



Borough of Telford and Wrekin

Audit Committee

Wednesday 28 May 2025

6.00 pm

Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Democratic Services:	Jayne Clarke	01952 383205
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Committee Members:	Councillors H Morgan (Chair), C Chikandamina (Vice-Chair), N A M England, G Luter, L Parker, T J Nelson and W L Tomlinson
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AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Wednesday 29 January 2025 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors H Morgan (Chair), S J Reynolds (Vice-Chair), P Davis, N A M England, L Parker and T J Nelson

In Attendance: T Drummond (Principal Auditor), L Gordon (Mayor & Member Support Officer), P Harris (Finance Manager - Corporate & Capital Finance), R Montgomery (Audit, Governance & Procurement Lead Manager), E Rushton (Group Accountant), R Phillips (Registrars, Public Protection, Legal & Democracy Service Delivery Manager) and L Stanway

Apologies: Councillors W L Tomlinson

AU25 Declarations of Interest

None.

AU26 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 20 November 2024 be confirmed and signed by the Chair.

AU27 Telford and Wrekin Council Becoming Carbon Neutral Update

The Interim Service Manager: Community Services informed Members that tackling climate change was one of five priorities set out in the Council Plan. In July 2019, the Council declared a climate change emergency and made a commitment to reduce its carbon emissions to net zero by 2030. Members heard that through the support of a borough partnership the council was also playing a key part in helping the wider borough achieve the same target.

The Project Support Officer: Climate Change & Sustainability explained that the Climate Change team had been working closely with the Council's biT services on leisure centre updates totalling to a £1.1 million investment to improve energy efficiency. In addition, Members heard that the Council had undertaken a wide range of activities across its functions, including providing direct grants to residents who were in fuel poverty and support to those residents who can self-fund to install renewable technologies to their own properties, through NuPlace, building more energy efficiency homes and continuing to improve the walking and cycling routes in the borough. There had also been further delivery of Electric Vehicle charging points across the Borough and the introduction of a car club for staff to reduce the council's business mileage emissions. The Committee were advised that as a result of the Council's efforts, in 2023/24 the Council achieved an overall reduction of

61% in CO₂e emissions from a baseline of 2018/19. Members were asked to note that this was ahead of the 16% reduction based on a straight-line year on year reduction.

Members expressed their appreciation for the update and the efforts of the team and the significant commitment to reducing carbon emissions across the Council's services. Members noted the increased interest from businesses in these initiatives and echoed the need to promote eco-friendly practices and aligning business interests with the Council's environmental goals. However, the Committee requested greater clarity on how specific actions contribute to CO₂ reduction and associated costs and more information regarding the EV charge point rollout. The Interim Service Manager: Community Services advised that this was still under consideration and that it was to be addressed in a future report to the Committee.

Members noted the update.

AU28 Treasury Management Update Report 2024/25 and Treasury Management Strategy 2025/26

The Group Accountant provided the Committee with an overview of the Treasury Management Update Report 2024/25 and the Treasury Management Strategy 2025/26 recommended to be adopted for 2025/26, which the Committee were required to consider before it was to be presented to Full Council.

Members heard that the strategy for 2024/25 and previous years had been to limit investments in third parties, which reduced the Council's exposure to counterparty risk, and where possible and appropriate to take advantage of lowest interest rates for borrowing. The Committee were advised that maintaining high levels of very cheap temporary financing had generated surplus treasury management returns of more than £30m since 2015/16 which had reduced the impact of Government cuts to the Council's grants and therefore helped to protect front line services. The Group Accountant informed Members that the Council's Medium Term Financial Strategy for 2024/25 and the Cabinet's proposals issued for consultation in January 2025 for 2025/26 to 2028/29 included an allowance for interest rates based on advice from the Council's independent treasury management advisors which ensured that the Council's budget in relation to Treasury Management was as robust as possible. The Council would continue to receive regular advice from independent expert advisors specialising in all aspects of local government treasury management and would act in accordance with the advice received. The Committee were asked to note that the Council had an excellent track record of complying with all the treasury management and prudential indicators and limits agreed by Council and were operating well within the overall approved credit ceiling.

The Group Accountant advised the Committee that the strategy for 2024/25 remains consistent with that outlined in the 2024/25 Treasury Strategy which was agreed for approval at Full Council on 29 February 2024 and by the Audit

Committee on 31 January 2024. The Strategy was also a continuation of that used in recent years which has provided considerable benefits to the Council. Members heard that a large part of the Council's total existing borrowing and planned further borrowings related to funding projects which delivered important and significant housing and regeneration benefits as well as generating some income. These were budgeted to generate returns in excess of the annual loan repayment charges and other operating costs.

Following the presentation, Members extended their thanks to the Link Group for the training and ongoing support provided to the committee and expressed appreciation to the officers involved in developing the strategies that enable the council to generate revenue through investments, which in turn benefit local residents. The Committee sought clarification on whether capital investment projects must demonstrate a social benefit rather than being solely for financial return, and were advised by the Group Accountant that this was the case, and that the majority of increased spending was directed toward initiatives that deliver tangible benefits within the borough. The Group Accountant cited NuPlace as an example, which focused on providing social housing and protecting green spaces. The Committee highlighted the importance of understanding the relationship between borrowing and assets, noting that the council's assets significantly outweigh its borrowing and stressed the importance of monitoring prudential indicators.

Upon being put to the vote it was:

RESOLVED - that:

- a) the treasury management activities to 31 December 2024 (Appendix A) be noted
- b) the Treasury Strategy 2025/26, including the Annual investment Strategy, together with the Minimum Revenue Provision Statement and Treasury Management Prudential Indicators be recommended to Full Council for approval; and
- c) the Treasury Management Policy Statement be noted

AU29 2023/24 Audited Statement of Accounts

The Finance Manager provided the Committee with an update on the audit of the Council's accounts for 2023/24 and advised that they were seeking approval of the Statement of Accounts and delegated authority to make any final changes required to the Statement of Accounts prior to publication.

Members heard that in accordance with the Accounts and Audit (England) Regulations 2015 and associated Amendment regulations, the Chief Financial Officer certified the draft statement of accounts in May 2024. These were presented to Audit Committee on the 29 May 2024, made available for public inspection and provided to the external auditors to undertake the audit of accounts. The Committee were asked to note that at the time of the meeting KPMG had substantially completed the audit and that Members would be

notified of any further material changes as appropriate. However these were expected to be finalised ahead of the statutory backstop date.

Members thanked the Finance Manager for the update and upon being put to a vote it was:

RESOLVED - that:

- a) The 2023/24 Statement of Accounts be approved
- b) Delegated authority be granted to the Chair to sign the Letter of Representation and;
- c) delegated authority be granted to the Director: Finance, People & IDT, following consultation with the Chair, to make any final changes required to the Statement of Accounts prior to publication

AU30 Final Year End Report to those Charged with Governance

KPMG, External Auditors presented the year-end report for the year ended 31 March 2024.

The External Auditors acknowledged the complexity of the audit and expressed confidence in KPMG's experience and capability. Members heard that this was the first audit conducted by KPMG following the transition from Grant Thornton, which had required adjustments from the council's finance team. The External Auditors noted that while the statutory deadline was the end of February, the aim remained to issue an unqualified opinion and confirmed that any significant issues would be reported back to the committee, though none were currently anticipated. The finalisation of asset re-categorisation was outstanding but expected shortly.

The audit had focused on areas of significant risk and complex accounting, consistent with the previously presented audit plan. This included work on pension liabilities, which involved actuarial estimates. Members heard that no changes had been identified that affect the general fund. Two control recommendations were being made, linked to audit adjustments, particularly around asset valuation. It was noted that the remaining tasks were administrative and expected to be completed promptly.

The External Auditors explained that there had been particular attention paid to expenditure and the risk identified around building variations. However, the audit work had now been completed in this area. Members heard that pension liability work had also been completed, with a minor audit adjustment identified and was deemed to be immaterial, with the overall assessment considered to be optimistic. The Committee were asked to note the expenditure testing after year-end had showed no issues. The External Auditors confirmed that group accounts included NuPlace, with the primary figure of interest being the property valuation. It was advised that this work was now complete with no issues. The External Auditors noted that NuPlace's accounts were also audited separately, with no concerns raised.

The External Auditors advised the Committee that the Annual Governance Statement had been reviewed and was found to be consistent with council activities. Members heard that at the time of the meeting the substantive audit work has been completed, and that further background and contextual information had been outlined in the report.

During the discussion Members asked about the potential material impact on council finances from incorrect assumptions around interest rates and pension obligations. The External Auditors assured the Committee that there would be no immediate impact on the general fund and that pension liabilities were complex and reflect future obligations calculated at present value. Members heard that while poor asset performance could lead to increased contributions, this would require strong evidence and would only affect long-term planning.

Members thanked the External Auditors and noted the update.

AU31 Internal Audit Activity Report & Update to Internal Audit Charter

The Principal Auditor provided the Committee with an update on the activity of internal audit, the changes to the internal process and the Audit Charter.

Members heard that the key focus for the audit team had been the completion of audits on the annual audit plan and fulfilling commercial contracts. The Principal Auditor advised that the report detailed the status of any reports previously issued and reported to Audit Committee. However, asked Members to note that once reports had reached a green status and have been reported to Members they were excluded from future Audit Committee reports. The Principal Auditor assured the Committee that they were confident that controls had and would continue to improve in all areas where recommendations have been made. It was noted that there were no other issues to bring to the attention of the Committee at this time.

The 2024/25 Internal Audit Plan was previously approved by the Committee at the May 2024 meeting and the progress made against this plan had been outlined in Appendix A of the report. The Principal Auditor noted that from a total of 46 audits (not including Adult Social Care, as not yet agreed), 10 audits were in progress, 7 have been completed and 9 have been deferred due to a staff vacancy within the audit team which had now been filled.

The Audit, Governance & Procurement Lead Manager provided Members with an update on the Audit Charter, advising Members that the Terms of Reference for the Audit Committee required the Committee to approve the Internal Audit Charter on an annual basis. Members heard that the Internal Audit Charter defined Internal Audit's purpose, authority and responsibilities, consistent with the requirements of the Public Sector Internal Audit Standards (PSIAS). The Audit, Governance & Procurement Lead Manager advised Members that the standards were changing and that the Charter had been reviewed and changes made to reflect the requirements of the PSIAS.

Members were asked to note that S2.4.3 of appendix B outlined non-audit related areas of responsibility, and had been included for transparency.

RESOLVED - that:

- a) The information contained in the report in respect to the Internal Audit planned work undertaken between 1 November 2024 and 31 December 2024 and unplanned work to date be noted
- b) The revised Internal Audit Charter 2025/26 be approved

AU32 Updated Position of the AGS Action Plan 2023/24

The Audit, Governance & Procurement Lead presented an update report in relation to the 2023/24 Annual Governance Statement action plan. Members were asked to note that the original action plan had previously been shared as part of the Annual Governance Statement.

The Committee was informed that all actions outlined in the plan have either been completed or were progressing significantly. There were no concerns to report at this stage.

It was noted that a refreshed action plan will be developed as part of the 2024/25 governance update and will be presented to the Committee at the May meeting.

Members noted the update.

AU33 Corporate Risk Register

The Audit, Governance & Procurement Lead Manager provided the Committee with an update on the Corporate Risk Register, which outlined the key risks facing the authority that may impact its ability to achieve strategic objectives. It was noted that the register had been brought to the previous meeting, and since then, there had been minimal changes to the identified risks or the associated mitigating actions.

The Audit, Governance & Procurement Lead Manager highlighted that the register now provided improved clarity on the risks and how they align with the Council's priorities, in response to previous feedback from the Committee. During the discussion Members queried whether the presentation on Artificial Intelligence (AI) risks would be incorporated into the Corporate Risk Register. The Audit, Governance & Procurement Lead Manager acknowledged that AI-related risks were expected to become significantly more prominent in 2025/26. While these were not yet reflected in the current version of the register it was confirmed that future iterations will include this emerging area of risk.

Members noted the update.

The meeting ended at 7.31pm

Chairman: _____

Date: Wednesday 28 May 2025

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Audit Committee Terms of Reference

The Committee has the responsibility on behalf of the Council for the overseeing of the Council's audit, governance (including risk management) and financial processes.

Delegated matters (i.e. Matters which can be decided (resolved))

- 1 The approval (but not direction) of, and monitoring of progress against, the Internal Audit Charter and annual plan
- 2 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary
- 3 To be able to call senior officers and appropriate members to account for relevant issues within the remit of the Committee – governance (including information governance), internal audit, risk management, statement of accounts and external audit.
- 4 The Committee will not receive detailed information on investigations relating to individuals. The general governance principles and control issues may be discussed, in confidential session if applicable, at an appropriate time, to protect the identity of individuals and so as not to prejudice any action being taken by the Council.
- 5 External Auditors:
 - a) Recommend the appointment of the External Auditors to the Council
 - b) Review and agree the External Auditors annual plan, including the annual audit fee
 - c) Receive regular update reports on progress and other reports of the External Auditor
 - d) Meet privately with the External Auditor as required
 - e) Ensure that there are effective relationships between external and internal audit so that the value of the combined internal and external audit process is maximised
- 6 Consider the effectiveness of the Council's governance processes and their compliance with legislation and best practice including:
 - a) The Council's Code of Corporate Governance
 - b) The Council's Information Security Framework
 - c) The Council's Risk Management Framework
 - d) Receipt of the Caldicott Guardian's Annual Report
 - e) Oversight of commercial projects
 - f) The management of opportunities and risks
 - g) Other corporate governance arrangements
- 7 Be responsible for the review and approval of the authority's Annual Governance Statement ensuring that it properly reflects the governance, control and risk environment and any actions required to improve it. Following approval, it should accompany the accounts.
- 8 To review and monitor the Council's Treasury Management arrangements including treasury policies, procedures and the management of the associated risks and make recommendations to Cabinet as appropriate.
- 9 Review and approve the Statement of Accounts, External Auditor's opinion and reports on them to members and monitor management action in response to the issues raised by External Audit.
- 10 To approve the Anti-Fraud and Corruption Policy and to recommend its adoption by the Council, and to monitor its operation. The policy will be reviewed at least once every two years.

- 11 To approve the Speak Up Policy ('whistle blowing') and to recommend its adoption by the Council, and to monitor its operation. This policy will be reviewed at least once every two years.
- 12 Recognising that complaints/compliments are a Cabinet function, the Committee should review the Annual Complaints Report and seek assurances that the Council is improving in response to complaints raised. This should include maintaining an overview of the Local Government Ombudsman (LGO) investigations including the review of the LGO Annual Letter.
- 13 The Audit Committee will seek assurance from officers in respect to the governance arrangements for partnership working.
- 14 The Audit Committee will seek assurance from officers in respect to the governance arrangements of the Council's climate change measures.
- 15 The meetings will follow the principles of scrutiny, i.e. no party whip will be applied and a constructive, evidence based approach will be used.
- 16 To ensure that adequate training is received by the members of the committee on the areas covered by these terms of reference.
- 17 To ensure that any sensitive or confidential information obtained as a result of membership of the committee is treated as confidential.
- 18 Annually review their effectiveness and their terms of reference.



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

Tuesday 28 May 2025

Annual Governance Statement 2024/25

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Rob Montgomery – Audit, Governance & Procurement Lead Manager
Officer Contact Details:	Tel: 01952 383103 Email: Robert.Montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 May 2025 Audit Committee – 28 May 2025

1.0 Recommendations for decision/noting:

It is recommended that the Audit Committee:

- 1.1 Approve the Annual Governance Statement 2024/25, attached as Appendix A (including Annex 1) and notes the information in the report.
- 1.2 Approve the Local Code of Good Governance (Appendix B).

2.0 Purpose of Report

- 2.1 For the Audit Committee to review and approve the 2024/25 Annual Governance Statement to accompany the annual accounts and the Local Code of Good Governance.

3.0 Background

- 3.1 Under the Accounts and Audit Regulations 2015, the Council is required to produce an Annual Governance Statement and it is best practice that the statement is signed by the Leader and Chief Executive of the Council. This statement should accompany the Annual Accounts.
- 3.2 The Annual Governance Statement for 2024/25 is attached at Appendix A and has been developed based on the requirements of the regulations and CIPFA/Solace guidance. The statement includes an action plan (Annex 1) to ensure that we continue to improve our existing governance arrangements.
- 3.3 The action plan attached to the 2023/24 statement (implemented during 2024/25) has been reviewed and updated to reflect current progress. Any actions still in progress from the 2023/24 plan have been incorporated into the 2024/25 action plan, see Annex 1 at Appendix A.
- 3.4 The Annual Governance Statement and the Local Code of Good Governance outlines that the Council has a robust governance framework in place but that it is continually reviewing procedures to maintain and demonstrate good corporate governance. It is supported by risk management and sound systems of internal control which are paramount in these continuing times of financial constraint. The Council can be assured that during 2024/25, including during organisational and personnel changes, that the existing or revised governance arrangements have continued to support proper governance. Where required changes to procedures have been agreed by SMT and changes to the Constitution have been agreed by the Council, through the Council's Constitution Committee.
- 3.5 Assurance for the Annual Governance Statement is provided by all areas of the Council and externally by the following:
- a) Leader and Chief Executive – who sign the statement to acknowledge their responsibilities;
 - b) Senior management – Chief Executive, Executive Directors, Directors;
 - c) Chief Financial Officer;
 - d) The Monitoring Officer;
 - e) Members – Scrutiny arrangements, Standards Committee, Audit Committee and other Regulatory Committees;
 - f) Internal Audit;
 - g) Partners;
 - h) External Audit; and
 - i) Other external inspection agencies.

