Audit and Governance Committee

25 September 2026

Public

Governance Improvement Update

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Lead Director:	Tanya Miles – Chief Executive
Service Area:	All Service Areas
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Electoral Divisions Affected	All Divisions
Key Decision?	Not Key Decision
Cabinet Forward Plan	Not Applicable
Report considered by	Not Applicable

1. Purpose of Report

1.1. This report provides Audit and Governance Committee with an update on the actions being taken to strengthen governance, risk management, internal control, assurance and organisational accountability across Shropshire Council.

1.2. The report builds on the Chief Executive report to Audit and Governance Committee in November 2025, the governance report subsequently considered by Full Council, and the further update provided by the Chief Executive to the Chair of Audit and Governance Committee in June 2026. The 2025 internal control report set out an initial response to the Chief Audit Executive's "Limited Assurance" opinion for 2024/25 and identified the need to strengthen the Council's framework for governance, risk and internal control.

1.3. The report also reflects the work now being taken forward through the Council's Improvement Plan, the actions to address the governance issues identified in the 2025/26 Annual Governance Statement, Internal Audit, External Audit, the Governance Group, Statutory Officers meetings, the Corporate Peer Challenge

(CPC) process, CIPFA review and the wider organisational improvement programme.

1.4. The draft 2025/26 Annual Governance Statement states that the Council's governance arrangements remain in transition, with credible governance responses established through the Improvement Plan, People Plan, Improvement Board, enhanced financial control environments and strengthened scrutiny arrangements.

2. Recommendations

2.1. The Committee is recommended to:

- Note the progress made in strengthening the Council's governance, risk management, internal control and assurance arrangements.
- Note the Chief Executive's continued commitment to leading the Council towards stronger governance, improved accountability and a culture of compliance, openness and constructive challenge.
- Note the next phase of governance improvement activity set out in this report.
- Continue to receive regular assurance on the delivery, impact and sustainability of governance improvement actions.

3. Background

3.1. Over the summer, we have successfully recruited to five of the six new corporate senior leadership roles.

3.2. A report to Council will shortly seek endorsement of the appointments of the Director of Adult Social Services (DASS), Corporate Director for Change and Improvement, Corporate Director for Growth and Connected Communities, Service Director for Housing, and Service Director for Education.

3.3. These appointments are essential in building the right level of senior leadership capacity and capability across the organisation. They will provide the leadership support required to drive cultural change, deliver the Improvement Plan and Financial Sustainability and Recovery Strategy, strengthen accountability and governance, and lead key transformation programmes. Importantly, they will ensure the Council has the senior leadership resilience needed to support me as Chief Executive in leading the next phase of our organisational improvement and financial recovery journey and delivering our ambitions for Shropshire residents and communities.

3.4. The recruitment process to the new corporate senior leadership roles is nearing completion. Implementation of the new structure will support the renewed governance arrangements. A reset of expectations of our managers will take place in October through the 'Role of the Manager' work to ensure that clarity and consistency exists, development and support is provided where required but consequences and formal action is taken where non-compliance exists.

3.5. The Committee is asked to recognise that the Internal Audit Limited Assurance annual opinion reflects significant and long-standing weaknesses in the Council's governance, risk management and internal control environment, and that these cannot be fully addressed through short-term corrective action alone. The Council has put in place a strengthened governance response, including increased Chief Executive oversight, statutory officer grip, a new Governance Group, refreshed audit planning and stronger tracking of recommendations. However, members should expect improvement to be progressive and evidence-based, with the focus during 2026/27 on embedding new arrangements, securing consistent compliance across services, addressing root causes and demonstrating measurable impact over time, through relevant performance metrics and indicators.

3.6. The Committee's ongoing role will therefore be to maintain constructive challenge, seek assurance on delivery and impact, and recognise that moving from limited assurance to a stronger assurance position will require sustained leadership attention, organisational discipline and continued member oversight.

3.7. Strengthening governance is one of my foremost priorities as Chief Executive. Good governance is essential to lawful decision-making, sound financial management, effective services, public confidence and sustained organisational improvement are built.

