has resulted in a 4.3 FTE reduction in teaching staff, and 75 hours of non-teaching staff reduction (affecting 4 staff). Conversations with TrustEd Multi-Academy Trust are ongoing. The issue will be whether the MAT can absorb the deficit.
Target Implementation Date: 31st March 2027

Question 2: Do Members wish to receive any updates from the service areas in relation to the fundamental recommendations?

3.9. It is the identified manager's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. Details of the approach adopted to

following up recommendations highlighting Committee's involvement is included later in this report at page 19.

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

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

- **Deprivation of Liberty Safeguards (DoLS) Briefing Note**
  The planned 2026/27 Internal Audit review of Deprivation of Liberty Safeguards (DoLS) has been deferred following a Supreme Court judgment issued in June 2026 which significantly altered the legal framework governing DoLS assessments. As the ruling necessitates substantial changes to policies, procedures and operational practices, it was agreed that the review would be postponed until revised arrangements have been implemented and embedded, ensuring that future audit work provides meaningful assurance against the updated legal requirements.
- **Garden Waste Follow Up Briefing Note**
  A follow-up review of Garden Waste Collections found that, while some progress has been made in implementing agreed actions, key contracts and system arrangements remain incomplete. As a result, Internal Audit cannot yet confirm that the previously identified risks have been mitigated, and the original Limited assurance opinion remains unchanged.
- **The Lantern Follow Up Briefing Note**
  Internal Audit completed a follow-up review of The Lantern and concluded that the assurance opinion remains Unsatisfactory. Despite the introduction of a new booking and income collection system, longstanding weaknesses relating to income collection, reconciliation, record keeping, insurance compliance and management oversight remain unresolved. Limited evidence was available to demonstrate that previous audit recommendations have been fully implemented or that identified risks have been effectively mitigated. The review highlighted the need for stronger management oversight, accountability and embedded controls to address risks that have been repeatedly reported since the original 2019/20 audit.
- **Schools Financial Value Standard (SFVS)**
  Completed forms are reviewed by Internal Audit to inform the programme of audit work. Any areas of concern are discussed with the school and a summary of the results provided to the Director for Children's Services to inform their assurance programme work.
- **Payroll Data Analytics 2025/26 Q4**
  Analysis of payroll data was undertaken to identify data quality improvements. This information was shared with the HR/Payroll Manager to enable the HR Business Partners to support those not using the system correctly. Analysis shows an improvement in data quality over the course of 2025/26.
- **Payroll Root Cause Briefing Note**
  The Payroll Root Causes Review, completed following a Limited Assurance audit opinion, identified that payroll control weaknesses are driven by systemic issues across processes, systems, governance and accountability. Key themes include management non-compliance, ERP system limitations, weak oversight and reporting, inconsistent authorisation and record keeping, outdated guidance, and unclear responsibilities across Payroll, HR and Finance. The review recommends