- 3.6 The 2024/25 Annual Governance Statement sets out adherence to the Council's governance arrangements that operated during the period – 1st April 2024 to 31st March 2025 and measures the effectiveness of them.
- 3.7 The Council's current Local Code of Good Governance was previously approved by the Audit Committee to reflect the CIPFA/SOLACE framework including revised principles and guidance but further application and good practice has been received during the year and the local code has therefore been updated further. The Code continues to reflect the Council's culture and values. See Appendix B for a copy of the local code.

4.0 Summary of main proposals

- 4.1 Members of the Audit Committee approve the Annual Governance Statement 2024/25, attached as Appendix A (including Annex 1), and note the information in the report.
- 4.2 Members of the Audit Committee approve the Local Code of Good Governance.

5.0 Alternative Options

- 5.1 There are no alternative options associated with this report.

6.0 Key Risks

- 6.1 There are no risks associated with this report.

7.0 Council Priorities

- 7.1 The report and its recommendations will ensure a community-focussed, innovative council providing efficient, effective and quality services.

8.0 Financial Implications

- 8.1 The governance framework includes several financial elements, including the Council's financial regulations, the Medium Term Financial Strategy and the Treasury Management Strategy. These provide the financial parameters, systems, processes and guidelines within which the Council must operate and, as such, assist in the delivery of good governance. Strong financial management also supports the delivery of value for money in ensuring economy, efficiency and effectiveness in the Council's decision making and processes.

The Council's external auditors give an opinion on the financial statements of the authority and a value for money conclusion in their opinion on the accounts and in their Annual Audit Findings Report each year which provides further assurance.

9.0 Legal and HR Implications

- 9.1 The Council is required to comply with the requirements of the Audit and Accounts Regulations 2015. Regulation 6 of these Regulations sets out that the authority must conduct a review of the effectiveness of its internal control systems each financial year and prepare an annual governance statement. The annual governance statement must be approved in advance of the annual statement of accounts.

10.0 Ward Implications

- 10.1 The work of the Audit Committee encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter

11.0 Health, Social and Economic Implications

- 11.1 There are no health, social or economic implications directly arising from this report.

12.0 Equality and Diversity Implications

- 12.1 All members of the Internal Audit Team have attended equal opportunities/diversity training. If any such issues arose during any work the appropriate manager would be notified.

13.0 Climate Change, Biodiversity and Environmental Implications

- 13.1 There are no direct climate change and environmental implications arising from this report.

14.0 Background Papers

- 1 CIPFA/SOLACE – Delivering Good Governance in Local Government: Framework (2016 Edition)

15.0 Appendices

- A Annual Governance Statement 2024/25
B Local Code of Good Governance

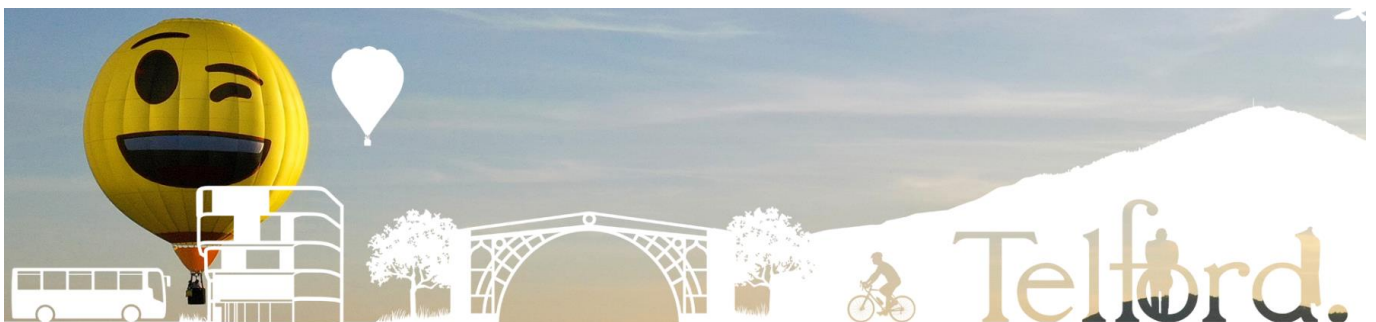
16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	03/04/2025	07/04/2025	RP
Finance	03/04/2025	09/04/2025	AM



Annual Governance Statement

1 April 2024 – 31 March 2025

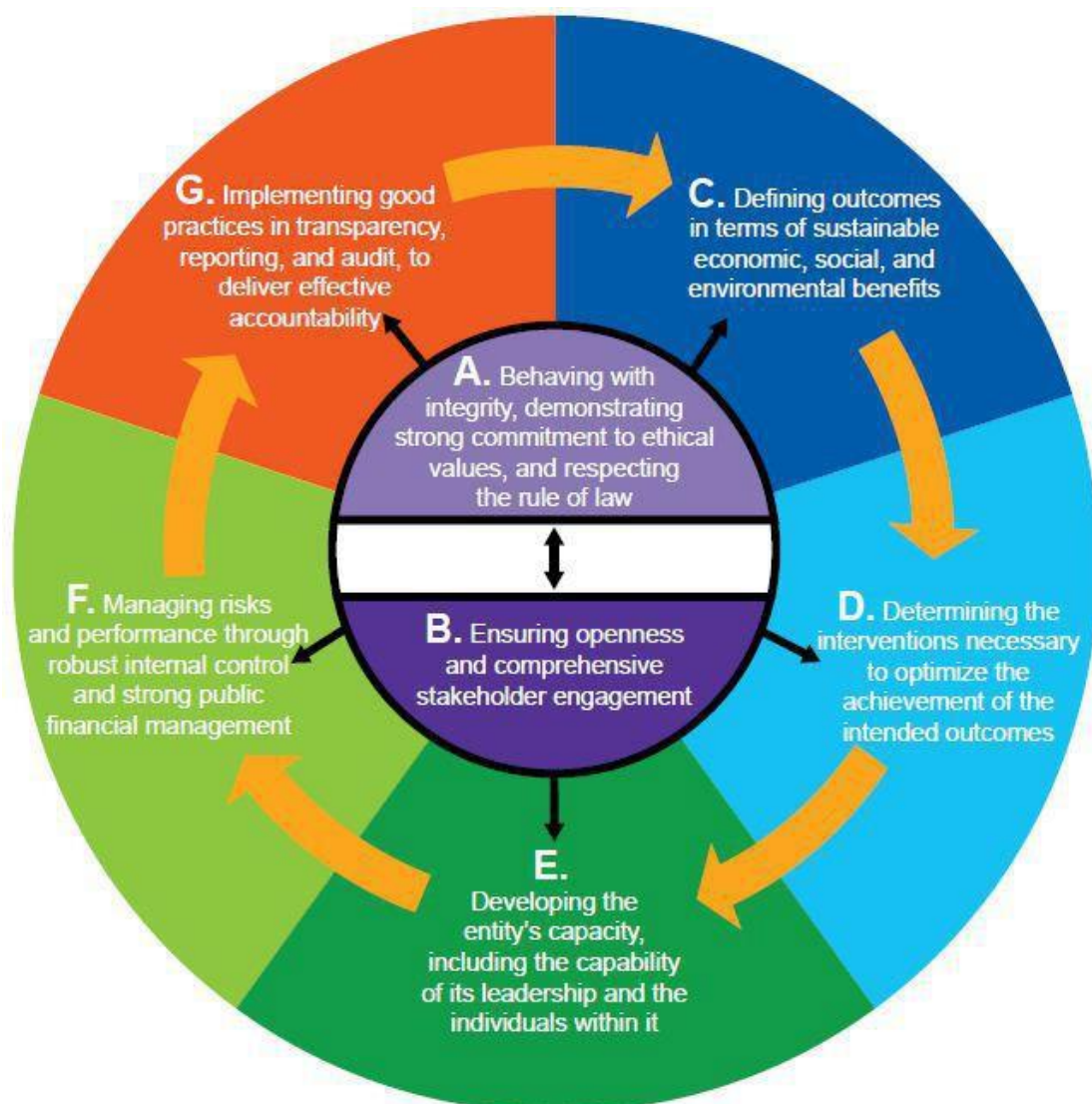


1. Introduction

- 1.1 Under the Accounts and Audit Regulations 2015 the Council is required to produce an Annual Governance Statement to accompany the Statement of Accounts which is approved by the Audit Committee.

The Annual Governance Statement outlines that the Council has been adhering to the Local Code of Corporate Governance, continually reviewing policies and procedures to maintain and demonstrate good corporate governance and that it has in place robust systems of internal control.

The Council has adopted the Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government.



2. Executive Summary

- 2.1 Telford & Wrekin Council's vision is to protect, care and invest to create a better borough. The Council wants the borough to be a place in which to grow up, work, prosper and grow older. The [Council Plan](#) provides a medium-term view of what it plans to do to achieve this ambition and sets out 5 priorities to underpin this work. In the longer term the Council also has set out its 10 year vision/Vision 2030 which details borough aspirations for the Council and its partners.
- 2.2 To achieve this ambition the Leader of the Council and the Chief Executive recognise the importance of having a solid foundation of good governance and sound financial management.
- 2.3 2024/25 has seen continued key challenges around financial management which have been addressed by the Council. It has, and continues to, put in place robust savings and financial management plans which seek to minimise any impact on frontline services.
- 2.4 The past 12 months has seen some notable successes for the Council and its community. The Council continues to be a high performing local authority that places the community in the centre of everything it does. Particular highlights in 2024/25 included:
- The Council has been shortlisted for 3 national awards including Council of the Year
 - The Care Quality Commission assessed the Council's Adult Social Care services as GOOD
 - Ofsted rated the Council's Children's services as OUTSTANDING
 - National recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena
 - National recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

See paragraphs 6.6 and 7.3.13 for more detail on the Council's key achievements.

- 2.5 Overall this statement provides a **reasonable level of assurance** that the Council's governance arrangements including internal systems of control are fit for purpose.

3. Standards of Governance

- 3.1 The Council expects all of its members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the employee and Members' Code of Conduct, Council vision and priorities as well as applicable statutory requirements.

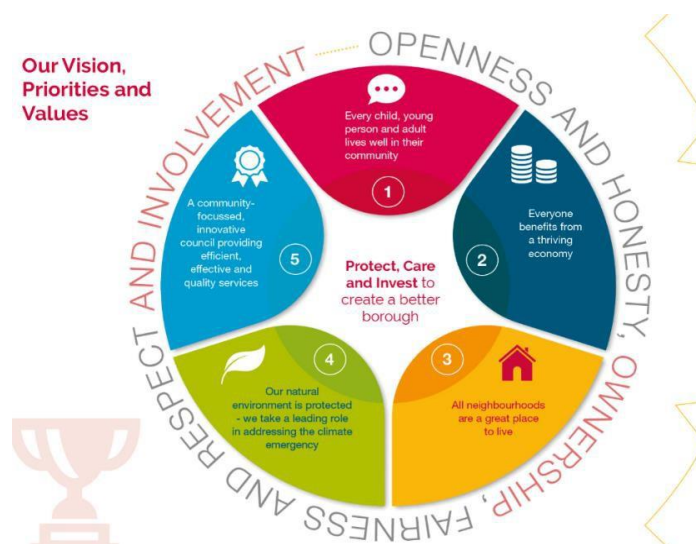
4. Scope of Responsibility

- 4.1 Telford and Wrekin Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council needs to demonstrate that public money is safeguarded and properly accounted for and used economically, efficiently and effectively to secure continuous improvement.
- 4.2 To meet this responsibility, the Council puts in place proper arrangements for overseeing what it does including arrangements for the governance of its affairs including risk management, compliance with regulations and ensuring the effective exercise of its functions.

- 4.3 The Council must do the right things, in the right way, for the right people, in a timely, transparent and accountable manner. The Council takes into consideration all systems, processes, policies, culture and values that direct and control the way in which it works and through which it engages and leads its community.
- 4.4 The Council is aware that it does not get everything right 100% of the time. But through consultation, lessons learnt and a robust complaint handling process, it is always looking to develop and be better in everything that it does.

5. The Governance Framework

- 5.1 The governance framework allows the Council to monitor how they are achieving its strategic aims and ambitions and how this contributes to the delivery of its vision, priorities and values, see below.



- 5.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve priorities and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 5.3 The system of internal control is based on an ongoing process designed to appropriately identify, quantify and manage the risks to the achievement of the Council's priorities, objectives and policies.

6. Review of Effectiveness

- 6.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal control. The review of effectiveness is informed by:



- 6.2 The Council has faced a continued challenging financial environment during 2024/25 due to the funding constraints it is working within, coupled with ongoing rising costs that has been experienced nationally. The Council has met these challenges and continues to deliver services against the backdrop of realising considerable savings.
- 6.3 The Council recognises the ongoing importance of information governance and formalised its Information Governance Framework. The main focus of the Information Governance Team in 2024/25 has been to:
- Ensure the Council's continued compliance with the requirements of the UK Data Protection Act/General Data Protection Regulations (GDPR) 2018
 - Updating relevant training, policies and procedures
 - Managing risks associated with the implementation of new systems
 - Facilitating appropriate and secure information sharing where there is a legal basis to do so
 - Support the prevention/investigation of data breaches ensuring lessons are learnt

The Information Governance Team has continued to report to the Audit Committee and Senior Management Team on information rights requests and data incidents . During 2024/25 no enforcement action has been taken by the Information Commissioner's Office (ICO) against the Council.

- 6.4 The Chief Executive, Executive Directors, Directors and Service Delivery Managers have signed annual assurance certificates confirming that the governance framework has been operating effectively within their area of responsibility, subject to the actions outlined in Annex 1.

Internal Audit undertake sample testing of completed certificates to provide additional assurance that adequate controls/risk management measures have been operating in 2024/25.

- 6.5 The Accounts and Audit Regulations 2015 require a review of the effectiveness of the system of internal control. This review is informed by the work of Internal Audit, management, other internal assurance activities and the External Auditors' review. The Internal Audit Annual Report 2024/25 will set out the Chief Internal Auditor's opinion.

- 6.6 The Council has been advised on the implications of the review of the effectiveness of the governance framework by Cabinet, Standards Committee, Audit Committee, Scrutiny, Senior Managers, Internal Audit and external review.

The Chief Internal Auditor concludes that the Council is committed to maintaining the highest ethical standards and levels of governance and that the review of governance arrangements provides a **reasonable level of assurance** that these arrangements are effective and continue to be regarded as fit for purpose in accordance with the governance framework.

Internal Audit Work

One of Internal Audit's key objectives, as detailed in the Internal Audit Charter is *'To review the effectiveness of governance, risk management and control processes of the Council to aid improvement, provide a level of assurance and an opinion on them to the Council.'*

The work of Internal Audit is based on risk and the scope of each audit assignment as a minimum, includes assessment of the governance, risk management and control arrangements put in place by management.

Internal Audit have completed 93% (23/24 – 90%) of the revised risk-based Annual Internal Audit Plan together with some additional ad-hoc work as required.

Internal Audit have ensured that the Chair/Audit Committee and Senior Management Team have been kept informed of audit resource/work throughout the year.

Other Sources of Assurance

As stated above, reliance has been placed on other sources of assurance in 2024/25 with respect to the Chief Internal Auditor's opinion. Other sources of assurance have been obtained from in-year activity but also by reflecting on past opinions and the basis of these.

2024/25 has seen the Council consistently recognised as a well performing Council by a number of external bodies. Below is a summary of the recognition received.

- The Council has been shortlisted for 3 awards including Council of the Year, the Environmental Services Award (for organising Reuse events to cut waste) and Public Partnership Award (for its response to child sexual exploitation).
- The Care Quality Commission (CQC) assessed the Council's Adult Social Care services as GOOD. CQC recognised that Adult Social Care was performing well and meeting their expectations.
- Ofsted rating the Council's Children Services as OUTSTANDING – the second consecutive outstanding judgment. Ofsted praised the way that the Council put young people at the heart of everything we do and highlighted its approach to participation and co-production as a real strength.
- The Council's Lets Dine Team achieved the bronze standard award catering mark, awarded by the Soil Association Food for Life.
- Telford Town Park ranked the cleanest park in England by LitterBins.co.uk

- The Council's Station Quarter project has been nominated for the Regeneration & Sustainability Project of the Year by the Insider West Midlands Property Awards.
- There has been national recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena.
- There has also been national recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

Other examples of assurance obtained in year include:

- 1:1 supervision and team meetings
- Case file audits
- Regular contract review meetings
- LGA service review
- Completion of statutory returns
- Quality checks undertaken
- Completion and approval of regular reconciliations
- Lexcel re-accreditation in Legal
- Inspection by the Investigatory Powers Commissioner's Office
- Annual Scrutiny Work Programme
- Quality Assurance Improvement Plan
- Quarterly statutory officer's meetings
- External audit of Housing Benefit Subsidy Claim
- DWP audit
- CQC inspection

KPMG have been the Council's External Auditor for 2024/25. They have stated that:

- There are no significant issues identified in their value for money risk assessment to date
- The 2023/24 accounts have been signed off (CIPFA state over 200 disclaimed or qualified opinions have been issued across England) with good relationships forged with the Council's Finance Team
- They expected that there would be very few corrections required to the Statement of Accounts
- No financial management issues had been found by KPMG or the previous External Auditor (Grant Thornton) in the years preceding 2024/25

6.7 In the Chief Internal Auditor's opinion, the above assurance activity reflects that sound governance arrangements are in place as a number of the points above would not have been possible without adequate governance foundations being in place and embedded.