3.8. The Council's financial position, the findings of Internal Audit and External Audit, the Corporate Peer Challenge, the Annual Governance Statement and the subsequent Best Value context all reinforce the same point: Shropshire Council must have stronger governance, clearer accountability, improved assurance and a culture where compliance, transparency and professional challenge are expected as standard.

3.9. In my letter to the Chair of Audit and Governance Committee in June 2026, I set out that since September 2025 the Council had focused on strengthening the fundamentals of good governance, increasing organisational oversight, improving accountability and embedding a culture of transparency, professional challenge and continuous improvement. That remains the core purpose of this work.

3.10. My ambition is for Shropshire Council to move beyond responding to historic weaknesses and towards becoming an organisation where good governance is embedded in how we lead, manage, decide, deliver and account for our work every day.

3.11. This is not simply about new meetings, revised documents or additional reporting. It is about changing the way the organisation works. It is about ensuring that managers understand their responsibilities, that statutory officers are properly engaged, that risks are escalated early, that audit recommendations are implemented, that decisions are transparent, and that there are consequences where basic governance requirements are not met.

3.12. As Chief Executive and Head of Paid Service, I am personally committed to leading this work. The Council cannot deliver financial sustainability, transformation, service improvement or improved public confidence without a strong platform of good governance at its core.

4. Summary of Main Proposals

4.1. The Council has received a “Limited Assurance” opinion on its governance, risk and internal control framework for seven years. This reflects historic weaknesses in the internal control environment and insufficient organisational focus on ensuring consistent compliance with governance requirements. Strengthening adherence to those requirements has therefore become an operational priority for both the Administration and Leadership Board.

4.2. The 2025/26 Annual Internal Audit Opinion report identified key concerns including insufficient accountability and unsatisfactory action to promptly implement audit recommendations. It also noted that just under half of all internal audit assurance opinions made during 2025/26 were rated Limited or Unsatisfactory.

4.3. The Council has therefore had to move at pace to strengthen governance arrangements, while also responding to significant financial pressures, delivery risks, organisational capacity issues and increased external scrutiny.

4.4. The Council’s improvement work has been deliberately framed around governance, financial sustainability, culture, capacity, assurance and delivery. These are not separate issues; they are interdependent. Weak governance affects financial control, decision-making, risk management, service delivery and public trust.

4.5. The Council’s 2025/26 Annual Governance Statement recognises that governance arrangements remain in transition during a period of material financial stress and organisational change, but also identifies defined actions to address weaknesses, particularly in financial sustainability and control limitations.

4.6. Since September 2025 the Council has taken a number of significant steps to strengthen governance and internal control. These include:

- restructuring and strengthening of the corporate leadership team
- strengthened leadership and statutory officer oversight through the introduction of fortnightly Statutory Officers meetings
- establishment of a Governance Group, chaired by the Chief Executive
- regular engagement between the Chief Executive and External Auditor
- enhanced corporate governance arrangements, including clearer escalation routes, improved decision-making processes and more robust assurance mechanisms
- increased Chief Executive oversight through regular meetings with Directors and senior managers focused on performance, risk, governance and delivery
- regular communication of expectations to the wider Senior Leadership Forum (SLF)
- stronger focus on delivery of the Council’s Improvement and Recovery Plan, with governance and organisational effectiveness established as key priorities
- further work to refresh the Internal Audit Plan so that assurance activity is focused on organisational priorities, highest risks, financial sustainability, transformation and key areas of governance concern.

4.7. This marks a deliberate move from reactive governance improvement towards a more structured corporate approach to assurance, accountability and organisational control.

4.8. My priorities for governance improvement are clear:

Strengthening corporate grip and leadership oversight
Ensuring governance risks, audit findings, compliance issues and delivery concerns are visible at the right level, escalated early and owned by senior leaders rather than left within individual services.

Embedding clear accountability for delivery and compliance
Making sure agreed actions, audit recommendations, statutory duties and governance requirements have named owners, realistic deadlines, regular monitoring and consequences where progress is not made.