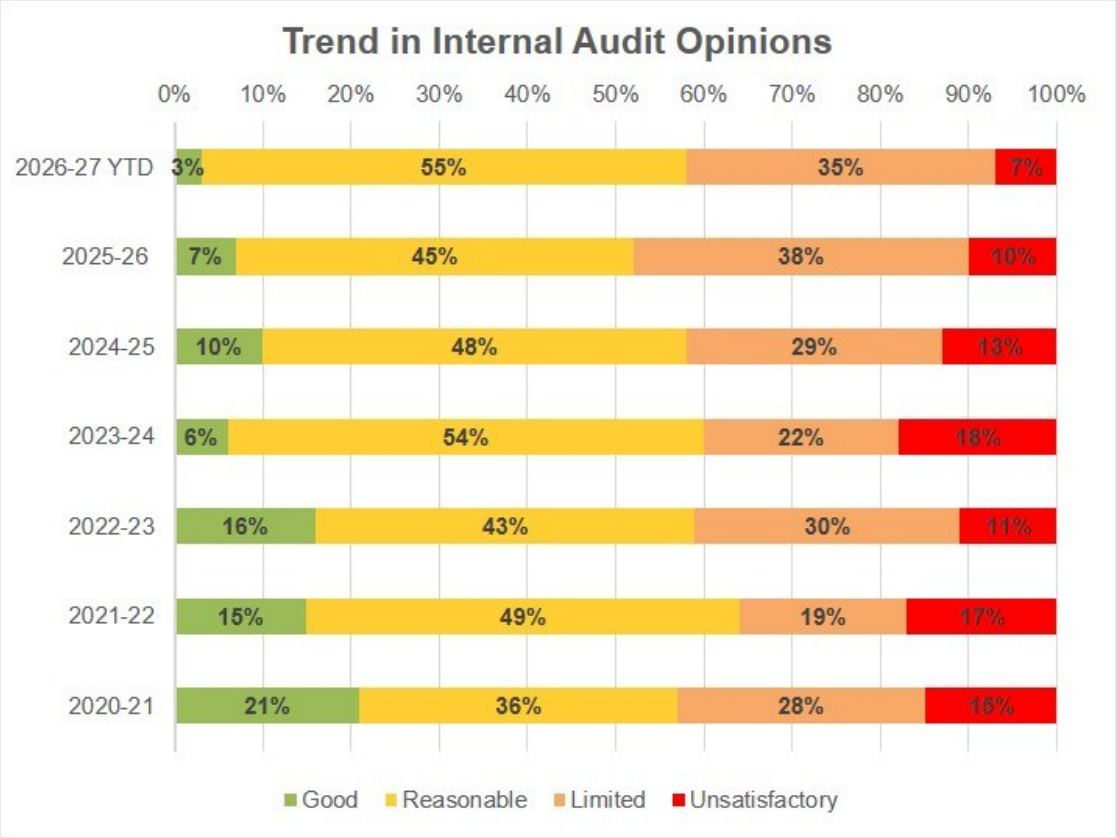
a coordinated improvement programme focused on system enhancements, stronger accountability, improved management information and clearer governance arrangements to address the underlying causes of control weaknesses.

- **Direct Payments Root Cause Briefing Note**
  Internal Audit's review of Adults' and Children's Direct Payments identified common weaknesses in governance, DBS compliance, performance monitoring, risk management and manual processes. The findings indicate a need for greater alignment between services, strengthened oversight and improved systems and management information to support effective delivery of Direct Payments and inform future service redesign.
- **Multiple Same Day Purchase Order Briefing Note**
  Internal Audit completed a data analytics review of multiple same-day purchase orders and identified 2,068 instances, with a total value of £125.1m, including 386 cases where combined order values exceeded authorisation limits. The review highlighted risks relating to compliance, financial reporting and efficiency, together with evidence of unused or partially utilised purchase orders. Further work will be undertaken with service areas to understand the causes and identify opportunities to strengthen controls and improve purchasing processes.
- **NFI Declarations of Interests Review**
  A review of National Fraud Initiative data identified a small number of potential conflicts of interest requiring further investigation and found that only 48% of staff had completed the Council's new declaration of interests process. The review also highlighted weaknesses in the quality of declarations and has resulted in a significant recommendation to strengthen guidance, improve data quality and increase compliance across the Council.
- **Recommendation Status Briefing Note**
  The briefing note reported substantial progress in addressing the historic backlog of significant and fundamental audit recommendations, with overdue actions reducing from 181 in October 2025 to five by 28 April 2026. However, 228 actions had been closed based on management assurance without independent audit verification, while 156 were not yet due, reflecting extended or revised implementation dates. Internal Audit follow-up work found that 54% of reviewed actions remained only partially implemented or had been repeated, demonstrating continuing residual risk and the need for sustained management focus to ensure that agreed controls are fully implemented, embedded and operating effectively.
- **Grants Lessons Learnt Briefing Note**
  Following lessons learned from delays in the HUG Grant audit sign-off, a briefing note was issued to strengthen grant governance and improve future audit assurance processes. The note emphasises the need for robust evidence retention, clear documentation of compliance with grant conditions, effective financial reconciliation, and documented communications with grant providers to reduce the risk of delays, non-compliance and potential grant clawback. A Grant Administrators Checklist has been developed to support consistent and audit-ready grant management arrangements across the Council.
- **Savings – Vehicle Fleet**
  A review of vehicle fleet procurement found no evidence of vehicles being purchased, leased or hired outside the approved Passenger Transport Team route during 2025/26, providing assurance that current arrangements are operating as intended. One historic exception relating to a minibus and previous use of a non-approved rental supplier was identified, but no current concerns