There has been no significant instances of fraud, poor risk management and/or poor financial management that would lead the Chief Internal Auditor to believe poor governance practices have been in place.

However, as part of the AGS certification process and ethics-related audit checks throughout the year, there have been a small number of areas identified that do require further development. Attached as Annex 1 is an agreed action plan to address these areas for development and ensure continuous improvement.

- 6.8 Issues from the previous AGS action plan (2023/24) that have been addressed or mainstreamed have been deleted and those that continue to be addressed are included in the 2024/25 action plan.
- 6.9 The Senior Management Team has monitored implementation of the 2023/24 actions and progress has been reported to the Audit Committee at the January 2025 meeting.
- 6.10 Detailed below is a statement explaining how the Council has complied with the Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015 and CIPFA Code on the Principles of Good Governance.

7. Statement of Compliance

7.1 Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law.

- 7.1.1 Members and officers recognise the importance of compliance with the Council's Constitution, specifically the Financial and Contract Rules; Procurement Regulations, Scheme of Delegation, Codes of Conduct and Gifts & Hospitality Policy.

However, some improvements are needed in this area and recommendations have been included in the 2024/25 AGS action plan.

- 7.1.2 There is ongoing training for Code of Conduct, Equality Awareness, Leadership and Governance and Contract Procedure Rules/Procurement.

- 7.1.3 The Council has an Anti-Fraud & Corruption Policy, supported by the Whistleblowing (Speak Up) Policy, encouraging internal referrals.

The Council has a zero-tolerance policy in relation to fraud and corruption and it is service management's responsibility to ensure there are adequate controls in their areas to ensure the opportunities for fraud are minimised. It is everyone's responsibility to report suspicions and the Whistleblowing (Speak Up) Policy supports this internally.

Internal Audit, along with the Investigations Team, undertakes proactive fraud work based on a fraud risk register and/or other intelligence. Other specific anti-fraud and corruption activities are undertaken by Trading Standards.

An annual report on anti-fraud and corruption activities and an update to the Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy is presented to the Audit Committee.

- 7.1.4 As well as complying with the Council's Employee Code of Conduct, Council officers also comply with their own professional bodies' code of conduct when delivering services.

- 7.1.5 All Internal Audit reviews consist of an ethics questionnaire that is sent to a sample of staff in specific teams to demonstrate their understanding of key corporate policies.

Ethics questionnaire findings have been shared when discussing individual audits with relevant Service Delivery Managers and Directors and taken to SMT as part of reporting corporate recommendations. Identified improvements required highlighted from findings from the ethics work have been included in the 2024/25 AGS action plan.

- 7.1.6 There are both internal and external reviews in social care to monitor compliance with the law, e.g. the Care Act, Deprivation of Liberties, Safeguarding and Mental Health Act.
- 7.1.7 Human Resource and recruitment policies and processes ensure the Council is fully compliant with employment law. Annual audits are undertaken in these areas and ongoing checks take place to ensure compliance with IR35 legislation.
- 7.1.8 Senior officers meet regularly and work closely with members to ensure that they understand and can undertake their roles effectively and legally.
- 7.1.9 Cabinet monitors the effectiveness of the governance framework through the consideration of regular service and financial management information reports from senior management.
- Individual Cabinet Members receive regular feedback from senior officers in respect to their areas of responsibility on the progress of priorities and objectives. Issues of strategic and corporate importance are referred to Cabinet.
- 7.1.10 Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place, i.e. Head of Paid Service, Data Protection Officer, Section 151 Officer, Monitoring Officer, Director of Children Services, Director of Adult Services, Director of Public Health and Scrutiny Officer.

7.2 Ensuring openness and comprehensive stakeholder engagement.

- 7.2.1 To plan for the next ten years, Vision 2032 was developed to describe what the borough would be like to live-in in 2032 presenting a clear ambition and direction of travel for the borough. It was developed through:

- wide ranging engagement with residents;
- analysis of data about our communities and economy; and,
- collaboration with key strategic partners.

In recognising some of the key challenges facing the borough, the fundamental goal of the vision is “to build a more inclusive borough” through four ambitions.

- All neighbourhoods are connected, safe and clean;
- Everyone is able to live a healthy, independent life;
- Everyone benefits from good education and can fulfil their potential in a thriving economy; and,
- The environment is protected for the benefit of everyone.

Against each ambition the Vision describes the ambitions and aspirations for what will be achieved by 2032. Delivery of the Vision is driven through a partnership of key strategic organisations which meet three times each year to evaluate progress in delivering the Vision and to identify new or emerging challenges and opportunities. The latest update report went to Cabinet in March 2025.

- 7.2.2 The Council actively contributes to, and collaborates with, partners to promote good governance and achieve the delivery of outcomes through increased joint working. The Council is a member of a number of sub-regional partnerships and groups.

Many of our services are delivered in partnership with other organisations such as West Mercia Energy, Town and Parish Councils, voluntary groups, etc.

7.2.3 Regular meetings take place between Children's Safeguarding and key partner agencies such as the police, Education and Health.

7.2.4 All Council services feed into transparent reporting processes through Council committee meetings and this is further supported by the transparency agenda.

7.2.5 Annually the public is consulted on the budget for the forthcoming year.

7.2.6 The Council works in partnership with a range of local health partners. This includes TWC being represented on the Integrated Care Board, T&W Health and Wellbeing Board and TWC's Chief Executive chairing the Telford & Wrekin Integrated Place Partnership (TWIPP), which is now a formal sub-committee of the ICB.

7.2.7 The Scrutiny provision has looked at the development of policy, the decision-making process and areas of concern. The subject areas for review will be informed by community engagement, direct feedback to members from within the community, the results of review and inspection (both internally and externally) and areas of policy being developed by the Council.

7.2.8 The Council undertook a customer survey in 2024 to obtain views from citizens as to how they perceived the Council's service delivery. Survey findings included:

- 85% of respondents were satisfied with the Council's access channels
- Customer satisfaction score increased from 72.1 in 2022 to 74
- The Council had a score of 4.3 for effort customers have to make to access Council services (therefore a lower score is positive. This compares to a national average of 5.8

7.2.9 In addition to 7.2.8 above, the Council undertook a resident's survey to obtain the views of residents over a number of areas. A targeted approach was undertaken for this survey with households across all wards being represented.

7.2.10 The Council also undertook a young person's online survey for 11-18 year olds. The Council used its existing youth engagement groups to encourage participation.

7.3 Defining outcomes in terms of sustainable economic, social and environmental benefits.

7.3.1 The Council Plan was refreshed in 2024. The plan identifies 5 priorities to deliver the Council's vision to 'Protect, Care and Invest to Create a Better Borough'. The Council continues to develop commercial projects to generate income to invest in frontline services to mitigate increases in the cost of living and the ongoing impact of Government funding.

7.3.2 Digital transformation, the ethical and appropriate use of artificial intelligence and changes in the way we work are intrinsic to the Council's service delivery model.

7.3.3 The Telford and Wrekin Local Plan sets out the Council's vision and strategy for the physical planning of the borough up to 2031.

The Council are currently undertaking a review of the Local Plan and have completed consultation exercises on this. The Local Plan is now being finalised prior to the plan being submitted to the Government's Planning Inspectorate for independent examination.

- 7.3.4 All service areas have their own service plans (refreshed in 2024/25) which details how they intend to deliver their service for the coming year and the risks/challenges they face in meeting their service objectives.
- 7.3.5 The Council has a commercial/investment strategy that demonstrates clear visions, objectives and outcomes. This includes financial, economic, social and environmental issues.
- 7.3.6 The Council's economic growth strategy supports and drives increased economic productivity.
- 7.3.7 The financial strategy sets out the short and long term implications for service delivery across the Council. The Service & Financial Planning reports include various papers to Cabinet regarding the budget and sets out short/medium and long-term implications, including capital strategy and savings strategy.
- 7.3.8 Adult Social Services, in respect of financial management and the implementation of the cost improvement plan, have continued to provide updates during the year to SMT and members.
- 7.3.9 Children's Services have partnered with IMPOWER to embed Valuing Care across multiple services. Valuing Care looks to support a needs focused, outcomes driven approach across all of Children's Services. This work also looks at cost savings / avoidance including saving of £9.6m related to changes in placement costs. Other savings streams are also being explored.
- 7.3.10 All reports to members (Committee reports, Cabinet reports and Council reports) show relevant legal and financial implications and risk.
- 7.3.11 Implementation of the IDT Strategy has continued, including infrastructure upgrades and further security improvements particularly in response to spam, phishing and ransomware attacks.
- 7.3.12 An Artificial Intelligence Board has been established to ensure that any AI projects are appropriately governed.
- 7.3.13 The Council has implemented a number of climate actions which contribute to its aims of becoming carbon neutral by 2030.

Tackling climate change is one of the priorities set out in the Council Plan. Throughout its partnerships, the Council is also playing its part in helping the wider borough to achieve the same targets the Councils has set for itself.

Key actions have included:

- The Council has achieved an overall reduction of 61% in CO2 emissions from a baseline of 2018/18
- Installation of solar panels, electric vehicle charging points and battery storage at Horsehay Village Golf Course
- Decarbonisation work at Oakengates Leisure Centre including the installation of heat pump technology and installing an energy efficient roof covering
- Orchard Business Park development included the installation of solar panels
- Through the Council's Warm and Well Telford fund, grants are given for climate change work in households

- Nuplace, the Council's wholly owned housing company, developed energy efficient properties for rent
- Providing over 9,000 energy saving lightbulbs to the community
- Replacing Council fleet vehicles with electric versions (currently there are 15 electric vehicles in operation), where possible, as existing vehicles reach the end of their useable life
- Creation and maintenance of the Climate Change Adaption Risk Register

Many more activities have taken place in 204/25 to support climate adaption and biodiversity.

7.4 Determine the interventions necessary to optimise the achievement of the intended outcome.

7.4.1 The 2024/25 Service & Financial Strategy including the Treasury Management Plan are aligned to the refreshed Council Plan. The strategy sets out how our financial resources will be used to deliver the Council vision and priorities.

7.4.2 Budget plans are produced for all service areas for planning purposes. Budget consultation is undertaken annually with Council Members and members of the public.

7.5 Developing the Council's capacity, including the capability of its leadership and the individuals within it.

7.5.1 The Workforce Strategy was approved in 2021/22 and is available to all employees on the intranet. The strategy consists of 5 priorities which reflects the Council's aims to achieve its objectives.

The Council is currently refreshing this strategy and will look to encompass feedback from the recent employee survey into an updated version in 2025/26.

7.5.2 The Council undertook a survey of all of its employees in 2024/25. A total of 1,405 responses were completed. The survey identified that:

- 84% of employees would recommend the Council as a great place to work
- 95% of employees are interested in their work
- 92% of employees understand how their work contributes to the Council's priorities

7.5.3 Officers understand their respective roles and these are set out in job descriptions. The Constitution, Scheme of Delegation and Contract Procedure Rules clearly details roles and responsibilities, specifically with regard to delegation and authorisation.

7.5.4 There are various training methods available to staff such as mentoring, OLLIE (On-line learning platform), virtual and face to face. The Leadership & Management Programme continued in 2024/25 with approximately 250 Team Leaders/Managers taking part.

7.5.5 Managers continue to be encouraged to look for apprenticeship opportunities for their team. In addition, the Council organised a Skills Show (annual event) with over 50 exhibitors and 4,000 visitors attending. Apprenticeship opportunities were promoted at this show.

7.5.6 An induction programme is in place for members and officers.

7.5.7 The action plan at *Annex A* of this statement details areas of improvement in this area identified from the results of the annual governance certification process and the ethics questionnaire used in audits.

7.6 The Council continues to manage risks and performance through robust internal control and strong public financial management.

7.6.1 Risk management is an integral part of good management and corporate governance and is at the heart of what the Council does. A number of governance documents details the Council's approach to risk including the Risk Management Framework, Risk Management Strategy and Risk Management Policy.

7.6.2 The Council has a Corporate Strategic Risk Register which details key risks that could stop the Council achieving its objectives. This risk register is presented to the Audit Committee 4 times a year.

7.6.3 The Internal Audit plan is informed by the Council's service and financial planning processes, Corporate Strategic Risk Register, external inspection reports, external networking intelligence and comments/opinions from senior management on the current state of governance, risk and control environment. Each area on the plan is risk rated.

7.6.4 During 2024/25 the Internal Audit team achieved 93% of their revised planned work and this has been used, in part, with the relevant output from unplanned work to help form their opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control framework.

All Internal Audit reports produced are given an assurance rating (from poor to good) and each recommendation in the audit reports are risk assessed and given a risk rating.

7.6.5 The Chief Internal Auditor has undertaken checks on the work of Internal Audit as part of the Quality Assurance Improvement Program. No significant issues have been found during these checks but a small number of minor issues have been fed back to the Internal Audit Team to assist in their continuous improvement.

7.6.6 Internal Audit reports to the Audit Committee 4 times a year. The reports include all internal audit activity throughout the year including reports produced and follow up reviews undertaken. The Audit Committee also approved the Internal Audit Charter for 2024/25.

7.6.7 Large projects require the maintenance of a project risk register, this is a working document that is reviewed and amended throughout the lifecycle of the project. Where projects involve the processing of personally identifiable information, a Data Protection Impact Assessment is also completed which requires risks and risk treatment to be documented.

7.6.8 The Council has adopted the CIPFA Code of Practice for managing the risk of fraud and corruption and this has been reflected in the Council's Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy.

7.6.9 Services report regularly to Council committees such as the Audit Committee, Planning, Licensing, Cabinet, etc. These reports detail any impact assessment, including risk and opportunity. Financial decisions are reported to Cabinet, Full Council and Audit

Committee, who often challenge to ensure appropriate financial management and to demonstrate transparency.

- 7.6.10 Financial Regulations set out our financial management framework for ensuring the Council make best use of the money they have available. Financial roles and responsibilities are clearly shown in the regulations and it provides a framework for financial decision-making.
- 7.6.11 The Treasury Management Strategy and regular updates on treasury matters are provided to Audit Committee. This information clearly details investments, loans and the financial position of the Council. The Council uses external treasury advisors, Link, to support its activities.
- 7.6.12 The Council's financial strategy identifies the short term budget plan and long term aspirational plan linked to the Council plan to be a self-sustaining Council.
- 7.6.13 The Council complies with the Principles and Standards set out in the CIPFA Financial Management Code appropriately and proportionately demonstrating sound financial management and providing the expected assurance.
- 7.6.14 The Council has continued to make savings in light of ongoing financial pressures. £181.7m of ongoing savings/additional income will have been delivered by the end of 2024/25 with a further £13.1m to be delivered by the end of 2025/26. As part of the Local Government Finance Settlement for 2025/26, the Government announced its intention to move to multi-year settlements from 2026/27 onwards alongside a reform of the formula funding allocations and a reset of the Business Rates system, both of which will be consulted on throughout 2025.

However, it is unlikely that the Council will know what its funding settlement is for 2026/27 and future years until December 2025, just 3 months before the start of the new year. This makes it challenging to forecast the level of savings required from April 2026 onwards.

7.7 Implement good practices in transparency, reporting and audit to deliver effective accountability.

- 7.7.1 The Council endeavours to be open and transparent in its activities and reporting. Specific examples of this include:
- All Council/Committee agendas, papers and minutes are published on its website
 - Public consultation is undertaken on the budget
 - All expenditure over £100 is published on the Council website
 - Publication of the Complaints and Compliments annual report
- 7.7.2 The Audit Committee has responsibility for internal and external audit matters, the Council's arrangements for corporate governance and risk management.
- 7.7.3 In 2024/25, the Council continued to be the lead authority for the West Midlands Audit Committee Chairs Forum (WMACCF). The Council's Chairperson of the Audit Committee is also the Chairperson of the WMACCF.

The WMACCF is sponsored by the Local Government Association and is a forum where Audit Committee Chairs from across the West Midlands meet to share good practice.

- 7.7.4 The Audit Committee terms of reference also incorporate the review and monitoring of the Council's Treasury Management arrangements. Members of the committee are kept up to date through awareness training on factors that influence/affect delivery of the strategy and during the year were provided with an update on these matters by MUFG Treasury Services, the Council's Treasury Management advisors.
- 7.7.5 There are various committees, all with their own terms of reference and areas of responsibility, i.e. Licensing Committee, Planning Committee, etc, and there are elected members who are responsible for service areas within the Council.
- 7.7.6 Arrangements are in place to ensure Internal Audit fully complies with the Public Sector Internal Audit Standards (PSIAS). The Internal Audit team complete self-assessments against the standards and the outcome of this is reported to the Audit Committee.

The next internal self-assessment will be completed in 2025/26 against the new revised global audit standards. The next external assessment will take place in 2026/27.

- 7.7.7 The Internal Audit plan is developed using a risk-based approach taking into consideration the Corporate Strategic Risk Register, Service Plans and other relevant information. Audit recommendations made are communicated to the relevant Service Delivery Managers and relevant Senior Management representatives for consideration and implementation of recommendations.

Internal Audit will share best practice in the duty of their work. The Audit Plan is reviewed regularly to ensure it is still relevant and any changes to the plan are reported to the Audit Committee.