Improving the internal control and assurance framework
Strengthening the way the Council gains assurance that controls are working, recommendations are implemented, risks are managed and evidence of improvement is available to senior officers, members and auditors.

Resetting risk management as a leadership discipline
Moving risk management beyond registers and reporting, so that strategic and operational risks actively inform leadership decisions, budget choices, transformation activity and service planning.

Embedding the revised Constitution, scheme of delegation and decision-making arrangements
Ensuring officers and members understand how decisions should be made, recorded, challenged and implemented, with clearer guidance, training and compliance monitoring.

Building a culture of openness, professional challenge and lawful decision-making
Reinforcing that transparency, compliance, escalation and constructive challenge are expected behaviours, not optional corporate processes.

Linking governance directly to financial sustainability and Best Value
Ensuring governance improvement supports stronger budgetary control, realistic savings delivery, transformation, value for money and the Council's response to external scrutiny.

Strengthening manager ownership of governance
Making governance part of everyday management practice through manager re-induction, clearer expectations, service planning, performance management and support from enabling services such as Legal, Finance, HR, Risk and Audit

Statutory Officer Oversight

4.9. One of the most important improvements has been the strengthening of statutory officer oversight. Fortnightly Statutory Officers meetings have been introduced,

bringing together the Chief Executive, Section 151 Officer, Monitoring Officer and other key governance leads.

4.10. The breadth of issues now being considered through this route, including the Annual Governance Statement, action log review, complaints oversight, business continuity planning, establishment of the Governance Group, constitution review, scheme of delegation, open data compliance, financial monitoring, strategic risk management, internal and external audit recommendations, complaints handling and member conduct issues. This is important because it ensures that governance risks are considered corporately and that the Council's statutory officers have a shared line of sight on the issues that require leadership attention.

4.11. The statutory officer approach is also helping to move governance from being a periodic reporting exercise to an active leadership discipline, enabling current issues and challenges to be addressed quicker.

Governance Group

4.12. A new Governance Group has been established and is chaired by the Chief Executive. Membership of the group is the whole of Leadership Board. This will be reviewed at the end of 2026 when the new corporate leadership structure is in place.

4.13. The purpose of the Governance Group is documented within its Terms of Reference; to provide strategic oversight of the Council's corporate governance arrangements, monitor key governance risks and assurance activity, and ensure effective delivery of agreed improvement actions. This purpose is reflected in the Governance Group standing agenda.

4.14. The Group's remit includes reviewing and monitoring the effectiveness of corporate governance policies, practices and procedures, undertaking an annual review of the Local Code of Corporate Governance, reviewing the Annual Governance Statement and monitoring progress on the completion of actions relating to significant governance issues identified.

4.15. The July 2026 Governance Group confirmed the Terms of Reference and standing agenda to consolidate oversight of governance issues, with monthly meetings to review lines of inquiry and monitoring, supporting high standards of corporate governance across the Council. I am encouraged by the level of engagement from Leadership Board with a collective resolve to move forward at pace.

4.16. This is a significant development. Historically, issues such as audit recommendations, risk management, business continuity, complaints, information governance, constitutional compliance, standards and transparency have been considered separately and inconsistently. The Governance Group brings these into a single senior oversight framework. The Group will help ensure that issues are identified earlier, escalated appropriately and acted on with clear senior ownership.

Culture, Accountability and Compliance

4.17. The most important governance improvement is cultural. Structures, meetings and documents are important, but lasting improvement depends on changing organisational behaviours. Statutory Officers, the improvement Programme 8 (Getting the Basics Right) and Governance Group have identified continuing concerns relating to operational and strategic risk management, service continuity planning, implementation of Internal Audit recommendations, FOI and SAR response rates, complaints handling, reporting and escalation, and meeting committee report deadlines.

4.18. A summary report to Statutory Officers from Internal Audit identified root causes including reliance on bespoke systems and manual workarounds, processes dependent on individual people rather than system controls, loss of key staff, undocumented knowledge, inconsistent understanding of rules, capacity and capability pressures, and a culture of non-compliance and lack of clear accountability. These issues go to the heart of governance improvement. They demonstrate that the Council must focus not only on frameworks but on management practice, capability, systems, training and consequences for non-compliance.