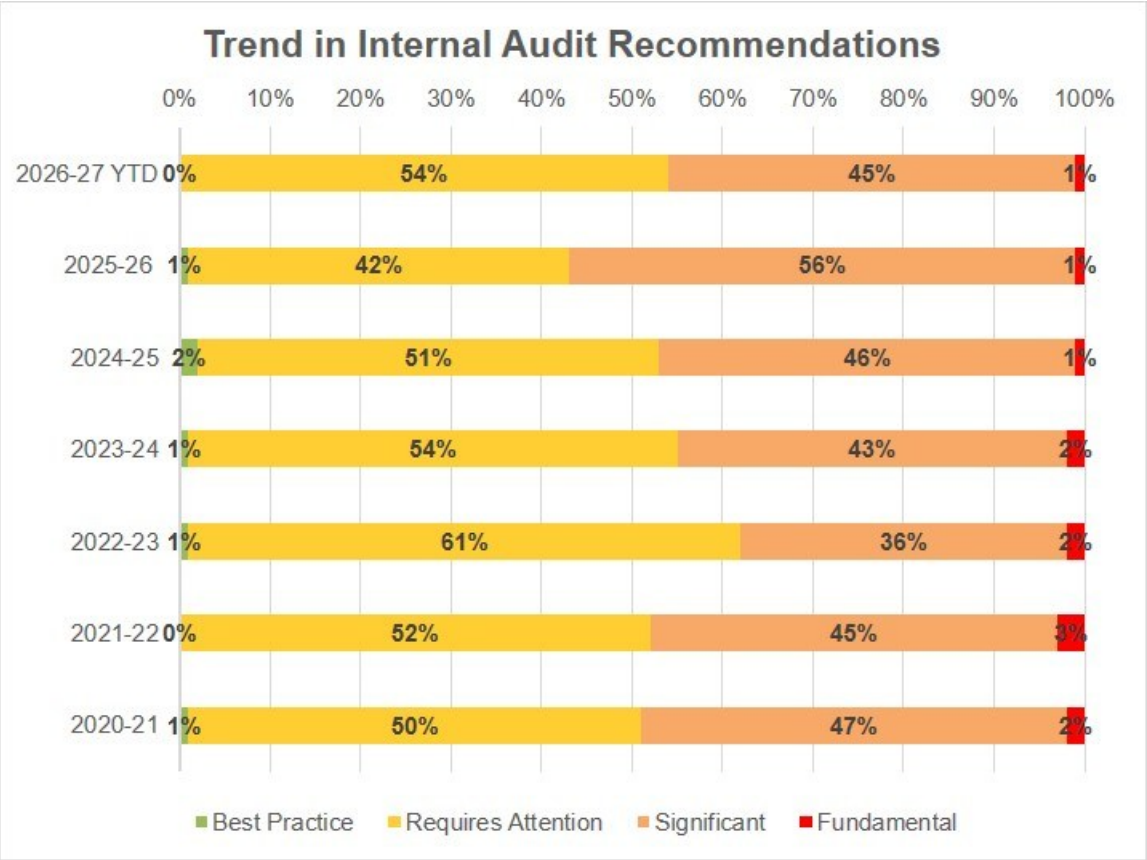
were found. The review emphasised the importance of maintaining approved procurement routes to support compliance, insurance requirements and effective fleet management.

4. Direction of travel

4.1. The number of lower-level assurances to date, 42%, is lower than the outturn for 2025/26 of 48%, this is encouraging.