- 7.7.8 The Council's Communication Team works with officers and members to ensure key messages are easy to understand and in accessible formats to meet the diverse needs of our borough.
- 7.7.9 The Council's performance management framework is monitored by the Senior Management Team and has procedures in place that drive continuous improvement in performance.
- 7.7.10 The Council has identified lessons learnt from corporate complaints and complaints made to the Local Government Ombudsman and implemented measures accordingly.
- 7.7.11 The Council continues to meet its statutory duties under the Equality Act 2010. The Council has an Equality, Diversity and Inclusion (EDI) Strategy and publishes an annual EDI report. Key EDI activity undertaken in 2024/25 included:

- Delivery of tailored training programme for elected members, managers and employees to enhance their understanding of the Equality Act 2010, their responsibilities and how they can meet their duties effectively.
- Employee led support groups continue to provide a voice and safe space for employees who share protected characteristics, and their allies, whilst delivering a range of awareness and well-being initiatives for the workforce.
- Residents who share a range of protected characteristics have influenced development of policy and practice through proactive engagement and involvement. This has included amongst others the design of the new Theatre Telford, co-design of Adult Social Care self-service portal and delivery of an inclusive leisure strategy.

8 Looking Forward

- 8.1 Although the annual governance process reflects on the past year, it is also important that this statement looks forward to identify future factors that may impact its governance arrangements.

8.2 New Global Internal Audit Standards

- 8.2.1 The new Global Internal Audit Standards and the Application Note will form the basis of UK public sector internal audit effective from 1 April 2025. Therefore, the Council's Internal Audit operations must comply with these standards.

8.3 Local Government Reorganisation

- 8.3.1 The English Devolution White Paper published in December 2024 sets out the government's vision for simpler local government structures. Although, currently, this will not directly affect Telford and Wrekin Council, changes across the wider West Midlands region in particular will be monitored.

8.4 On-going financial challenges

- 8.4.1 Telford and Wrekin Council and other local authorities in England face continued financial challenges. The Council has a good record in meeting these challenges and continues to explore income generation as part of its financial management strategy.

8.5 Continued Customer Centric Services

- 8.5.1 The Institute of Customer Service has recently confirmed that it has awarded ServiceMark Accreditation to the Council. It was identified by the institute that the Council is meeting the National Customer Service Standard. The Council are only 1 of 69 organisations across the country to receive this accreditation and the first Council in the country to be accredited.

Sign-off of the 2024/25 Annual Governance Statement

Name/Role	Signed	Dated
David Sidaway Chief Executive		
Cllr Lee Carter Leader of the Council		
Cllr Helena Morgan Chair of Audit Committee		

AGS ACTION PLAN FOR 2024/25 FOR IMPLEMENTATION DURING 2025/26

Ref	Area identified for development and/or ongoing monitoring	Actions	Lead Officers
1	<p>Ongoing savings proposals, budget constraints and continued strategic management of organisational changes.</p> <p>Ongoing from previous AGS</p>	<p>Continued management of budgets, savings, revised structures and commercial/business approach which links to the continued development and implementation of revised governance arrangements.</p> <p>Delivery of in year savings is monitored on a regular basis at SMT.</p> <p>Further consultations on future savings will be undertaken where necessary.</p>	<ul style="list-style-type: none"> Chief Executive Senior Management Team
	<p>All internal audits include sending ethics questionnaires to a sample of staff in the team/area being audited. This is to demonstrate their understanding of corporate policies and whether staff feel supported.</p> <p>In a small number of questionnaire responses completed it was noted that not all staff:</p> <ul style="list-style-type: none"> Had received an Annual Performance & Development Discussion Were familiar with particular Council policies 	<p>Report to SMT on the completion rate for Annual Performance & Development Discussion.</p> <p>Reports on the completion of essential learning will be presented to SMT periodically.</p> <p>A reminder will be sent to all staff on key corporate policies.</p>	<ul style="list-style-type: none"> Senior Management Team

	<ul style="list-style-type: none"> • Had completed all essential learning requirements <p>These findings have been shared with Service Delivery Managers / Directors when discussing the audit report for their service with recommendations for rectification.</p>		
3	<p>The annual certification process highlighted that there had been some reduction in the number of appropriately skilled staff in some service areas although actions had been identified to address this.</p> <p>Recruitment of staff in local government, particularly in some professions, continues to be challenging. This results in some single points of failure or the use of temporary staff.</p>	<p>The Council continues to explore and implement a number of initiatives in respect to staffing including service and workforce planning, apprenticeship schemes, etc to support managers in addressing these areas.</p> <p>A revised workforce strategy will be launched in 2025 which will cover succession planning, single points of failure and 'growing our own'.</p> <p>The Leadership & Management training and learning programme continues for Team Leaders / Service Delivery Managers. The programme looks to support management development and to enable some resilience planning within the Council.</p> <p>The Council continues to monitor the effectiveness of different channels of recruitment it uses and is developing an employer value proposition, i.e. 'Why work for T&WC'.</p> <p>In 2024/25 the Council has continued to organise the Skills and Apprenticeship Show to support recruitment.</p>	Director: Finance, People & IDT

4	<p>Low/medium risk data breaches are being experienced in some Council Teams.</p> <p>Data breaches are reported to the Information Governance (IG) Team who investigate the circumstances of the breach, assess the associated risk and ensure lessons learnt are identified.</p> <p>The Information Commissioner's Office have not taken any action against the Council in 2024/25.</p>	<p>Incorporate data breach analysis into the Managing the Business dashboard presented to the Senior Management Team.</p> <p>Increase sharing of information internally of trends around data breaches and 'near misses'.</p> <p>IG Team support for services who process high volumes of personal data.</p> <p>Continue to develop/invest in the Council's secure email functionality (Zivver).</p>	Director: Policy & Governance
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Delivering Good Governance in Telford & Wrekin Council Local Code of Good Governance 2025/26

Definition:

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

In order for the Members and Employees¹ of Telford & Wrekin Council to deliver good governance whilst working to achieve the Council's objectives they must **act in the public interest at all times.**

Public Interest Principles

- Acting in the public interest requires a commitment to and effective arrangements for:

- A. Behaving with integrity, demonstrating strong commitment to ethical values (including the Council's values²), and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement (including with individual citizens, service users and institutional stakeholders).

- Achieving good governance also requires a commitment to and effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining and planning the actions necessary to optimise the achievement of the intended outcomes.
- E. Developing the Council's capacity, including the capability of its leaders and the individuals within it. This includes ensuring effective relationships and a clear understanding of the roles and responsibilities of Members and officers.
- F. Managing risks, performance and data through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and assurance (including audit) to deliver effective accountability.

Annex 1 of this document details the framework in place to deliver good governance.

Monitoring and Review

This Local Code of Good Governance is subject to regular review including assessing the effectiveness of the processes contained within the Code.

The results of this review are reported as part of the Council's Annual Governance Statement.

The table below explains how the Council meets the core principles, systems, policies and procedures it has in place to support this.

¹ Employees include partners, joint arrangements and volunteers.

² Fairness & Respect – Ownership - Openness & Honesty - Involvement

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

- Member and Officer Codes of Conduct underpin the standards of behaviour expected by members and officers
- Designated statutory officers in place – Head of Paid Service (Chief Executive), Chief Financial Officer (Director: Finance, People & IDT), Monitoring Officer (Director: Policy & Governance), Director of Children's Services (Director: Children's Safeguarding & Family Support), Director of Adult Services (Director: Adult Social Care) and Director of Public Health (Director: Health & Well-Being), Chief Internal Auditor (Audit, Governance & Procurement Lead Manager), Data Protection Officer (Audit, Governance & Procurement Lead Manager)
- The Constitution (which includes the Scheme of Delegations, Financial Regulations and Contract Standing Orders), Forward Plan and decision making processes
- A Legal Services team to ensure that the Council operates within existing legislation and is aware of and acts upon proposed changes to legislation
- The Standards Committee, Audit Committee, scrutiny function and other regulatory committees
- Anti-Fraud and Corruption, Whistleblowing (Speak Up) and Prosecution policies support the Council's governance processes and anti-fraud and corruption culture
- The democratic decision making and accountability processes contained within the Constitution
- The development of internal controls and checks within new systems and when existing systems are reviewed
- The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)
- Clear governance arrangements to manage the Council's change programmes and restructuring occurring across the Council and key capital projects
- The Adults and Children's Safeguarding Boards and their associated accountability with an independent Chair

Core Principle B: Ensuring openness and comprehensive stakeholder engagement (including with individual citizens, service users and institutional stakeholders)

- Adoption of an Information Rights Policy that details how information requests will be handled
- Adoption of a Data Protection Policy and Privacy Notice which details how the Council processes personal data
- The Council's Information Governance arrangements include a Caldicott Guardian and an Information Governance Framework sponsored by a designated Senior Information Risk Owner (SIRO), data and information security and sharing policies and procedures.
- A new 10 year/2030 vision document for the borough
- Standard format for all agenda, reports and minutes for Council/committee meetings that are posted on to the Council's website.
- The Council's Medium Term Plan which outlines the Council's ambitions and priorities based on stakeholder feedback and these inform the service and financial planning process and personal targets
- Council Vision, Priorities and Values
- Council website provides help to residents to understand the Council's Vision, Priorities and Values and to access services
- Local consultation has taken place using specific consultation and engagement activity for services and service areas
- Customer satisfaction survey undertaken
- The Council's communication, consultation and engagement strategies ensure that the local community knows what the Council is doing, receives feedback from them including the identification of their needs for incorporation into the Council's vision, priorities and values

Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Comprehensive budget strategy and management of the associated risks of reduced resources provides robust financial management and regular reporting to members;
- A process for the completion and approval of business cases' for use of the Capacity Fund, Invest to Save Fund and use of consultants
- The Performance Management Framework and data quality systems. These provide reports to SMT and Cabinet
- Projects are managed, as appropriate, within the principles of good practice. This includes risk identification and management
- The Council has an Environmental Policy highlighting its commitment to sustainable environment. It also has a Sustainable Procurement Policy
- A Social Value Policy Charter is in place that is designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement.

Core Principle D: Determining and planning the actions necessary to optimise the achievement of the intended outcomes

- A standardised format of decision making reports is used to ensure that all relevant information is considered. Options are clearly defined and analysed to ensure decisions are based on the best possible information
- The Commissioning Strategy is applied to ensure clear alignment to need
- There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period
- The Council's performance framework links directly to the Council's outcomes. Performance is reported regularly to members.
- The annual budget is prepared in line with agreed priorities. The Council publishes its Financial Strategy annually to set an indicative three year financial plan to fit the longer term strategic vision as well as a detailed one year budget. This is intended to include realistic estimates of revenue and capital expenditure.
- Resources to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society as a result of the social value they generate.

Core Principle E: Developing the Council's capacity, including the capability of its leaders and the individuals within it. This includes ensuring effective relationships and a clear understanding of the roles and responsibilities of Member and officers

- The Council's Human Resources function and workforce /organisational development procedures are supported by clear recruitment processes. These are followed up by on-line / face to face induction training (which includes information on the constitution, key policies, procedures, laws and regulations appropriate to the post and experience of the post holder) and on-going training and development
- A Member Development Programme to ensure members are properly equipped and have the capacity to fulfil their roles
- Governance awareness and training for members within their Member Development Programme and for officers through induction, Ollie and Staff news (updates/reminders on any revised governance arrangements, including information governance).
- Leadership and Management Development Programme

- Use of Learning Pool (Ollie) as an online learning and training tool that allows courses to be tailored to Council and individual needs
- A Scheme of Delegation that is reviewed annually in light of legal and organisational changes
- A Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules
- Members are updated on legal and policy changes etc. as required
- Induction programmes for all members and employees
- Essential learning for employees is identified and made available
- Staff are annually appraised which includes the identification of training and development needs and drawing up of training action plans to address these
- Apprenticeship Programme in place offering training, skills and experience in local government.
- Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored.
- A coaching and mentoring scheme is in place to build a pool of people who are skilled in facilitating personal development tools and to develop internal coaching capacity. This network provides group and individual personal development and coaching support to help people
- Corporate wide employee survey
- Cabinet Member for Finance, Governance & Customer Services is the lead members responsible for corporate governance including risk management. The key officer for Corporate Governance including risk management is the Chief Executive. The service and financial planning process incorporates risk management and strategic risks are reviewed by SMT and agreed by the Cabinet

Core Principle F: Managing risks, performance and data through robust internal control and strong public financial management

- Risk management arrangements that are embedded across all service areas as part of the service planning process and help inform decision making
- The Senior Management Team, regularly reviews the Strategic Risk Register, and seeks assurances that it is kept up to date and actions to mitigate risks are implemented.
- Operational risks are reviewed by risk owners on a periodic basis
- Council strategic risks have been identified and a member of the Senior Management Team assigned as the risk owner for each risk
- The Council has scrutiny committees which operate under clear terms of reference and rules of procedures laid down in the Constitution. Scrutiny Committee chairs and members have clearly laid down accountabilities in the Constitution. Members may not participate in the scrutiny of decisions they were involved in
- There is a standardised format for all committee reports which includes background to the report, any recommendations that decisions need to be made upon together with reasons behind those recommendations
- Reports and minutes and decisions under member consideration are published on the website and are available in hard copy in a variety of formats on request.
- Contract Procedure Rules and Financial Regulations set out the Council's arrangements and ensure that processes continue to operate consistently
- Internal audit operates to the Public Sector Internal Audit Standards and on a risk basis reviews the Council's systems and processes set out to achieve the Council's priorities in order to provide an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control
- The Council has processes and documents to support governance and reporting arrangements for partnerships, issues, risk management framework, internal control environment, financial reporting and treasury management
- The Council's Treasury Management Strategy and arrangements conform to CIPFA and External Audit guidance and is monitored by the Audit Committee

- An annual report is produced by Internal Audit which provides an opinion on the Council's control environment, and a self-assessment of its arrangements against the Public Sector Internal Audit Standards
- Anti-Fraud and Corruption Policy which is subject to regular review and is approved by the Audit Committee
- Annual fraud reports are provided to the Audit Committee detailing anti-fraud activity in the year
- An Annual Governance Statement (AGS) that is subject to review by the Audit Committee
- Training is provided to Audit Committee members on areas relevant to their role
- There are frameworks in place in relation to child and adult safeguarding
- The Council has an Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed
- Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through information governance training
- The Council's Information Governance Strategy provides guidance on the arrangements that must be in place to ensure personal data is kept protected and secure
- Effective information sharing is undertaken in accordance with the Data Protection Act and the Council's Data Protection Policy and Information Sharing Policy
- Data subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices published on our website and individual Privacy Statements on forms, in booklets etc.
- Data verification and validation processes are integrated within systems and processes
- An audited and signed Statement of Accounts is published on an annual basis containing:
 - A statement of responsibilities for the Statement of Accounts
 - A statement of the Council's accounting policies
- An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service
- Financial procedures are documented in the Financial Regulations
- A Financial Strategy is in place
- The financial position is reported on a regular basis to Cabinet
- SMT meets weekly with regular management meetings with Service Delivery Managers and Group Managers/Team Leaders;

Core Principle G: Implementing good practices in transparency, reporting, and assurance (including audit) to deliver effective accountability

- Agendas, reports and minutes are published on the Council's website
- Adoption of a style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear
- Adoption of the National Transparency Code
- The Cabinet is the Council's key decision making body and makes decisions within the policy framework approved by Full Council. It is made up of the Leader, who is elected by the Council, and up to nine members. When key decisions are to be discussed or made, these are published in the Cabinet forward plan in so far as they can be anticipated. If these key decisions are to be discussed with Council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal or confidential matters are being discussed. The Cabinet has to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide
- Annual Financial Statements are compiled, published to timetable and included on the Council's website.

- An annual report from each of the scrutiny committees is presented to Council alongside reports from the portfolio holders; the scrutiny reports detail the past work of the Committees, the present work and the plans for the future
- Completion of an Annual Governance Statement (AGS)
- A Business Plan and Financial Strategy setting out the Council's mission and priorities.
- The AGS sets out the Council's governance framework and the results of the annual review of the effectiveness of the Council's arrangements. The AGS includes areas for improvement.
- An effective internal audit service is resourced and maintained. The Service has direct access to members and provides assurance on governance arrangements via an annual report containing an opinion on the Council's internal control arrangements
- External Audit provides an annual opinion on the Council's financial statements and arrangements for securing value for money
- The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies

Local Good Governance Framework – 2025/26

Integrity, ethics and values

Audit Committee	Codes of Conduct
Statutory officer roles	Anti-Fraud & Corruption Policy/Report
Constitution	Complaints process
Decision making process	Open data & Transparency Code
Financial Rules	Whistleblowing Policy
Register of Interests	Gifts and Hospitality Policy

Openness and engagement

Information Rights policy	Open data
Members role	Complaints Policy/annual report
AGS statement and final accounts	Public consultations
Committee meetings streamed	Customer survey
Council website	Whistleblowing Policy
Transparency Code	Committee papers published

Defining outcomes

Decision making process	Committee reports
Performance framework	Procurement Strategy
Social Value Policy	Committee structure
Service plans	Sustainability Policy
Service and financial planning process	Environmental Policy
Commissioning Policy	Council Plan

Determine interventions

Engagement with stakeholders	Strategic Risk Register
AGS/AGS Action Plan	Council Plan
Decision making process	Complaints process
Role of members	Budget Strategy
Financial Strategy	Whistleblowing Policy
Service Plans	Forward Plan

Council capacity

Member Development	Induction programme
APPD process	CPD
Recruitment and selection	Health and wellbeing
Online learning	Employee survey
Peer reviews	Employee assist programme
Management development	Designated essential learning

Risk and performance

Performance framework	External inspection
APPD process	Internal audit
Strategic risk register	AGS
Service planning	Service and financial planning
External audit of accounts	Committee framework
Peer reviews	Constitution

Transparency and audit

Audit Committee	Council website
Internal audit function	Transparency Code
External Audit	Complaints annual report
Scrutiny	Information rights policy
Open data	AGS
Annual accounts	Member role

Telford and Wrekin Council

Report to the Audit Committee

External Audit Plan & Strategy for the year ended
31 March 2025

May 2025

Introduction

To the Audit Committee of Telford and Wrekin Council

We are pleased to have the opportunity to meet with you on 28 May 2025 to discuss our audit of the consolidated financial statements of Telford and Wrekin Council for the year ended 31 March 2025.