4.19. The next phase of work will therefore focus on:

- re-inducting managers into core governance responsibilities;
- strengthening the role of managers in setting expectations and ensuring compliance;
- embedding governance within leadership development and organisational development activity;
- ensuring enabling services such as Legal, Finance and HR have a stronger role in challenging non-compliance;
- improving service planning so that service plans are aligned to the Corporate Plan, Improvement Plan and Financial Sustainability and Recovery Strategy, supported by clear performance metrics;
- strengthening oversight of audit recommendations, inspections, complaints and compliance;
- ensuring non-compliance is escalated and addressed.

4.20. Phase 2 of Improvement Programme 8 activity needs to deliver the constitution, training and rollout, to ensure understanding across the organisation; re-induct managers; strengthen oversight functions; invest in training; reset assurance roles; integrate Governance Programme learning into the role of the manager; and overhaul the corporate risk management framework. Governance improvement will not be sustained unless the Council is clear about where the weaknesses are and what needs to change.

Internal Audit and Assurance

4.21. Internal Audit remains a fundamental part of the Council's governance and assurance framework. The Council's internal control environment has been an area of significant concern, with the Chief Audit Executive's Limited Assurance opinion forming a central part of the original governance improvement work since September 2025. The 2025/26 Internal Audit Annual Opinion Report states that weaknesses remained within the internal control environment, while also noting

that current executive leadership acknowledged the improvement required and that there were signs of improvement in the final quarter of 2025/26, with no unsatisfactory audit assurance opinions and no fundamental recommendations made in that period.

4.22. The Internal Audit Performance Report for September 2026 concludes that 29 final Internal Audit reports were issued between 1 April and 31 August 2026, with 58% receiving good or reasonable assurance and 42% receiving limited or unsatisfactory assurance. This indicates an improved position compared with the same reporting period in 2025/26, although the movement should be interpreted with caution given the relatively early stage of the reporting cycle and the number of audits completed to date.

4.23. The focus now is on ensuring that audit recommendations are implemented, overdue actions are escalated, and learning is used to address root causes rather than individual symptoms. I am overseeing this through the Governance Group.

4.24. The Internal Audit plan flexes to respond to changes to the risk environment. These changes to the plan are agreed with the S151 Officer and presented to the committee. The revised planned work alongside other audit activity helped provide the appropriate assurance to the Council. This ensures that assurance work is aligned with the Council's changing risk environment, transformation programme, Improvement Plan, Corporate Plan, financial sustainability work and external scrutiny.

Risk Management

4.25. Strengthening risk management is a core governance priority. Statutory Officers recognise the need to undertake a complete refresh of the Council's approach to corporate risk management. Part of this change will see risk management moving under the Head of Policy and Governance areas of responsibility. I must be clear that appropriate safeguards will be in place to ensure that independence will not be compromised. Whilst this role will have management oversight of the corporate risk management function, responsibility for the management and mitigation of risks identified within the corporate registers will rest with the relevant Corporate/Service Directors. A new structure is being formed and interim risk management support is being sourced to support the risk management improvement activity.

4.26. A full strategic risk workshop was undertaken by Leadership Board followed by a further review by Statutory Officers in August 2026. A new Risk Management Strategy/Framework has been drafted and will be implemented during the Autumn. The initial focus is on strategic risks followed by operational and project risk registers.

4.27. The Governance Group will provide a stronger route for oversight of risk management, ensuring that strategic risks, operational risks and governance risks are considered within a single corporate assurance framework.

Constitution, Scheme of Delegation and Decision-Making

4.28. A major review of the Council's Constitution and related governance framework is underway as part of the Improvement Plan Programme 8 (Getting the Basics Right). This is required because clear, accessible and consistently applied constitutional arrangements are fundamental to lawful decision-making, effective delegation, democratic accountability and public confidence. In the context of the Council's wider governance improvement work, the review will help address ambiguity in roles, responsibilities and decision-making routes, strengthen the scheme of delegation, improve transparency and ensure that officers and members understand how decisions should be made, recorded, challenged and implemented. The purpose is not simply to update the document, but to ensure that the revised Constitution is embedded in day-to-day practice and supports stronger governance, clearer accountability and more consistent compliance across the Council.