4.2. The breakdown of recommendation classifications for the year to date is shown below. The recommendation profile should be interpreted alongside the assurance opinions and the nature of audits completed to date. Most recommendations fall within the Significant and Requires Attention categories, which indicates a continuing need to strengthen control design, compliance and management oversight across a range of service areas. Although only two Fundamental recommendations have been raised, the overall volume of recommendations means that timely implementation and effective follow-up remain important. At this stage of the year, it would be premature to draw firm conclusions about a sustained trend, but the current pattern supports continued Committee oversight of high-priority recommendations and recurring themes emerging from limited and unsatisfactory assurance reviews.



4.3. Lower assurance opinions are currently concentrated in areas involving schools and Children and Young People services, follow-up reviews, project and contract management, and operational financial controls. The recurring themes are less about isolated process failures and more about the need to strengthen governance, accountability, management information, compliance with agreed procedures and escalation arrangements. Several areas have also received lower assurance previously, suggesting that the Committee may wish to maintain focus on whether agreed actions are being fully implemented and embedded, rather than simply closed.

4.4. Full details of the audits completed and their assurance opinions can be found at the Audit Plan Performance table on the following page of this report.

5. Performance Measures

5.1. All Internal Audit work has been completed in accordance with agreed plans and the outcomes of final reports have been reported to the Committee. Performance is also assessed through progress against the revised audit plan, timely issue of final reports, management response and implementation of recommendations, completion of follow-up work, and the continued alignment of audit activity to key Council risks and priorities. This ensures that the Committee receives assurance not only on delivery of audit work, but also on whether audit activity is contributing to improvements in governance, risk management and internal control.

AUDIT PLAN PERFORMANCE REPORT FROM 1st APRIL TO 31st AUGUST 2026

Audit Name	Original Plan Days	August Revision	Revised Plan Days	31st August 2026 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
							Fundamental	Significant	Requires Attention	Best Practice	
ASC Outturn Follow Up 25/26					Complete	Limited		4	1		N/A
Assistive Technologies 25/26					Complete	Reasonable		3	4		N/A
Shrewsbury Riverside Development 25/26					Complete	Limited		7	6		N/A
Bishops Castle Community College Follow up 25/26					Complete	Limited	1	6	8		↑
BluPrint - Print Unit Operations 25/26					Complete	Limited		4	4		←→
Chipside Parking System Application Review 25/26					Complete	Reasonable			4		↑
Corporate Governance 25/26					Complete	Reasonable			9		←→
Children's Direct Payments Children 25/26					Complete	Unsatisfactory		8	3		←→
Emergency Planning 25/26					Complete	Reasonable		4	4		←→
Health and Safety Governance 25/26					Complete	Limited		7	3		↓
Highways Maintenance - Term Maintenance -Kier 25/26					Complete	Reasonable		1			↑
Homelessness Follow Up 25/26					Complete	Limited		2	7		←→
ICT Project Financing and Recharges 25/26					Complete	Limited		4	1		←→
IDOX Application 25/26					Complete	Reasonable		1	4		←→
Magic Notes AI 25/26					Complete	Reasonable		3	4		N/A
Members Development Training 25/26					Complete	Limited		4	0		N/A
Payroll System Follow up 25/26					Complete	Limited		12	15		←→
Performance Management Framework 25/26					Complete	Reasonable		2	6		N/A
Public Sector Network (PSN) Accreditation 25/26					Complete	Reasonable		1	1		N/A
Remote Support 25/26					Complete	Reasonable		2	2		↑
The Lantern Follow Up 25/26					Complete	Briefing Note					N/A
Garden Waste Collections Follow Up 25/26					Complete	Briefing Note					N/A
Direct Payments Root Cause Briefing Note	0	1	1	1.3	Complete	Briefing Note		4	1		N/A
DOLS Deprivation of Liberty Safeguards	10		10	5.0	Complete	Briefing Note					N/A
Monitoring of Schools Deficit/Surplus Budgets	8	9	17	16.8	Complete	Unsatisfactory	1	6	3		N/A
Purchasing Cards - Children's Residential Homes	8	14	22	21.8	Complete	Limited		5	5		N/A
SFVS - Schools Financial Value Statement	2		2	1.6	Complete	N/A					N/A
Food Standards and Hygiene	10		10	8.9	Complete	Reasonable		1	3		↓
Annual Governance Statement (AGS) 25/26	0		0	0.4	Complete	N/A					N/A
Statutory Officers - Recommendation Status Briefing Note	0		0	0.3	Complete	Briefing Note					
Database Access, Admin and Management	0	8	8	7.0	Complete	Reasonable			3		↑
Shirehall Data Centre Decommissiong Project	10		10	9.4	Complete	Reasonable		2	4		N/A
Payroll Data Analytics (IDEA) Q4 25/26	1		1	1.3	Complete	N/A					N/A
Payroll Root Cause Briefing Note	0		0	0.0	Complete	Briefing Note					N/A
Committee Reporting and Management	10		10	10.3	Complete	Reasonable		1	2		N/A
NFI Declarations of Interest Review	0		0	0.6	Complete	Briefing Note		1			
Multiple Same Day Orders	0		0	1.4	Complete	Briefing Note					
Freedom of Information (FOI) and Subject Access Requests (SAR)	10	-1	9	8.4	Complete	Good			1		↑