This report provides the Audit Committee with an opportunity to review our planned audit approach and scope for the 2024/25 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and is carried out in compliance with the NAO's 2024/25 Code of Audit Practice, auditing standards and other professional requirements.

This report outlines our risk assessment and planned audit approach. Our planning activities are still ongoing, and we will communicate any significant changes to the planned audit approach.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

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Audit Risks and our audit approach including Going concern	7
Mandatory communications	15
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The engagement team

Andrew Cardoza is the engagement director on the audit. He has more than 26 years of local audit experience.

Andrew Cardoza shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Duncan Laird (Senior Manager), Arpit Sarraf (Manager) and [Abhishek Bhimsaria](#) (Assistant Manager) with 24 years, 12 years and 5 years of experience, respectively.

Yours sincerely,



Andrew Cardoza,

Director - KPMG LLP

May 2025

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We aim to complete all audit work no later than two days before audit signing. As you are aware, we will not issue our audit opinion until we have completed all relevant procedures, including audit documentation.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza (andrew.cardoza@kpmg.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.cutler@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process [Complaints](#).

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the consolidated financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of expenditure which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as stability of legislation, lack of shareholders, and public scrutiny when determining materiality for the financial statements as a whole.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality (£7.47 m / 65% of materiality), driven by our expectations of normal level of undetected or uncorrected misstatements in the period.

We will report misstatements to the Audit Committee including:

- Corrected and uncorrected audit misstatements above £575k.
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Control environment

The impact of the group control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings:

- For example, we anticipate that we will adopt a controls-based approach on cash.

Group Materiality

Group	
Materiality for the consolidated financial statements as a whole	£11.5m (2023-24: £10.6m) (2.08% of Expenditure)
Performance Materiality	£7.47m (2023-24: £6.89m), 65% of materiality)
Misstatements reported to the Audit Committee	£575k (2023/24: £530k)

Council's Materiality

£11.4m

2.06% of Telford and Wrekin Council Expenditure £552.49m
(2023/24: £10.5m)

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

- We will maintain communication led by the engagement partner and senior manager throughout the audit. We set out below the form, timing and general content of our planned communications:
- Kick-off meeting with management in April, 2025 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas;
- Audit Committee meeting on May 2025 where we present our draft audit plan;
- Status meetings with management on in between March and September where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues;
- Closing meeting with management in September 2025 where we discuss the auditor's report and any outstanding deliverables;
- Audit Committee meeting in September 2025 where we communicate audit misstatements and significant control deficiencies; and
- Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

Others	Extent of planned involvement or use of work
Internal Audit	We will review the work of Internal Audit as part of our risk assessment procedures but will not place direct reliance on their work.
KPMG IT Audit	We will use our IT Audit team to understand how the Council uses IT in financial reporting, and the key processes and governance in place over those IT systems
KPMG Real Estate Valuation Expert	We will consider the need to involve the KPMG real estate valuation team to assess the assumptions underpinning particular balances in the Council's year end land & buildings and investment property valuation.
KPMG Pensions Centre of Excellence	The pensions audit team will perform all planning, risk assessment, and substantive procedures over the LGPS account balances. KPMG actuary will review and assess the underlying assumptions within the entity's year-end actuarial report.
KPMG Clara Analytics	We will utilize the KPMG Data Analytics team to aid in creating a journal entry dashboard that provides insights over manual and automated journals, helps in pattern identification and stratification of the population thus helping the audit team in identifying high risk criteria to mitigate the risk of management override.

Significant risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which Telford and Wrekin Council operates.

We also use our regular meetings with senior management to update our understanding and take input from sector and internal audit reports.

Due to the current levels of uncertainty there is an increased likelihood of risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. Where such items are identified we will amend our audit approach accordingly and communicate this to the Audit Committee

Value for money

We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and include a commentary on our view of the appropriateness of the Council's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness.

We have outlined the result of our risk assessment procedures on page 19.

Significant risks

1. Valuation of land and buildings
2. Management Override of Controls*
3. Valuation of Post Retirement Benefit Obligations

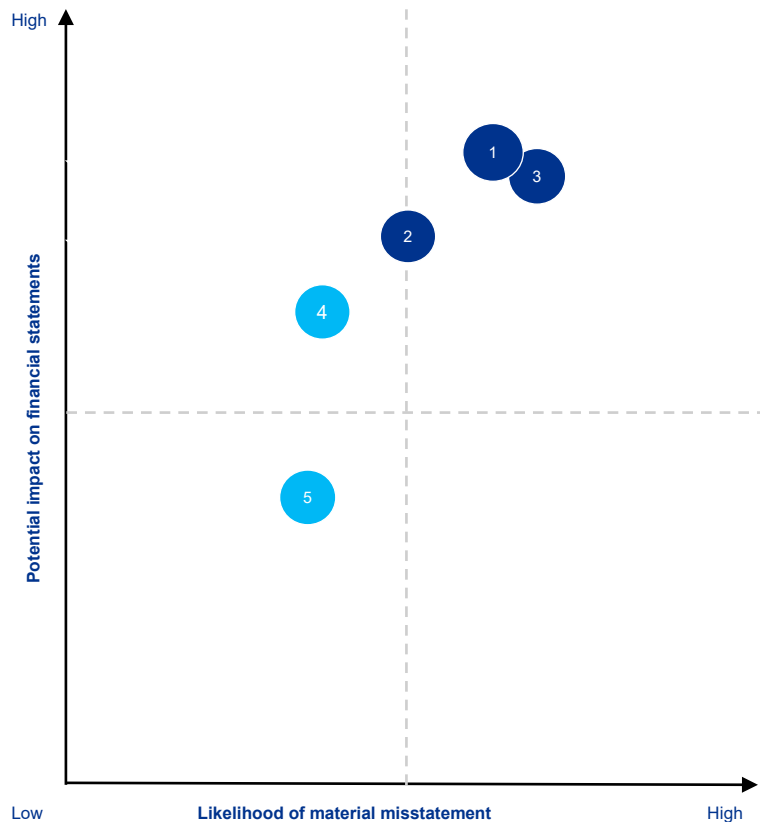
Other audit risks

4. Non-capital expenditure is inappropriately recognised as capital expenditure
5. Adoption of IFRS 16**

* Pervasive

** New risk identified in 2024/25

Key: ● Significant financial statement audit risks
● Other audit risk



Audit risks and our audit approach (cont.)

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value

Change vs prior year



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle. As a result of this, individual assets may not be revalued.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement, assumptions and estimation on behalf of the engaged valuer.

We consider that the significant risk lies with the assets within the other land and buildings category that were previously re-categorised from investment property. Specifically, we have linked the significant risk to the yield rate assumption in the calculation of the property investment portfolio valuations included within Other Land & Buildings.

We do not consider there to be a significant risk over specialised buildings that are valued using the Depreciation Replacement Cost (DRC) or EUV (existing use value) methodology.



Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of the Council's Internal Valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- We will utilise our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised and challenge key assumptions within the valuation; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

2

Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur

Change vs prior year



Significant audit risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit .



Planned response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the component's normal course of business or are otherwise unusual.
- We will analyse all journals through the year using our data and analytics team and focus our testing on those with a higher risk, such as unusual combinations.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach (cont.)

3

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Change vs prior year



Significant audit risk

The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.

The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year- on-year movements.

We have identified this in relation to the Local Government Pension Scheme participation.



Planned response

We will perform the following procedures:

- Understand the processes the Council has in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in respect of the sensitivity of the deficit to these assumptions; and
- Assess the impact of special events, if any.

Audit risks and our audit approach

Revenue – rebuttal of Significant Risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

Description of Income	Nature of Income	Rationale for Rebuttal
Council tax	This is the income received from local residents paid in accordance with an annual bill based on the banding of the property concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of properties in the area and the fixed price that is approved annually based on a band D property: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Business rates	Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of businesses in the area and the fixed amount that is approved annually: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Fees and charges	Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually.	The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. We do not deem there to be any incentive or opportunity to manipulate the income.
Grant income	Predictable income receipted primarily from central government, including for housing benefits.	Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. There is limited incentive or opportunity to manipulate these figures.

Audit risks and our audit approach

Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting from the manipulation of expenditure recognition is required to be considered. Having considered the risk factors relevant to the Council and the nature of expenditure within the Council, we have determined that a significant risk relating to expenditure recognition is not required.

Specifically, the financial position of the Council, (whilst under pressure) is not indicative of a position that would provide an incentive to manipulate expenditure recognition and the nature of expenditure has not identified any specific risk factors.

Due to the pressures on the financial position across the sector and our ongoing risk assessment, we may revisit our conclusion on this in the future. If there are any changes to our assessment, we will update the Audit Committee with a revised audit plan.

Audit risks and our audit approach (cont.)

4

Non-capital expenditure is inaccurately recognised as capital expenditure

Revenue expenditure is incorrectly accounted for as capital additions

Change vs prior year



Other audit risk

- Although we have rebutted the presumed significant risk in relation to fraudulent expenditure recognition, capital accounting requirements are complex and may contain an element of judgement in determining which costs in a project can be capitalised and which need to be expensed.
- Given the size of the Council's capital programme (£179.8m), we have identified an Other Audit Risk regarding revenue expenditure being inaccurately recognised as capital expenditure.



Planned response

We will perform the following procedures in order to respond to the risk identified:

- We will review the capital programme for schemes which indicate they are of a revenue nature; and
- We will test capital expenditure incurred by the Council to ensure it is correctly capitalised.

Audit risks and our audit approach (cont.)

5

Adoption of IFRS 16

An inappropriate amount is estimated and recorded for lease liabilities and right of use assets

Change vs prior year



Other audit risk

The Council has adopted IFRS 16 as per CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (2024/25) with an implementation date of 1 April 2024.

We anticipate the following challenges in the first year of implementation.

- Completeness of lease listing used in transition computations.
- Inadequate lease disclosures as per IFRS 16.
- Inaccurate computation of lease liabilities and right of use assets.
- Training needs for new/existing staff.



Planned response

We will perform the following procedures in order to respond to the other audit risk identified:

- Obtain the full listings of leases and reconcile to the general ledger.
- Review a sample of the lease agreements to determine the terms of the leases and confirm correct classification.
- Review the appropriateness of the discount rate used in the lease computations.
- Review the transition adjustments passed by the Council.
- Review the disclosures made on the financial statements against requirements of IFRS16.

Other significant matters related to our audit approach

Disclosure of significant estimates and judgements

We have included here the disclosures of significant estimates and judgements from the prior year statement of accounts which required improvement (as reported in our Audit Committee report dated 29 Jan 2025).

Estimates and judgements	Further comments
Fair value of LGPS assets	In the prior year audit, we identified audit adjustments in the pension disclosure note which were corrected by the Council. This related to the inclusion of narrative explaining the implication of the Virgin Media case on the benefits and LGPS funds and disclosure explaining the change in Mercer’s methodology for calculating the discount rate.

Impacts of climate risk and climate change disclosures

We will evaluate management’s assessment of the potential financial implications of climate risk on the financial statements, including estimates and disclosures. As part of our procedures on other information, we will obtain and read your climate change disclosures. We will consider whether there is a material inconsistency between this information included in the annual report and the financial statements, or with our knowledge obtained in the audit; or whether this information appears to be materially misstated.

Mandatory communications - additional reporting

Going concern

We will assess the risk relating to management's judgement on the use (or otherwise) of the going concern basis and the adequacy of related disclosures, including any possible material uncertainty. Under NAO guidance, including Practice Note 10, a local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

However, financial sustainability is a core area of focus for our Value for Money opinion.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:

Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily



We have identified issues that we may need to report



Work is completed at a later stage of our audit so we have nothing to report



We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

Type	Status	Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date.
Provide a statement to the NAO on your consolidation schedule		This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO to assist their audit of the consolidated accounts of DLUHC.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. Work to be completed at a later stage.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

Mandatory communications

Type	Statements
Management's responsibilities (and, where appropriate, those charged with governance)	<p>Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error.</p> <p>Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.</p>
Auditor's responsibilities	Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Auditor's responsibilities – Fraud	This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit.
Auditor's responsibilities – Other information	Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information.
Independence	Our independence confirmation at page 29 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement partner and audit staff.

Telford and Wrekin Council

Value for money risk assessment

Our approach

Year ended 31 March 2025

May 2025

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

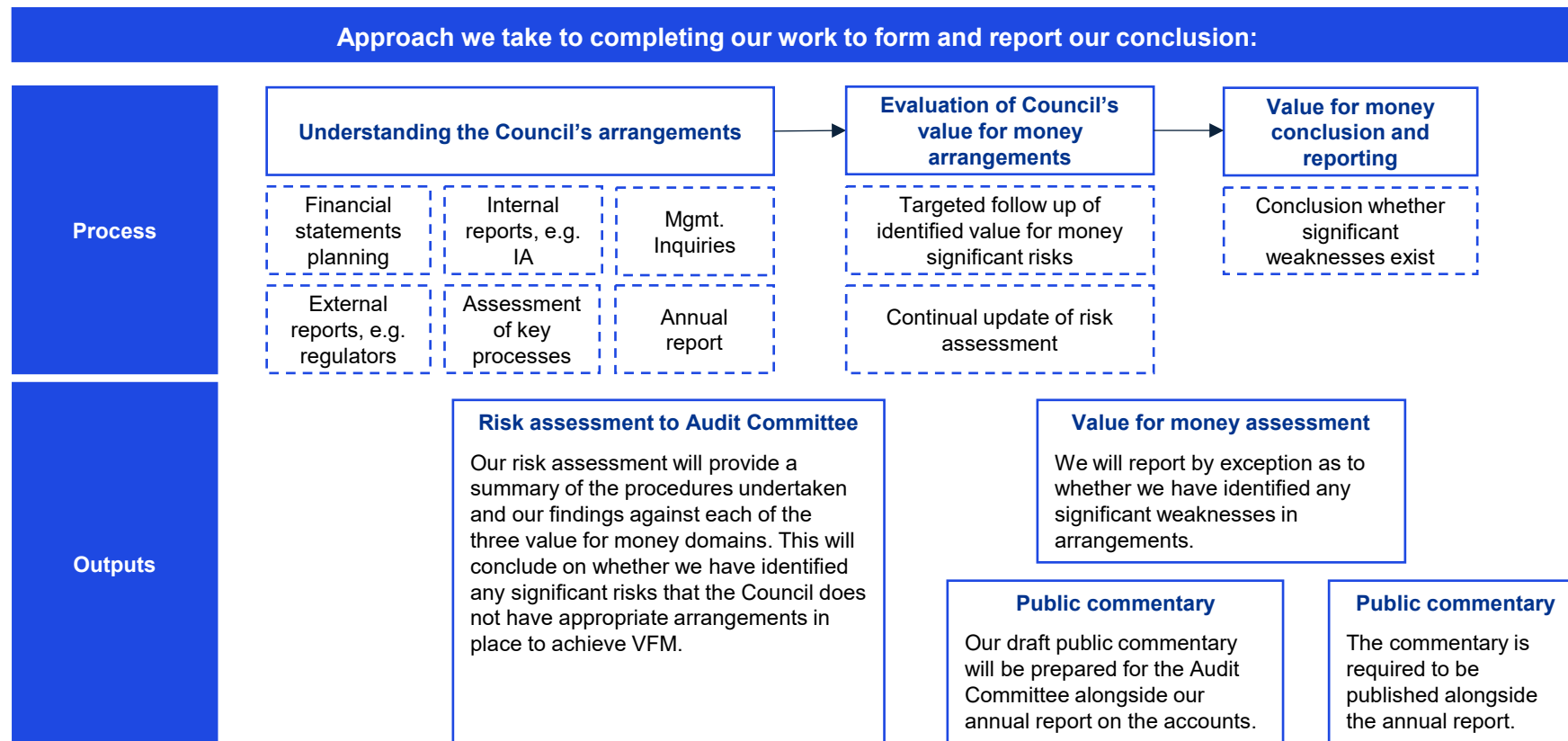
How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

Page 62



Summary of risk assessment

Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

Domain	Significant risk identified?
Financial sustainability	No significant risks identified
Governance	No significant risks identified
Improving economy, efficiency and effectiveness	No significant risks identified

We have not identified any significant risks that there are not appropriate arrangements in place as part of the procedures we have undertaken. We have provided a summary of the procedures performed and our key findings on next five pages. Our risk assessment is an ongoing, iterative process and we will be supplementing the findings from our assessment to date with meetings with officers in June 2025.

Value for money arrangements

Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment

The Section 151 Officer leads on budget setting (Medium Term Financial Strategy (MTFS)), and carries responsibility for the process and timelines. At a strategic level, from an officer perspective the process is managed through the Service & Financial Planning Group (CEX, Executive Directors, S151 Officer and Finance Managers), with regular updates to Senior Management Team. A corporate budget model is maintained for budget projections. This is updated to reflect decisions made by the Service & Financial Planning Group together with pressures identified and funding projections for each Directorate. In parallel, detailed budget work is undertaken at Service level (Finance officers and Service Delivery Managers/budget holders) which also informs the corporate model.