4.29. This work is critical. A clear, accessible and understood constitution is central to effective governance. It provides the rules by which decisions are made, responsibilities are discharged and democratic accountability is maintained. The next phase must ensure that the revised Constitution is not simply approved, but understood, embedded and applied consistently.

4.30. Members and Officers will be consulted extensively prior to implementation, and Audit and Governance Committee will be consulted on the final draft ahead of the report going to Full Council for approval. Once adopted, training sessions will be offered to Members and Officers to ensure that the benefits of new ways of working and more straightforward decision making are fully understood.

Financial Governance and Budgetary Control

4.31. Governance improvement is critical for financial sustainability. The Council's financial position has exposed weaknesses in governance, financial management, challenge, budget monitoring and organisational grip.

4.32. The April 2026 update to the Audit and Governance Committee Chair on financial management and budget monitoring set out a range of activity in response to the External Auditor's statutory recommendation, including spend control arrangements, a spend control board, workforce board, strengthened budget monitoring, the Business Transformation and Change Review Panel, statutory officer monitoring, financial stability work through the Improvement Plan, and monthly updates through the Improvement and Assurance Board.

4.33. Formal Budget Oversight and Scrutiny Sessions supported the development of a more realistic 2026/27 budget including work to remove optimism bias, and the development of a financial sustainability strategy. Governance improvement must therefore support better budget ownership, earlier financial escalation, stronger forecasting, realistic savings delivery, transparent reporting and clearer accountability. The Council cannot restore financial stability without strong governance. Equally, strong governance must be judged partly by whether it improves financial control and decision-making.

Complaints, Information Governance and Business Continuity

4.34. The Council is strengthening oversight of complaints, information governance and business continuity as part of the broader governance improvement programme, against a backdrop of increasing volumes and complexity. Complaints, information governance and business continuity arrangements are important indicators of organisational governance health. They provide evidence about responsiveness, transparency, resilience, learning and management control.

4.35. From April 2026 the Council has adopted the new Ombudsman Complaint Handling Code as part of its wider work to strengthen complaints oversight, organisational learning and accountability. This will require a more consistent corporate approach to complaint handling, clearer timescales, improved quality assurance, stronger escalation where responses are delayed, and better use of complaints data to identify themes, service risks and opportunities for improvement. Implementation of the Code should therefore be treated not simply as a procedural compliance exercise, but as an important governance improvement measure that supports transparency, responsiveness, learning from residents' experience and public confidence in the Council's willingness to address concerns fairly and effectively.

4.36. The Council has also taken steps to strengthen information governance as part of the wider governance improvement programme. An additional two Information Governance Officer roles have been added to the central team to provide professional support across the council. There is now increased senior oversight of Freedom of Information and Subject Access Request performance, clearer escalation of delayed responses, greater focus on open data compliance, and improved use of information governance reporting to identify service pressures, recurring issues and areas requiring management intervention. These improvements are intended to move information governance from a narrow compliance function to a stronger corporate assurance discipline, supporting transparency, lawful information handling, timely responses to residents and regulators, and greater organisational accountability for the way information is managed across the Council.

4.37. Business Continuity remains a key element of the Council's resilience framework. During the year, work has focused on reviewing and updating Service Recovery Plans and strengthening links between Risk Management, Business Continuity and Emergency Planning. While business continuity arrangements are in place, audit findings have identified capacity pressures and the need for continued improvement in plan assurance, exercising and training. Business cases are therefore being developed to strengthen resilience capacity, reduce single points of failure and support the Council in meeting its statutory and corporate resilience responsibilities.

4.38. The Governance Group will provide a route to ensure that these areas are not treated as isolated compliance matters, but as part of a wider system of assurance, learning and organisational improvement.