Audit Name	Original Plan Days	August Revision	Revised Plan Days	31st August 2026 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
							Fundamental	Significant	Requires Attention	Best Practice	
Members Allowances and Expenses	8	2	10	9.4	Complete	Reasonable		1	2		←→
Grant Lessons Learnt	0		0	0.3	Complete	Briefing Note					N/A
Warm Homes Local Grant	0		0	4.1	Complete	N/A		2	6		N/A
Savings 2026/27 – Vehicle Fleet	0		0	3.0	Complete	Briefing Note					N/A
Social Media	10	4	14	14.0	Complete	Reasonable			2		↑
Agency and Consultancy Staff 25/26					Draft						
Adoption Process Including Allowances	0	19	19	18.2	Draft						
HR Casework and Employee Relations - Framework Design and Consistency	15		15	13.6	Draft						
HR Casework and Employee Relations - Data Analysis	0	20	20	18.1	Draft						
Savings Briefing Note – Cleaning	0		0	11.6	Draft						
Aquamira Comforts Fund	3		3	0.9	In Progress						
Adult Social Care - Systems and Forecasting	0	18	18	17.0	In Progress						
Schools Self Assessments (Audit Provided)	8		8	0.1	In Progress						
SEND Statutory and Regulatory Framework	0	15	15	12.9	In Progress						
Financial Evaluations	30		30	7.6	In Progress						
Supported Living Contract Management	8		8	1.5	In Progress						
Regulator for Social Housing Compliance	10		10	1.2	In Progress						
All Staff Communication Verification	0	5	5	2.8	In Progress						
Best Value Framework	0	10	10	7.4	In Progress						
Chatbots and Microsoft Power Apps Development and Management	10		10	1.5	In Progress						
Digital Mailroom	8		8	0.7	In Progress						
Digital Transformation Board	5		5	0.3	In Progress						
Management of Recruitment and Retention of New Employees	8		8	3.2	In Progress						
IT Asset Management	8		8	7.6	In Progress						
Out of County IT Equipment Delivery	5	2	7	5.8	In Progress						
Payroll Data Analytics (IDEA) Q1	1		1	2.2	In Progress						
Property Sales and Acquisitions	10		10	4.3	In Progress						
Employment Vetting	6		6	0.5	In Progress						
Remote Access, Citrix & VPN	8		8	1.7	In Progress						
Unified Communications	7		7	4.7	In Progress						
CONFIRM-Highways Management System	10		10	2.5	In Progress						
Grey Fleet	8		8	3.1	In Progress						
Transport Contract Payments	0	8	8	1.7	In Progress						
Street Scene	10		10	0.5	In Progress						
Counter Fraud Work	20		20		In Progress						
Housing Tenancy Fraud Review	0		0	0.7	In Progress						
Contract Management Counter Fraud Review	0		0	7.9	In Progress						
Payroll - Leaver and Sickness Verification	0		0	0.2	In Progress						
Counter Fraud, Policies and Training	4		4		In Progress						
Anti Money Laundering Policy Review	0		0	0.4	In Progress						