Budget holders are involved in the process through their consideration of revenue costs and pressures, capital cost and time limited costs, one off costs and saving for their respective service areas.

Specific budget assumptions are clearly set out in Appendix 15 of the MTFS, which also sets out that adult and children's social cost pressures will be funded from reserves if the final outturn is over budget. The clear list of assumptions allows for challenge by committees, which was evidenced in Business and Finance Scrutiny committee minutes; particularly around robustness of the budget, interest rate assumptions and increasing costs in contracts.

The Council updates its Medium-Term Financial Plan (MTFP) annually, with the 4-year plan covering 2024/25 to 2027/28 reviewed and approved by Cabinet in February 2025. The s151 officer reported within the Section 25 Statement that the Council's reserve balances are prudent and appropriate given the level of risk and complexity of the delivery of the budget. Further, the MTFS was approved by Cabinet in February 2025 for debate at Full Council, which approved the MTFS (including 4.99% increase in Council Tax).

(Continued)

Value for money arrangements

Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment

The Council has a record of strong financial management and Cabinet Members and budget holders will continue their work to manage budgets effectively.

Savings proposals are included in the draft MTFS presented to Cabinet in January and approved at in advance of the financial year starting. The schedule of savings proposals for public consultation included in the MTFS will save an additional £17.6m if delivered for 2024/25. This includes service restructures (staff savings) of £2.8m, income generation of £5.7m, and service redesign of £1.6m.

For 2024/25, the Council set a net revenue budget of £157.30m. At the time of this report, the outturn position is expected to be over budget by £4.713m at year end, which is a reduction of £0.119m since the last report. The Council has retained in the Budget Strategy Reserve and the General and Special Fund balances totalled £4.7m at the start of the current financial year to make prudent provision for likely risks including insurance excesses, bad debts etc.

For 2024/25, Financial Monitoring Report provides the latest projections in relation to the projected outturn position i.e. how projected net revenue spend compares to the budget set for the year; progress against the approved 2024/25 capital programme; the key issues to be highlighted; together with a summary of collection information in relation to Council Tax, Business Rates and Sales Ledger income. An additional investment of £6.7m is required for Adult Social care.

Risk assessment conclusion

Based on the risk assessment procedures performed to date **we have not identified a significant risk associated with financial sustainability.**

Value for money arrangements

Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment

The Council has a Risk Management Framework, Strategy and Policy which has been reviewed by the CFO and Director of Policy and Governance and approved by the Audit Committee in January 2024. The Council maintains a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is reviewed by the Senior Management Team to manage risks and mitigate potential exposures to be as part of everyday business and as part of decision-making processes.

The strategic risk register contains the ten highest risks, assessed based on the likelihood and impact and without controls. The risks are mapped on a heat map; the highest scoring risks are staff retention and climate risk. Risks are generally high impact but low likelihood with controls in place. There is also a named lead Executive Director and Director who are responsible for managing each risk

The Council undertakes several measures to prevent and detect fraud. The Council has an Anti-Fraud & Corruption Policy, supported by the Whistleblowing (Speak Up) Policy, encouraging internal referrals. Internal Audit, along with the Investigations Team, undertakes proactive fraud work based on a fraud risk register and/or other intelligence. Other specific anti-fraud and corruption activities are undertaken by Trading Standards. An annual report on anti-fraud and corruption activities and an update to the Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy is presented to the Audit Committee every year.

The Council's Code of Conduct communicates values and expected behaviours of staff; this is covered through the Code of Conduct; Vision, Priorities Values and Behaviours poster; Gifts and Hospitality Guidance; Disciplinary Policy; Resolving Workplace Issues policy; Whistleblowing Policy; and Conflicts of Interest policy. This is communicated to staff as part of the recruitment process and is available on the staff intranet.

Value for money arrangements

Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment

Our risk assessment procedures and management inquiries confirm the Council has appropriate arrangements in place to ensure scrutiny, challenge and transparency of decision making. Key decision making is subject to discussion and scrutiny at executive team level and relevant sub-committees such as Audit and relevant Scrutiny committees, followed by formal approval by the Cabinet and Council. All key decision records are available to view on the Council's website.

The Council have acknowledged and prudently disclosed around the Telford Child Sexual Exploitation Inquiry of 12 July 2022 in its Annual Report for 2023/24 as a contingent liability in respect of any claims which the it may become aware of.

Risk assessment conclusion

Based on the risk assessment procedures performed to date **we have not identified a significant risk associated with governance.**

Value for money arrangements

Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment

The Council has a strong culture of evidence-based decision making, and performance and data are fundamental to understanding, challenging and improving the organisation. Non-financial performance is monitored by the Senior Management Team monthly through the Managing the Business Dashboard. Performance is aligned to the Council's Priority Plan, with one priority having a focussed discussion each month.

Detailed operational reports are provided to directorates and teams to provide senior managers of assurance and detailed information supporting performance information. This includes the routine monitoring of many data quality reports and, in a growing number of services, the ability to drill down in performance reports to individual case records to provide assurances over accuracy of data being reported.

The Council has published a Council Plan which runs from 2022/23 to 2026/27 and sets out how the Council will operate and what it will focus on delivering. The Plan makes clear that delivery of its priorities will only be achieved by working in partnership with communities, partners, businesses and other stakeholders. Similarly, the Telford Vision 2032, as published on the Council's website, acknowledges that it has been developed and will be delivered by a partnership of organisations from across the borough.

The Council have taken the responsibility to update the classification of certain assets between Investment Properties and Property Plant & Equipment which was suggested by KPMG in the last year. This will improve quality of overall financial reporting.

There were no outsourcing of services or partnerships in this period, so it was not required to be monitored

Risk assessment conclusion


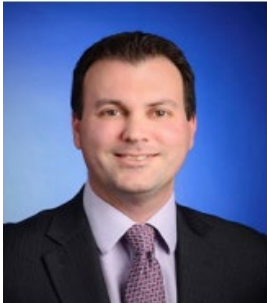


Based on the risk assessment procedures performed to date **we have not identified a significant risk associated with Improving economy, efficiency and effectiveness.**

Appendix

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Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit director and firm.

	<p>Andrew Cardoza is the director responsible for our audit. He will lead our audit work, attend the Audit Committee and be responsible for the opinions that we issue.</p>		<p>Duncan Laird is the senior manager responsible for our audit. He will co-ordinate our audit work, attend the Audit Committee and ensure we are co-ordinated across our accounts and VFM work.</p>
	<p>Arpit Sarraf is the manager responsible for our audit. He will co-ordinate our audit work, attend the Audit Committee and ensure we are co-ordinated across our accounts and VFM work.</p>		<p>Abhishek Bhimsaria is the in-charge responsible for our audit. He will be responsible to complete work on more complex section of the audit.</p>

To comply with professional standard we need to ensure that you appropriately rotate your external audit director. There are no other members of your team which we will need to consider this requirement for:



This will be director's second year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

Audit cycle & timetable

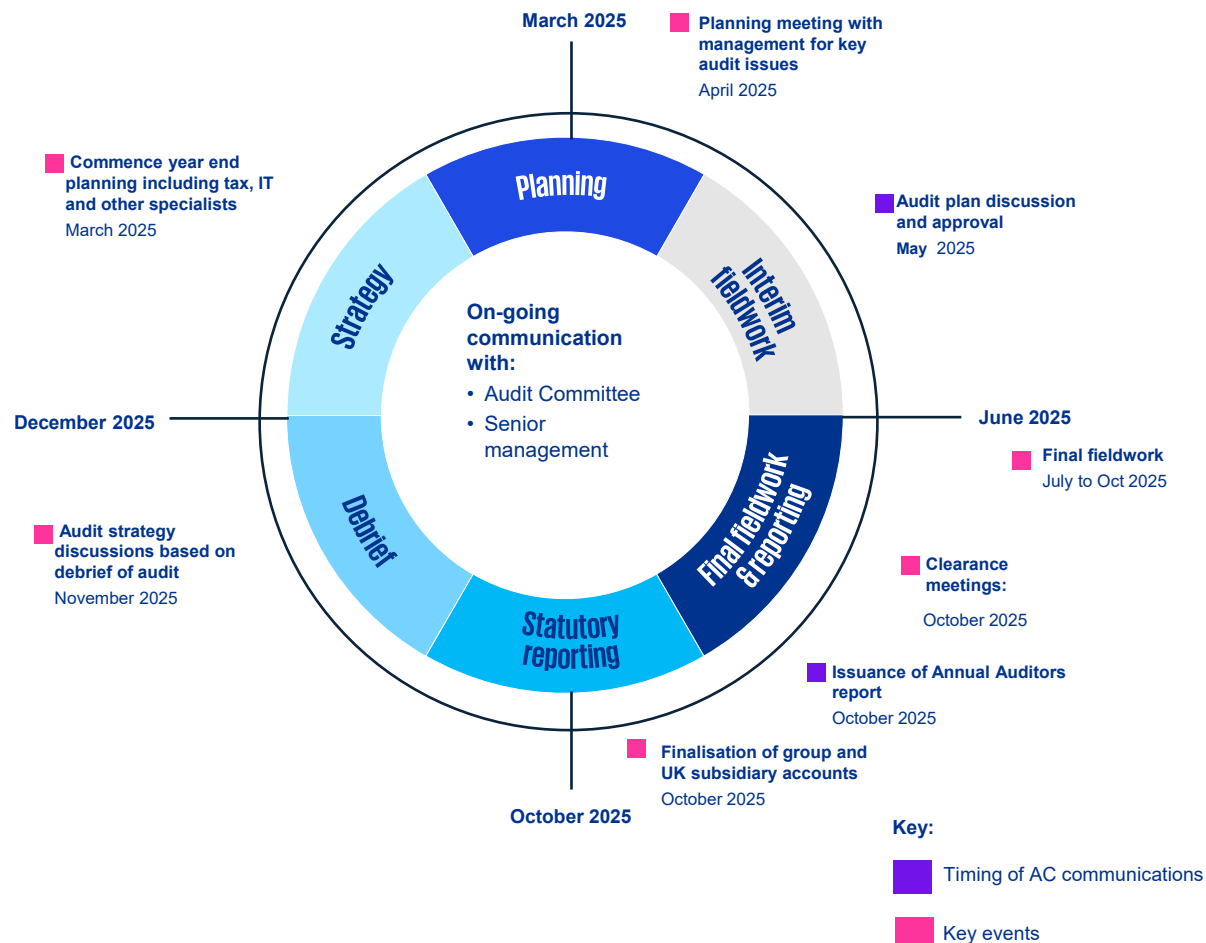
Our schedule March 2025 – Oct 2025

We have worked with management to generate our understanding of the processes and controls in place at the Council in its preparation of the Statement of Accounts.

We have agreed with management an audit cycle and timetable that reflects our aim to sign our audit report by 31st October 2025.

Our approach also differs this year due to the effect of your transition to the new standards. We will need to perform additional audit work and perform it earlier.

Given the large amount of consultation happening in regard to the scope and timing of local government this audit schedule may be subject to change.



Fees

Audit fee

Our fees for the year ended 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2024/25 (£'000)	2023/24 (£'000)
Statutory audit	338	311
Fee Variation for ISA315r and ISA 240	-	16
Fee Variation for CSE & PPE reclassification*	-	13
Total Audit	338	340
Other Assurance Services**	TBC	7
TOTAL	338	347

* Submitted to PSAA

**Certification of the Teachers' Pension Return

Fee variations for ISA600 and IFRS16 are yet to be determined.

The fees also assume no significant risks are identified as part of the Value for Money risk assessment. Additional fees in relation to these areas will be subject to the fees variation process as outlined by the PSAA.

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The entity's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The entity's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of Telford and Wrekin Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result, we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement and that the safeguards we have applied are appropriate and adequate.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out on the table below:

Description of scope of services	Threats to Independence	Safeguards Applied	Basis of fee
Certification of the Teachers Pension return for 24/25	Self review	Work completed by a separate team.	Fixed

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

2024/25	
£'000	
Statutory audit	338
Non-Audit	TBC
Other Assurance Services	TBC
Total Fees	338

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully



KPMG LLP

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

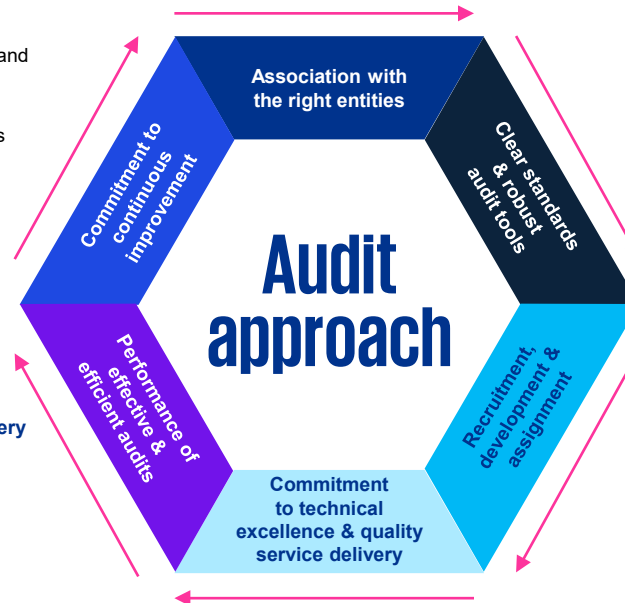
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

Statement on the Effectiveness of our system of quality management

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Our full Statement on the effectiveness of the System of Quality Management of KPMG UK LLP as at 30 September 2023 can be found [here](#).

The extract below is the Statement on the Effectiveness of our system of quality management taken from our Transparency Report:

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), the Financial Reporting Council (FRC)'s International Standard on Quality Management (UK) 1 (ISQM (UK) 1), and KPMG International Limited Policy, KPMG UK LLP (the "Firm" and/or "KPMG UK") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm.

The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a) The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG UK outlines how its System of Quality Management supports the consistent performance of quality engagements in the 2023 Transparency Report.

Integrated quality monitoring and compliance programmes enable KPMG UK to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG UK performs its annual evaluation of the System of Quality Management, KPMG UK evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.



Understanding of IT

Effect on audit effort



Summary

The release of ISA 315 (UK) revised brought an increased focus on Understanding of IT in the audit, and it continues to be an area of focus.

Stakeholders now expect auditors to not only understand IT in detail, but also to consider the impact of the findings from their risk assessment procedures on their planned audit approach.

Why is Understanding of IT so important?

Businesses continue to embrace increasingly complex and sophisticated IT systems and place more and more reliance on automated IT processing not simply for a competitive advantage, but also for "business as usual" operations.

This increased reliance means that to effectively audit accounts, balances and transactions, auditors are required to understand and challenge more around how those IT system and process work.

Therefore, Understanding of IT is a crucial building block of our audit strategy and influences our planned audit approach at every stage.

This is true regardless of whether controls reliance is planned or the audit is expected to be fully substantive in nature.

What kind of things might we identify?

As part of our risk assessment procedures, we perform:

- An assessment of the formality, or otherwise, of certain financially relevant IT processes
- An evaluation of the design and implementation of related general IT controls
- An evaluation of the design and implementation of automated process level controls

As a result of these procedures, we may identify IT control deficiencies or IT process informalities that may have an impact on our planned audit approach.

Additionally, we may identify findings related to the wider control environment or threats to the accuracy or completeness of the information used by both entity management and auditors alike.

What does this mean for our audits?

Auditors are being asked to consider the findings from their risk assessment procedures over IT in relation to the planned audit approach.

The findings may impact any area of the audit, however there are three main areas of focus where we anticipate that most impact as a result of identifying IT deficiencies or IT process informality;

- Increased risk to data integrity
- Additional fraud risk factors
- Additional high-risk criteria to be used in journals analysis

It is important to understand that these findings may have an impact regardless of planned reliance on automated controls and general IT controls.

Group audit – Revised requirements

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	Key Changes	Impact on our audit
	Risk-based approach <ul style="list-style-type: none"> More granular risk assessment, and greater emphasis on the group auditor's overall responsibility for identifying and assessing the risks to the group financial statements (group FS). 	<ul style="list-style-type: none"> We lead the identification and assessment of risks to the group FS with involvement from component auditors as appropriate. Consequently, the nature of risk assessment procedures we perform has changed and their extent has increased. The approach to identifying and assessing risks to the group FS is more consistent, and risks are more clearly linked to the components in which they arise.
	Approach that is more responsive to risks to the group FS <ul style="list-style-type: none"> New requirement for the group auditor to take overall responsibility for determining the nature, timing and extent of audit procedures to be performed to respond to risks to the group FS. 	<ul style="list-style-type: none"> We lead the design of the response to risks to the group FS with involvement from component auditors as appropriate, which means a more targeted, consistent response to identified risks to the group FS. We exercise more judgment in determining the components at which audit work will be performed and the type of work performed. Compared to the prior year, there is no change to the number of components at which audit work will be performed, and we have changed the type of work performed on the financial information of some components in scope. As we are prescribing required work at a more granular level, there may be increased work for component auditors, particularly in year one, to align the requirements of the group audit and local statutory audits.
	Enhanced quality management <ul style="list-style-type: none"> Enhanced leadership, direction, supervision and review responsibilities of the group engagement partner to proactively manage and achieve audit quality in a group audit. 	<ul style="list-style-type: none"> We determine the resources needed to perform the group audit, including the nature, timing and extent to which component auditors are to be involved in audit work at components. When making this judgement, we evaluate whether we can be sufficiently and appropriately involved in the work of component auditors
	Strengthened communication <ul style="list-style-type: none"> Reinforcing/strengthening requirements for more robust and frequent communications and interactions between the group auditor and component auditors during the audit. 	<ul style="list-style-type: none"> Interactions and two-way communications between the group and component auditor are strengthened, including in relation to our respective responsibilities and how these will be met; relevant ethical requirements, including independence standards; determining the competence and capabilities of the component auditor; and determining the nature and extent of our involvement in their work.