External Challenge and Assurance

4.39. The Corporate Peer Challenge (CPC) Progress Review in May 2026 showed that the Council has made significant progress against the original CPC recommendations. The peer team found that the Council was demonstrating a much stronger grip on its financial position, with clear progress in financial management and governance arrangements. The Progress Review also acknowledged that the Council remains at a relatively early stage in its improvement journey, which will be a sustained and challenging one. There is a need to ensure that transformation programmes are developed and implemented at pace, that financial sustainability is clearly mapped and achieved over time, and that organisational capacity and governance is positioned to deliver and support lasting change.

4.40. The Council received a Best Value Notice in July 2026. Government has recognised the improvements already made and the positive progress underway and increased monitoring and engagement from MHCLG will further support our improvement journey. The notice is also a clear reminder of the seriousness of our financial position. Our budget challenge sessions began in July 2026 across each portfolio area and examined spending in detail.

4.41. The CIPFA assurance report commissioned by MHCLG was published in August. This contained 22 recommendations. The management responses to these recommendations are currently being considered by Statutory Officers. Once agreed, the implementation of the recommendations will be tracked on an ongoing basis.

4.42. I have actively engaged with External Audit, Internal Audit, the Improvement Board and, following the Best Value Notice, MHCLG oversight. My position is clear: external challenge must be welcomed, not resisted. It helps the Council test its assumptions, strengthen plans and demonstrate credible progress.

Annual Governance Statement

4.43. The Annual Governance Statement remains a key mechanism through which the Council assesses the effectiveness of its governance arrangements.

4.44. The 2025/26 AGS states that the effectiveness review draws on management assurances against the Local Code and CIPFA/SOLACE principles, Internal Audit work and annual opinion, External Audit commentary and statutory recommendations, peer challenge and Improvement Board oversight, financial monitoring reports and Council decisions relating to the financial emergency.

4.45. The AGS conclusion recognises that the Council’s governance arrangements remain in transition, but that credible governance responses are being established through the Improvement Plan, People Plan and Improvement Board, enhanced financial controls and strengthened scrutiny. The challenge for 2026/27 is to ensure that these arrangements are not only in place but applied consistently across the Council.

5. Alternative Options

5.1. As this report is presented for consideration and endorsement rather than decision, there are no alternative options requiring evaluation. The Committee may, however, request further information, make comments, or identify additional actions in response to the content reported.

6. Key Risks and Opportunities

6.1. The risks associated with this report arise from the scale, pace and complexity of the Council's governance improvement programme. The Chief Executive's update makes clear that the Council has strengthened corporate oversight since September 2025 through increased Chief Executive grip, fortnightly Statutory Officers meetings, the establishment of a Governance Group chaired by the Chief Executive, refreshed risk management arrangements, improved tracking of audit and external recommendations, and closer alignment between governance improvement, financial sustainability and organisational accountability. However, the report also recognises that the Council's governance arrangements remain in transition, and that sustained leadership attention, consistent management grip and continued member oversight will be required to embed improvement and demonstrate measurable impact over time.

6.2. The table below summarises the principal risks and opportunities arising from the Chief Executive's governance improvement update. It focuses on the risks to embedding stronger governance, accountability, assurance, risk management and compliance across the Council.

Risk	Mitigation	Link to Strategic Risk
Governance improvement does not become embedded consistently across services, resulting in continued variation in compliance, escalation and accountability.	Chief Executive oversight, the Governance Group, Statutory Officers meetings, manager re-induction, clearer expectations for the role of managers, and regular reporting to senior officers and members.	Governance, assurance and value for money.
Weaknesses in financial governance, budget ownership and delivery of savings continue to affect financial sustainability and Best Value assurance.	Strengthened budget monitoring, spend control arrangements, the Improvement Plan, financial sustainability work, Business Transformation and Change Review Panel oversight, and regular scrutiny through senior leadership, members and external assurance routes.	Achieving long-term financial sustainability.
Strategic and operational risks are not identified, escalated or managed early enough to inform leadership decisions and service planning.	Refresh of the corporate risk management strategy and framework, review of strategic risks by Leadership Board and Statutory Officers, clearer ownership by Corporate and Service Directors, and stronger Governance Group oversight.	Governance, assurance and value for money.