Audit Name	Original Plan Days	August Revision	Revised Plan Days	31st August 2026 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
							Fundamental	Significant	Requires Attention	Best Practice	
Fraud Risk Assessment	0		0	2.7	In Progress						
National Fraud Initiative (NFI)	20		20		In Progress						
NFI Main Exercise 2024/25	0		0	3.6	In Progress						
Property Services Group (PSG)	0	15	15	0.5	In Progress						
Community Covenant	10		10	3.4	In Progress						
Business Rates / NDR	20		20	0.5	In Progress						
Finance - Final Grant Claims	8		8		In Progress						
Income Collection	8		8	3.4	In Progress						
Savings Projects	12	13	25	0.3	In Progress						
Savings 2026/27 – Leases	0		0	0.3	In Progress						
Savings 2026/27 – Software Licenses	0		0	0.4	In Progress						
Savings 2026/27 – Taxi Usage	0		0	4.8	In Progress						
Treasury Management	8	4	12	10.7	In Progress						
Business Continuity Planning (Guildhall)	10		10	0.7	In Progress						
Data Quality Strategy	5		5	2.4	In Progress						
Pyrolysis Project Governance	0	15	15	9.0	In Progress						
Transformation and Improvement Contingency	150	-140	10		In Progress						
Role of the Manager Sprint Reference Group	0		0	0.6	In Progress						
Role of the Manager Stakeholder Group	0		0	0.3	In Progress						
Transformation and Improvement Contingency - Improvement Plan Project 8 Work	0		0	1.3	In Progress						
Adults with Learning Disabilities Day Services	10		10		Not Started						
Controcc Application	15		15		Not Started						
Direct Payments Children	5		5		Not Started						
Home to School Transport and SEND Transport	15		15		Not Started						
Contracts Register System Implementation	8		8		Not Started						
Personal Budgets - Deferred Payments	10		10		Not Started						
Procurement Act Compliance	10		10		Not Started						
Annual Governance Statement (AGS)	1		1		Not Started						
Corporate Governance	8		8		Not Started						
Ethics / Culture	10		10		Not Started						
Back-up arrangements	5		5		Not Started						
BluPrint - Print Unit Operations	6		6		Not Started						
Corporate Networking - Active Directory	10		10		Not Started						
Cyber Security Contract Management (Normcyber / WAN / Data Centre)	10		10		Not Started						
Cyber Threat / Incident Response Plan	10		10		Not Started						
Digital Transformation Plan	10		10		Not Started						
Disaster Recovery	5		5		Not Started						
Diversity Arrangements	4		4		Not Started						
Holiday Pay Follow Up	0	4	4		Not Started						
Microsoft Azure (Office 365)	10		10		Not Started						