ISA (UK) 600 Revised: Summary of changes



Summary

ISA (UK) 600 (Revised): Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors) is effective for periods commencing on or after 15 December 2023.

The new and revised requirements better aligns the standard with recently revised standards such as ISQM 1, ISA (UK) 220 (Revised) and ISA (UK) 315 (Revised). The revisions also strengthen the auditor's responsibilities related to professional skepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and documentation.

Area	Summary of changes and impact	Effect on audit effort
Risk-based approach	The nature and extent of risk assessment procedures performed by the group auditor at group level may increase, which may include further inquiries of group and/or component management and those charged with governance; analytical procedures, attendance of walkthroughs at components, and inspection and/or observation of additional component information. Consequently, while we will continue to work across the group audit to be as efficient in our interactions with you as possible, group and component management will typically receive additional, and more specific/granular requests, for information from both the group and component auditors.	
Group auditor responsibilities	Through a more targeted audit response to address the group Risks of Material Misstatement, we may perform audit work and communicate with component management at a greater number of components within the group, and we may request less information from component management at certain components where we previously performed full scope audits for the Group audit, if we determine that a full scope audit is no longer necessary. While statutory audit requirements will still apply, this change may be beneficial for overall audit effort where a statutory audit is not required.	
Flexibility in defining components	You may also see changes in the planned scope and timing of the audit in communications to group management and those charged with governance, such as changes to the identification of components and the work to be performed on their financial information, and/or changes to the nature of the group auditor's planned involvement in the work to be performed by component auditors. The impact will be greater where there are more components.	
Quality management	Enhanced leadership, direction, supervision and review responsibilities of the group engagement partner may result in the group engagement partner needing to engage more extensively with group management, your component management and component auditors throughout the audit.	
Robust communication	If the group auditor determines that the increased work effort is needed, this determination will impact how much, and the type of, information you will need to provide to the group auditor or component auditors. The group auditor is required to prescribe required work at a more granular level. This may mean there is increased work for component auditors, particularly in year one, to align the requirements of the group audit and local statutory audits. We will continue to work closely to minimise this.	
Application of materiality and aggregation risk	Changes in component performance materiality may result in changes to the nature, timing and extent of component auditor's work. If so, this may impact how much, and the type of, information you will need to provide to the group auditor or component auditors.	
Revised independence principles	This may make it more challenging to address auditor rotation and other independence requirements for component auditors we may plan to involve in the group audit and mean more matters impacting independence may need to be communicated to you. Potential changes to the component auditor firms engaged to perform work on financial information of components.	

FRC's areas of focus

The FRC released their **Annual Review of Corporate Reporting 2023/24** ('the Review') in September 2024 having already issued three thematic reviews during the year.

The Review and thematic reviews identify where the FRC believes companies can improve their reporting. These slides give a high level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.



Key expectations for 2024/25 annual reports

Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained this year, but there is a widening gap in standards between FTSE 350 and non-FTSE 350 companies. This is noticeable in the FRC's top two focus areas, 'Impairment of assets' and 'Cash Flow Statements'.

'Provisions and contingencies' has fallen out of the top ten issues for the first time in over five years. This issue is replaced by 'Taskforce for Climate-related Financial Disclosures (TCFD) and climate-related narrative reporting'.

The FRC re-iterates that companies should apply careful judgement to tell a consistent and coherent story whilst ensuring the annual report is clear, concise and company-specific.

Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. The FRC continues to be frustrated by the increasing level of restatements affecting the presentation of primary statements. This indicates that thorough, 'step-back' reviews are not happening in all cases.

Risks and uncertainties

Geopolitical tensions continue and low growth remains a concern in many economies, particularly with respect to going concern, impairment and recognition/recoverability of tax assets and liabilities. The FRC continue to push for enhanced disclosures of risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

Financial reporting framework

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented. In particular the requirements for a true and fair view, along with a fair, balanced, and comprehensive review of the company's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, and companies should exercise judgement in determining what information to include.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

FRC's areas of focus (cont.)

Impairment of assets

Impairment remains a key topic of concern, exacerbated in the current year by an increase in restatements of parent company investments in subsidiaries.

Disclosures should provide adequate information about key inputs and assumptions, which should be consistent with events, operations and risks noted elsewhere in the annual report and be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and should not extend beyond five years without explanation.

Preparers should consider whether there is an indicator of impairment in the parent when its net assets exceed the group's market capitalisation. They should also consider how intercompany loans are factored into these impairment assessments.

Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements, and this was highlighted in the ['Offsetting in the financial statements'](#) thematic.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

Climate

This is a top-ten issue for the first time this year, following the implementation of TCFD.

Companies should clearly state the extent of compliance with TCFD, the reasons for any non-compliance and the steps and timeframe for remedying that non-compliance. Where a company is also applying the Companies Act 2006 Climate-related Financial Disclosures, these are mandatory and cannot be 'explained', further the required location in the annual report differs.

Companies are reminded of the importance of focusing only on material climate-related information. Disclosures should be concise and company specific and provide sufficient detail without obscuring material information.

It is also important that there is consistency within the annual report, and that material climate related matters are addressed within the financial statements.

Financial instruments

The number of queries on this topic remains high, with Expected Credit Loss (ECL) provisions being a common topic outside of the FTSE 350 and for non-financial and parent companies.

Disclosures on ECL provisions should explain the significant assumptions applied, including concentrations of risk where material. These disclosures should be consistent with circumstances described elsewhere in the annual report.

Companies should ensure sufficient explanation is provided of material financial instruments, including company-specific accounting policies.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

Judgements and estimates

Disclosures over judgements and estimates are improving, however these remain vital to allow users to understand the position taken by the company. This is particularly important during periods of economic and geopolitical uncertainty.

These disclosures should describe the significant judgements and uncertainties with sufficient, appropriate detail and in simple language.

Estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

Further, sensitivities and the range of possible outcomes should be provided to allow users to understand the significant judgements and estimates.

FRC's areas of focus (cont.)

Revenue

Disclosures should be specific and, for each material revenue stream, give details of the timing and basis of revenue recognition, and the methodology applied. Where this results in a significant judgement, this should be clear.

Presentation

Disclosures should be consistent with information elsewhere in the annual report and cover company-specific material accounting policy information.

A thorough review should be performed for common non-compliance areas of IAS 1.

Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the annual report.

The effect of Pillar Two income taxes should be disclosed where applicable.

Strategic report and Companies Act

The strategic report must be 'fair, balanced and comprehensive'. Including covering all aspects of performance, economic uncertainty and significant movements in the primary statements.

Companies should ensure they comply with all the statutory requirements for making distributions and repurchasing shares.

Fair value measurement

Explanations of the valuation techniques and assumptions used should be clear and specific to the company.

Significant unobservable inputs should be quantified and the sensitivity of the fair value to reasonably possible changes in these inputs should provide meaningful information to readers.

Thematic reviews

The FRC has issued three thematic reviews this year: 'Reporting by the UK's largest private companies' (see below), 'Offsetting in the financial statements', and 'IFRS 17 Insurance contracts – Disclosures in the first year of application'. The FRC have also performed Retail sector research (see below).

UK's largest private companies

The quality of reporting by these entities was found to be mixed, particularly in explaining complex or judgemental matters. The FRC would expect a critical review of the draft annual report to consider:

- internal consistency
- whether the report as a whole is clear, concise, and understandable; notably with respect to the strategic report
- whether it omits immaterial information, or
- whether additional information is necessary for the users understanding particularly with respect to revenue, judgments and estimates and provisions

Retail sector focus



Retail is a priority sector for the FRC and the research considered issues of particular relevance to the sector including:

- Impairment testing and the impact of online sales and related infrastructure
- Alternative performance measures including like for like (LFL) and adjusted e.g. pre-IFRS 16 measures
- Leased property and the disclosure of lease term judgements, particularly for expired leases.
- Supplier income arrangements and the clarity of accounting policies and significant judgements around measurement and presentation of these.

2024/25 review priorities

The FRC has indicated that its 2024/25 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

 **Industrial metals and mining**
 **Retail**

 **Construction and materials**
 **Gas, water and multi-utilities**

 **Food producers**
 **Financial Services**



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Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 May 2025

Internal Audit Annual Report 2024-25, & the Audit Committee Annual Report and the 2025-26 Annual Audit Plan

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Tracey Drummond - Principal Auditor Rob Montgomery - Audit, Governance & Procurement Lead Manager
Officer Contact Details:	Tel: 01952 383105 Email: tracey.drummond@telford.gov.uk 01952 308103 robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 May 2025 Audit Committee – 28 May 2025

1.0 Recommendations for decision/noting:

It is recommended that the Audit Committee:

- 1.1 Note the Internal Audit Annual Report for 2024/25.
- 1.2 Approve the Internal Audit Plan 2025/26, attached as **Appendix B**.
- 1.3 Note the operations of the Audit Committee for 2024/25 attached at **Appendix C**.

2.0 Purpose of Report

The purpose of this report is to present to members:

- 2.1 The 2024/25 Internal Audit Annual Report
- 2.2 The operations of the Audit Committee for 2024/25 and
- 2.3 The 2025/26 Annual Audit Plan.

3.0 Background

3.1 The terms of reference of the Audit Committee include:

- 1. *“The approval (but not direction) of and monitoring of progress against, the Internal Audit Charter and Plan.....”*
- 9. *‘Consider the effectiveness of the Council’s governance processes and their compliance with legislation and best practice.....’*

This report presents information to meet the requirements of these sections of the terms of reference and to continue to demonstrate good governance and support the Annual Governance Statement (AGS).

The Public Sector Internal Audit Standards are deemed as proper practice under the Accounts and Audit Regulations 2015 for Local Government in England. The standards state:

2450 Overall Opinions

When an overall opinion is issued, it must take into account the expectations of senior management, the board and other stakeholders and must be supported by sufficient, reliable, relevant and useful information.

Public sector requirement

The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

This report meets these requirements.

- 3.2 The Audit Committee is part of the Council's governance and assurance arrangements. The key benefits of the Audit Committee are:
- ✓ raising awareness on the need for and benefits arising from good governance (including risk management) and internal control including the implementation of both internal and external audit recommendations.
 - ✓ demonstrating the objectivity and fairness of financial and other reporting.
 - ✓ reinforcing the importance and independence of internal and external audit.
 - ✓ providing additional assurance through a process of independent and objective review by a cross party group of elected Members who can, and do, challenge Cabinet Members and Senior Officers.

As the key assurance Committee of the Council, it is best practice that an Annual Report is presented to the Council at the May meeting, on the operations of the Committee during the preceding year, in this case 2024-25. The structure of the report is based on the terms of reference and includes a summary of the business conducted by the Committee during this period (attached as Appendix C).

4.0 2024/25 INTERNAL AUDIT ANNUAL REPORT

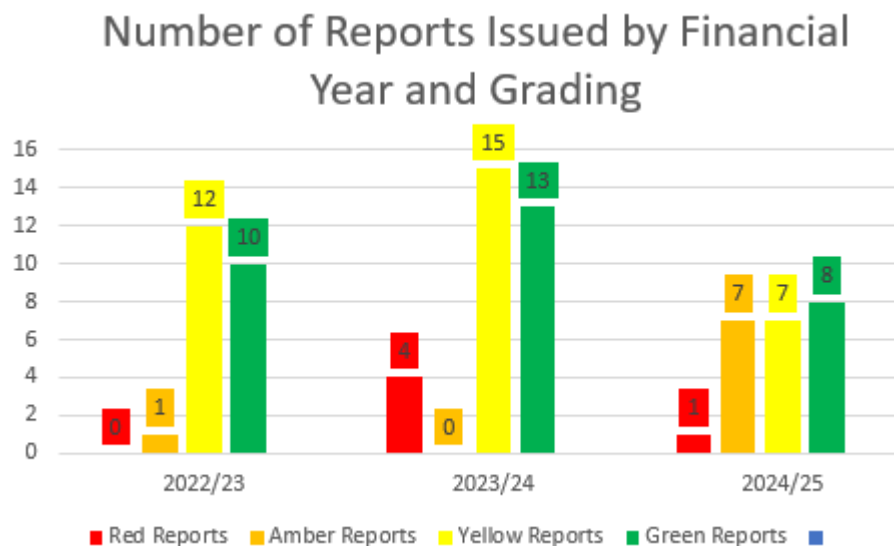
4.1 Assurance and Opinion

- 4.1.1 The Council's Section 151 Officer's statutory obligation under the Accounts and Audit Regulations 2015 to review the effectiveness of the system of internal control is informed by the work of Internal Audit. The assurance derived from this work forms part of the Council's assurance framework.
- 4.1.2 The system of internal control helps the Council to manage and control the risks which could affect the achievement of its priorities and objectives rather than eliminate them completely. Internal Audit and the other assurance processes therefore provide reasonable and not absolute assurance of the adequacy and effectiveness of the Council's framework of governance, risk management and internal control which is included within the Annual Governance Statement.
- 4.1.3 The planned Internal Audit resources for 2024/25 was initially 610 days. In 2024/25 there have been a number of unplanned audit assignments which resulted in some planned audits being deferred and replaced with the unplanned work. Deferred audits and resource challenges within the Internal Audit team, resulted in the plan being reduced to 422 days. The Audit Committee have been kept informed throughout the year of changes to the plan. The team achieved 93% of the planned work, see 4.1.8, with some items being rescheduled and included in the 2025/2026 plan.

Based on internal audit work undertaken during the year (areas attached as **Appendix A**), the implementation by management of the agreed

recommendations and assurance obtained from other work/sources, the Chief Internal Auditor's **annual opinion provides reasonable assurance in respect to the adequacy and effectiveness of the Council's framework of governance, risk management and internal control** within the areas of the Council reviewed during the year. See paragraph 5.6 in the Annual Governance Statement for reasoning for giving this opinion.

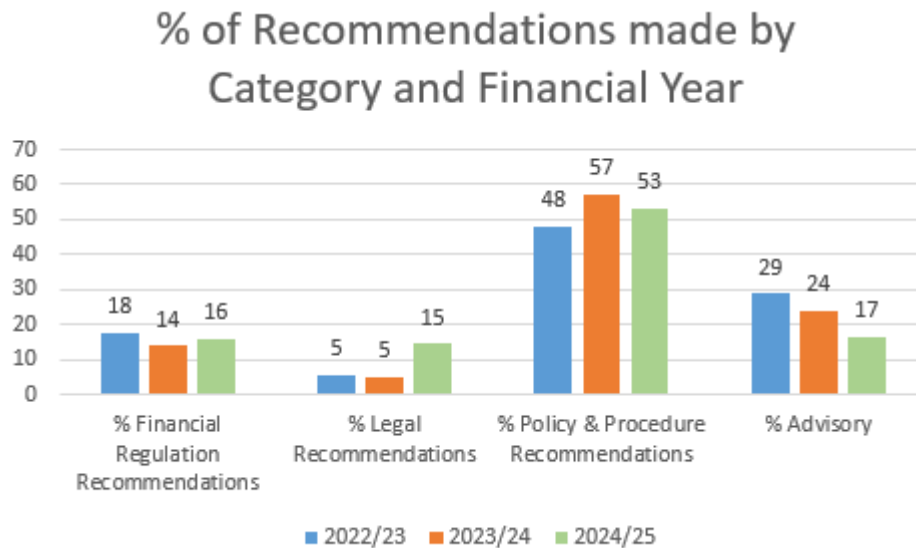
- 4.1.4 As in previous years senior management have provided information or updates to the Audit Committee where requested to provide explanations as to why progress on the implementation of recommendations was not as agreed.
- 4.1.5 The information below details the number of reports issued and their grading. This information is shown below for 2024/25 with comparisons with 2023/24 and 2022/23



(Grading's - Green = good; Yellow = reasonable; Amber = limited; Red = poor)

The above graph shows that the number of green, yellow, and red reports issued during 2024/25 has decreased compared to 2023/24, while the number of amber reports has increased.

- 4.1.6 Further analysis shows the types and percentage of recommendations made in audit reports, and this is detailed in the graph below:



In 2024/25 there were 247 recommendations made in total compared to 244 in 2023/24 and 146 in 2022/23.

- 4.1.7 Internal Audit reports show advisory points, these are low risk findings which managers may find useful to consider but are not of any significant risk to necessitate making a recommendation.
- 4.1.8 The Internal Audit Team has faced resource challenges during the year but has still managed to complete 93% of the annual audit plan. The Internal Audit Team continue to work with services to ensure risks are appropriately managed and adequate systems of internal control are in place.
- 4.1.9 It can be confirmed that in 2024/25, there has been no impairment to the independence and objectivity of the Audit, Governance & Procurement Lead Manager and/or the Internal Audit Service.