Risk	Mitigation	Link to Strategic Risk
Audit, external review and governance recommendations are not implemented at pace or with sufficient evidence of impact.	Strengthened recommendation tracking, named ownership, deadline monitoring, escalation of overdue actions, Governance Group oversight and continued Audit and Governance Committee challenge.	Effective internal control framework.
The revised Constitution, scheme of delegation and decision-making arrangements are approved but not fully understood or applied in practice.	Constitution review, clearer guidance and training, embedding decision-making requirements into manager expectations, and monitoring compliance through statutory officer and governance routes.	Governance, assurance and value for money.
Cultural change is not sustained, meaning openness, compliance, transparency and constructive challenge do not become normal management behaviours.	Chief Executive communications, People Plan and organisational development activity, manager re-induction, stronger enabling service challenge, leadership expectations and escalation where non-compliance persists.	Workforce capacity and capability.
Capacity and capability pressures reduce the pace of improvement or weaken assurance over delivery.	Recruitment to new senior leadership roles, interim support where required, targeted capacity in priority areas, clearer prioritisation through the Improvement Plan and ongoing oversight by Leadership Board and the Improvement and Assurance Board.	Workforce capacity and capability.
The opportunity to build public, member, auditor and government confidence is not fully realised if improvement activity is not evidenced clearly.	Regular reporting to Audit and Governance Committee, Improvement and Assurance Board oversight, engagement with External Audit and MHCLG, clearer success measures, and a stronger focus on evidence of delivery, outcomes and sustained impact.	Governance, assurance and value for money.

6.3. The report also identifies significant opportunities. The strengthened governance arrangements provide a route to move from reactive improvement activity to a more disciplined corporate assurance framework, in which risks, recommendations, compliance issues, complaints, information governance, business continuity and decision-making concerns are considered together and escalated appropriately.

6.4. If embedded effectively, this approach should support better financial control, clearer accountability, stronger risk management, improved transparency, more consistent compliance and greater confidence among members, residents, auditors and government that the Council is taking credible and sustained action to address historic weaknesses.

7. Council Priorities

7.1. All noted activity is aligned to the Council's Corporate Plan 2026–2030 and supports its core ambitions of financial sustainability, organisational improvement and effective use of resources.

8. Financial Implications

8.1. This report provides assurance to the Committee, Council and the public that funds are being properly safeguarded and supports the Council in maintaining sound financial management and governance arrangements.

9. Legal and HR implications

9.1. There are no direct legal or human resource implications arising from this report; however, the improvement works supports the Council in maintaining compliance with relevant legislation, policies and employment practices, and in identifying and addressing any issues that could give rise to legal or workforce-related risks.

10. Electoral Division Implications

10.1. There are no direct electoral division implications arising from this report, as it relates to the corporate governance, risk management and internal control arrangements of the Council as a whole rather than impacts on specific localities.

11. Health, Social (including "Child Friendly Shropshire") and Economic Implications

11.1. This report does not have any direct health, social or economic implications. However, the work reported to the Committee will look at these aspects relevant to the governance, risk management and control environment.

12. Equality and Diversity Implications

12.1. There are no direct equality and diversity implications arising from this report; however, effective internal audit activity supports the Council in ensuring that its policies, procedures and controls operate fairly and consistently, including compliance with equality legislation and the promotion of inclusive practices across all services.

13. Climate Change, Biodiversity and Environmental Implications

13.1. There are no direct climate change, biodiversity or environmental implications arising from this report; however, assurance over areas such as environmental compliance, climate-related risks and sustainability initiatives, thereby supporting the Council's wider environmental objectives and statutory responsibilities.

14. Background Papers

14.1. Corporate Plan 2026-2030
14.2. Improvement Plan
14.3. CIPFA Report August 2026

14.4. GT AAR 2024/25
14.5. Best Value Notice July 2026
14.6. Annual Opinion Report of the CAE to the June 2026 Audit and Governance Committee

15. Appendices

None.