Audit Name	Original Plan Days	August Revision	Revised Plan Days	31st August 2026 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
							Fundamental	Significant	Requires Attention	Best Practice	
Nutanix Data Centre Solution	10		10		Not Started						
Payroll Data Analytics (IDEA) Q2	1		1		Not Started						
Payroll Data Analytics (IDEA) Q3	1		1		Not Started						
Robotic Process Automation (RPA)	5		5		Not Started						
Security of Council Buildings Health & Safety	10		10	0.3	Not Started						
Shirehall Disposal	7		7		Not Started						
Telecommunications - Contracts, Procurement and Monitoring	10		10		Not Started						
Travel and Subsistence	8		8		Not Started						
WhatsApp	3		3	0.0	Not Started						
BSOG Grant Bus Subsidy	2		2		Not Started						
WSP Contract	6		6		Not Started						
Coroners and Mortuary Service	5		5		Not Started						
NFI Declarations of Interest Follow Up	0	5	5		Not Started						
Payroll Leaver and Sickness Verification	0	8	8		Not Started						
Information Classification / Handling / Data Loss	10		10		Not Started						
Section 38 Road Adoption	6		6		Not Started						
ASC Outturn Follow Up	0	5	5		Not Started						
Capital - Management and Monitoring	8		8		Not Started						
Sales Ledger	15		15	0.2	Not Started						
Spend Control Board Review	0	8	8		Not Started						
Corporate Plan - Service Plans	12	3	15		Not Started						
Improvement Plan	15		15		Not Started						
PMO Project Management	12		12		Not Started						
Power BI Reporting and Development	7		7		Not Started						
Power BI Data Validation	0	12	12		Not Started						
Risk Management	10		10		Not Started						
CQC Continuous Improvement Plan	12	-12	0		Cut						
Shropshire Carers Support Team	10	-10	0		Cut						
Bishops Castle Community College	10	-10	0		Cut						
Care Leaver Allowances	10	-10	0		Cut						
Domiciliary & Respite Services (Short Breaks)	8	-8	0		Cut						
Early Help	10	-10	0		Cut						
Elective Home Education	10	-10	0		Cut						
Foster Care Project	10	-10	0		Cut						
Stepping Stones	12	-12	0		Cut						
Key Supply Contracts	10	-10	0		Cut						
Parking - Enforcement and issue of NPOs & Fixed Penalty Notices	10	-10	0		Cut						
Private Renters Rights Act	10	-10	0		Cut						
Code of Practice for Statutory Officers	8	-8	0		Cut						
Improvement and Assurance Framework for Local Governance	8	-8	0		Cut						
Partnerships	12	-12	0		Cut						

Audit Name	Original Plan Days	August Revision	Revised Plan Days	31st August 2026 Actual	Status	Audit Opinion	Recommendations				Direction of Travel
							Fundamental	Significant	Requires Attention	Best Practice	
Growth and Skills Levy	10	-10	0		Cut						
Conditional Access	8	-8	0		Cut						
Human Resources - Workforce Planning	10	-10	0		Cut						
Organisational Workforce Resilience	15	-15	0		Cut						
Privileged Account Management	5	-5	0		Cut						
Resourcelink- HR Application Review	8	-8	0		Cut						
Service Accounts	10	-10	0		Cut						
Economic Growth Projects	10	-10	0		Cut						
Highways Development Control	10	-10	0		Cut						
Project Management	12	-12	0		Cut						
Planning Service Review	12	-12	0		Cut						
CIPFA Financial Management Self Assessment	10	-10	0		Cut						
Debt Recovery	15	-15	0		Cut						
Purchase Ledger P2P	26	-26	0		Cut						
Revenues and Benefits Service Delivery	8	-8	0		Cut						
Complaint Handling Code	10	-10	0		Cut						
New Operating Model	10	-10	0		Cut						
Performance Data	12	-12	0		Cut						
Total Shropshire Council Planned Work	**1,216**	**-265**	**951**	**333.1**							
CONTINGENCIES											
Advisory Contingency	20	0	20	9.7							
Fraud Contingency	150	0	150	68.8							
Unplanned Audit Contingency	60	0	60	91.9							
Other non audit Chargeable Work	166	-7	159	58.6							
CONTINGENCIES	**396**	**-7**	**389**	**229.0**							
Total for Shropshire	**1,612**	-272	**1,340**	**562.1**							
EXTERNAL CLIENTS	**158**	**-14**	**144**	**43.8**							
Total Chargeable	**1,770**	**-286**	**1,484**	**605.9**							

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.

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.

Glossary of terms

Significance
The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Chief Audit Executive Annual Opinion
The rating, conclusion and/or other description of results provided by the Chief Audit Executive addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Chief Audit Executive based on the results of several individual engagements and other activities for a specific time interval.

Governance
Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk
The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control
Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Impairment
Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

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.