4.2 Public Sector Internal Audit Standards (PSIAS) and External Assessment

- 4.2.1 The Public Sector Internal Audit Standards (PSIAS) (defined proper practice under the Accounts and Audit Regulations 2015) were effective from 1st April 2013. It is a requirement that Internal Audit are assessed against these standards every 5 years. The last external assessment, completed by CIPFA in 2022, reported that the Council's Internal Audit Team fully met the requirement of the standards. The findings of the assessment have previously been reported to the Audit Committee.
- 4.2.2 The Quality Assurance & Improvement Programme (QA&IP) was followed during the year. The Audit, Governance & Procurement Lead Manager undertakes monthly spot checks of completed internal audit work against PSIAS requirements. Any actions/areas for development have been fed back to the Internal Audit team in year lessons learnt from the QAIP are fed into regular reviews of Internal Audit processes and procedures.

4.2.3 Improvements to audit processes and procedures are continually being reviewed and updated to ensure compliance with the standards.

4.2.4 These standards have been reviewed globally by the Institute of Internal Auditors and updated standards for the public sector have been in place since 1 April 2025.

4.3 Performance reviewed by External Audit

4.3.1 KPMG are appointed as the Council's External Auditor from 2023/24 for a 5 year period. KPMG undertake their own external reviews including the signing off of the Council's financial statements.

4.4 Improvement Activity

4.4.1 During the year, to improve the team's efficiency, effectiveness and productivity, team meetings and development sessions have taken place. Internal Audit have looked to make changes to improve their adherence to the PSIAS and have investigated and implemented new/alternative ways of service delivery. Audit share best practice with other local authorities and regularly attend local network groups.

4.4.2 The Audit, Governance & Procurement Lead Manager attends the Local Authority Chief Auditors Network (LACAN). Other members of the team also attend the regional West Midlands Fraud Group (when relevant) which assists in identifying best practice and different approaches to audit work and information exchange.

4.4.3 The Internal Audit Team monitor their performance using key performance indicators detailed in the table below. Results for 2024/25 demonstrate that team performance met or exceed targets set, see table below.

KPI Definition	Proposed Target	2024/25 Results
% completion of the annual audit plan.	90%	93%
% of draft audit reports issued within 15 working days from completion of audit fieldwork	90%	95%
% of auditees either satisfied or very satisfied with audit work undertaken	90%	100%
% of recommendations accepted at draft stage	95%	95%

4.5 Customer Feedback

4.5.1 Internal Audit receives customer feedback in several ways:-

- a) Informal feedback from auditees during the audit
- b) Seeking feedback from auditees at draft report discussion meetings
- c) Completion of a post audit electronic questionnaire

4.5.2 Customer surveys are issued electronically with every completed audit report. The survey is broken down into different categories (parts of the audit process) and has a number of questions in each section. These sections ask for comments in the following areas: Pre-audit arrangements, audit visit, communication, the reporting process and whether the auditee thinks Internal Audit adds value to their service area.

4.5.3 The table below shows the % of customers who responded to the question in each category as 'excellent' or 'very good'. Responses were compared to 2023/24 results:

2023/24	2024/25
Pre-audit arrangements	
93%	100%
Audit Visit	
100%	100%
Communication	
93%	100%
Reporting	
95%	100%
Added Value	
100%	100%

Results show that 100% of customers continue to think that Internal Audit is a positive support and adds value to their service. In comparison to feedback received for 2023/24, the team's customer performance has remained extremely high within all categories included in the customer feedback form.

Improvements continue to be made through staff training and the ongoing review of audit processes and procedures.

5.0 CONCLUSION FOR 2024/25

5.1 Internal Audit have performed well and continue to make a positive contribution to the governance arrangements within the Council. During 2024/25, completion of the audit plan increased from the previous year.

5.2 The statutory responsibilities of the Council's Chief Financial Officer (Section 151 Officer) in respect of internal audit and internal control have been met and the work of the Internal Audit Team and other assurance activity has provided

reasonable assurance to the Council on the adequacy of operation of the Council's internal controls, governance and risk management processes.

- 5.3 The Internal Audit Team have also continued to provide adhoc advice and guidance on governance, procedures, controls and risk management.
- 5.4 However, there are changes occurring both within and outside the Council during 2025/26 and beyond which could affect the team's future activities including:
- a) The continued pressure on the Council's budget strategy
 - b) Reduced staffing levels across the Council, revised governance arrangements and reduced supervisory levels
 - c) Compliance with changing statutory and legislative requirements
 - d) Changes to the Public Sector Internal Audit Standards

6.0 AUDIT COMMITTEE ANNUAL REPORT

6.1 Internal Audit

- 6.1.1 The Internal Audit team has continued to provide the Committee with reports on work undertaken as outlined in the Public Sector Internal Audit Standards (PSIAS) and the Constitution, highlighting any areas requiring attention by Members.
- 6.1.2 The Internal Audit Plan for 2024/25 was approved by the Committee at the May 2024 meeting and the Internal Audit Charter for 2025/26 was approved by the Committee at the January 2025 meeting.

6.2 External Audit

- 6.2.1 The External Auditors, KPMG, have produced/presented their reports to the Committee as required by legislation, accounting standards and the external audit code of practice.

6.3 Governance

- 6.3.2 The Annual Governance Statement 2023/24 was approved at the May 2024 Audit Committee meeting. An update on the Annual Governance Statement action plan was presented to the committee in January 2025.
- 6.3.3 The July 2024 and January 2025 meetings reviewed the Council's Strategic Risk Register.
- 6.3.4 The 2023/24 Information Governance Annual Report was presented to the Committee in May 2024.

6.4 Treasury Management

- 6.4.2 The Committee received the 2023/24 outturn and in year updates for 2024/25. The Treasury Management Strategy 2024/25 was reviewed prior to approval by Cabinet.

6.5 Statement of Accounts 2023/24

- 6.5.1 The Statement of Accounts was approved by the Committee at the January 2025 meeting. As in previous years a training session with key Finance staff who explained the statements and the changes that had occurred was completed the evening before the approval meeting.

6.6 Anti-Fraud & Corruption

- 6.6.1 The 2023/24 Anti-Fraud & Corruption Annual Report and 2023/24 updated policy was received in May 2024.

6.7 General

- 6.7.1 The Committee reviewed its Terms of Reference at its first meeting of the municipal year, as set out in the Constitution.

6.8 Conclusions for 2024/25 and the future 2025/26

- 6.8.1 The Committee has considered comprehensive agendas in order to provide assurance for Members and the community on the audit, governance (including information governance), risk management, financial statements, treasury management, complaints and anti-fraud and corruption arrangements of the Council.
- 6.8.2 The Committee recognises that the Council is continuing to experience some significant challenges and that it must continue to seek and provide appropriate assurance during 2025/26. Most notable are the impact of organisational changes, continued significant reductions in resources and the more commercial approach being adopted by the Council.

7.0 Internal Audit Plan 2025/26

- 7.1 Internal Audit has a statutory obligation to provide assurance to the Council as part of the Council's corporate governance framework and the effective management of risks. It also strives to provide a quality, added value and up to date service for the Council.
- 7.2 Internal Audit work, in addition to obtaining assurance on key areas, risk management and controls for the Council, aims to challenge where controls are not required, question value for money and make suggestions for adjustments to existing controls to make processes more efficient. This will assist managers and

their teams to achieve their objectives, identify further savings and contribute to the achievement of the Council's priorities.

- 7.3 Internal Audit resources are limited. To ensure Internal Audit can provide reasonable assurance to managers, Members and the Council an annual Audit Plan is developed. PSIAS and good practice set out that Internal Audit planning should be directly linked to the Council's objectives and priorities and be directed by the Audit Charter agreed by the Audit Committee in January 2025. The plan is informed and influenced by previous Internal Audit work, areas highlighted during previous audits, areas identified by management teams, External Audit requirements, the strategic and IDT risk registers, external assessments and local, regional and national networking intelligence.
- 7.4 The plan is attached as **Appendix B**, it has, has been drawn up based on the internal and external resources available for 2025/26 (see 7.5 below), the factors in paragraph 7.3 above and discussions with the SMT and management. The resultant plan should provide a reasonable level of assurance for 2025/26 but limited to the areas reviewed.
- 7.5 The planned available audit resource for 2025/26 is 628 days. The audit plan is dynamic/scalable as it is based on risk and can change where new risks are identified. Audit therefore intend to continually review the plan and meet with Managers to discuss the audits required to be completed in order to provide a reasonable level of assurance at the end of 2025/26. Audit Committee members will be updated throughout the year with any changes to the 2025/26 plan.
- 7.6 The plan includes approximate 2% contingency to meet any unexpected work requirements, any changes identified during the year or changes to resources during the year. Due to the nature of the plan and its link to risks, during delivery there will be regular dialogue with the Chief Executive, SMT and Managers to ensure that the appropriate risks and controls are being reviewed by the resources available. Any significant changes will be agreed with the Chief Executive and the appropriate Director/Executive Director and will be reported for information to the Senior Management Team and this Committee.
- 7.7 The External Auditor undertakes their own planning process and presents their plan to the Audit Committee. Internal Audit and Senior Management liaise with them to ensure that duplication is avoided, that the key risks are reviewed and that the external audit fee is minimised. Similar liaison takes place with Scrutiny to avoid duplication or to ensure work is complementary.

8.0 Summary of main proposals

- 8.1 That members note the 2024/25 Internal Audit Annual Report.
- 8.2 That members note the operations of the Audit Committee for 2024/25.
- 8.3 Members approve the 2052/26 Annual Audit Plan.

9.0 Alternative Options

- 9.1 Members can reject the 2025/26 Annual Audit Plan and request changes to be made.

10.0 Key Risks

- 10.1 All aspects of the Audit Team's work supports managers and the Council to identify and manage their risks and opportunities.

11.0 Council Priorities

- 11.1 A community-focussed, innovative council providing efficient, effective and quality services.

12.0 Financial Implications

- 12.1 There are no direct financial implications arising from the recommendations within this report.

13.0 Legal and HR Implications

- 13.1 The Accounts and Audit Regulations 2015 sets out the detailed requirements for local authorities in relation to keeping adequate accounting records and control systems, preparing, approving and publishing a statement of accounts, and making various documents available for public inspection and objection and questioning by local electors. The Local Audit (Public Access to Documents) Act 2017 also extends public inspection rights to journalists.
- 13.2 This report is one of the ways the Council is able to demonstrate compliance with the statutory requirements identified above together with good practice. In the event that an audit reveals an issue which requires legal advice the Council's Legal Services team are available to provide such advice and support. There are no HR implications arising from this report.

14.0 Ward Implications

- 14.1 The work of the Audit team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards.

15.0 Health, Social and Economic Implications

- 15.1 There are no health, social or economic implications directly arising from this report.

16.0 Equality and Diversity Implications

- 16.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

17.0 Climate Change, Biodiversity and Environmental Implications

- 17.1 There are no direct climate change and environmental implications arising from this report.

18.0 Background Papers

- 1 Annual Audit Plan 2024/25 and Charter
- 2 Public Sector Internal Audit Standards – Applying the IIA Internal Standards to the UK Public Sector 2013 and External Assessment January 2017

19.0 Appendices

- A Work of internal audit during 2024/25
- B 2025/26 Internal Audit Work Plan
- C Audit Committee Activity during 2024/25

20.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	01/05/2025	02/05/2025	AEM
Legal	01/05/2025	16/05/2025	EH

APPENDIX A

Work undertaken during 2024/25 of more than 1 day (Including External Contracts)

AUDIT AREA	DAYS
Abraham Darby Leisure Centre	8.61
Academy - Codsall MAT Academic Yr 2023-24	9.19
Academy - LCT MAT 2024-25 (Academic Yr 2023-24)	9.73
Academy - Manor MAT 2024-25 (Academic Yr 2023-24)	13.71
Academy - Manor MAT (Academic Year 2024/25)	0.14
Academy Barrow 1618 (Academic Year 2024-25)	3.74
Academy Empower (Academic Year 2023-24)	4.01
Academy Empower (Academic Year 2024- 25)	2.5
Academy Lykos (Academic Year 2023-24)	7.73
Academy Lykos (Academic Year 2024-25)	4.37
Academy NGHS (Academic Year 2023-24)	6.09
Academy Severn Bridges (Academic Year 2024-25)	2.14
Academy Shropshire Gateway (Academic Year 2023-24)	5.48
Academy Shropshire Gateway (Academic Year 2023-24)	0.24
Advice & Consultancy including org change	8.99
Annual Governance Statement 2023-24	5.17
Benefits 2024-25	1.82
BIT	5.00
Coalbrookdale & Ironbridge Primary School	1.49
Family Hub Grant	2.95
Follow up - Direct Payment Adults (Red Report)	2.30
Follow ups	14.88
GPC	4.36
Happy Healthy Active Holidays Grant 2023-24	3.18
Holmer Lake Primary School	4.83
Home to School Transport	2.33
Homelessness	7.20
HR / Payroll 2023-24	17.33
HUG2 Grant	4.00
Ladygrove Primary School	5.54
Lawley Primary School (24-25)	4.86
Local Transport Capital Block Funding 2023-24	2.00
Madeley Nursery School (2024-25)	3.39
Madeley Town Council 2023-24	10.21
Mileage Report	11.52
MIS Headway (Planning)	10.00
Oakengates Town Council (2023-24)	6.48
Ombudsman Complaints	25.57
Property Investment Portfolio (Marketing & Vetting)	4.47

PSP Register (24-25)	8.85
Randlay Primary	1.22
Sales Ledger (2023-24)	5.35
Section 17 and No Recourse to Public Funds	2.09
Selling Audit Services	3.14
Serious Violence	10.38
Ski Centre (2024-25)	12.07
St Marys Primary School	4.48
Start Up Grants	3.72
Strengthening Families Grant	6.22
Supported Living 2024-25	10.27
Treasury Management 2024-25	10.68

AUDIT COMMITTEE ACTIVITY 2024/25

Area	Activity
Internal Audit	Internal Audit Annual Report 2023/24 Internal update reports of work undertaken throughout the year. Internal Audit Plan 2024/25 Internal Audit Charter for 2025/26
External Audit	KPG External audit update reports throughout the year
Governance	Annual Governance Statement (AGS) 2023/24 Half yearly progress on the 2023/24 AGS Action Plan Review of the Strategic Risk Register Information Governance Annual Report 2023/24 Caldicott Guardian Annual Report 2023/24 Information Governance work programme 2024/25 Publication of Information on Councillors who Traded with the Council during 2023/24 Audit Committee Annual Report 2023/24
Treasury Management	Treasury Management Outturn report 2023/24 update 2024/25 Draft 2024/25 Treasury Management Strategy Treasury Management update 2023/24 Verbal presentation from Councils Treasury Advisors
Statement of Accounts	Draft Statement of Accounts 2023/24 Audited Annual Statement of Accounts 2023/24
Fraud & Corruption	2023/24 Annual Report on Corporate Anti-Fraud & Corruption Policy and Policy update 2023/24.
General	Audit Committee terms of Reference reviewed. Annual customer feedback report and assurance on lessons learnt 2023/24. Climate change management – becoming carbon neutral and plastic free update. Assurance on the Council's partnership arrangements

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Audit Area	Service Area	AD	Days	Priority	Risk rating
General ledger, assets & capital accounting - fixed asset module	Finance & Human Resources	MB	15	All	H
Payroll/HR	Finance & Human Resources	MB	15	All	H
Sales Ledger	Finance & Human Resources	MB	15	All	H
Council Tax/ NNDR	Finance & Human Resources	MB	15	All	H
Purchase Ledger	Finance & Human Resources	MB	15	All	H
S106	Finance & Human Resources	SW	as below	All	M
IDT x 5	Finance & Human Resources	MB	46	All	H
Transition Leaving Care	Children's Safeguarding and Family Support	DK	10	1,2 & 5	M
Together 4 Children (shared audit with other LA)	Children's Safeguarding and Family Support	DK	8	1,2, & 5	M
Commissioning	Children's Safeguarding and Family Support	DK	12	1,2 & 5	H
Direct Payments	Children's Safeguarding and Family Support	DK	15	1,2 & 6	M
Brokerage	Adult Social care	SF	12	1,2,3 & 5	M
Deferred Payments	Adult Social care	SF	12	1,2,3 & 5	M
Direct Payments	Adult Social care	SF	15	1,2,3 & 5	M
Money Laundering	Policy & Governance	AL	8	2 & 5	H
Risk Management	Policy & Governance	AL	8	All	M
Legal system	Policy & Governance	AL	10	All	M
Licensing	Policy & Governance	AL	12	2,3 & 5	M
Future Focus (NEET)	Education & Skills	SW	8	1,2,5	M
Connect to Work	Education & Skills	SW	8	1,2,5	M
S106	Education & Skills	SW	as below	All	M
Schools (8 schools)	Education & Skills	SW	40	1,3,5	M
Gypsy & Travellers	Neighbourhood & Enforcement	DS	9	1,2,3 & 5	H
S106	Neighbourhood & Enforcement	DS	as below	All	M

Audit Area	Service Area	AD	Days	Priority	Risk rating
Oakengates Leisure Centre	Housing, Commercial & Customer Services	KK	10	All	M
Town Park	Housing, Commercial & Customer Services	KK	10	All	M
Benefits	Housing, Commercial & Customer Services	KK	15	All	M
Housing Management & Temporary Accommodation	Housing, Commercial & Customer Services	KK	As below	All	M
S106	Prosperity & Investment	JD	9	All	M
Housing Management	Prosperity & Investment	JD	10	All	M
Domestic Abuse Act	Health & Wellbeing	HO	10	1,3,5	M
Grants					
Local Transport Capital block funding	Finance & HR and Neighbourhood & Enforcement	MB	2	2,3,4 & 5	M
Bus subsidy grant	Finance & HR and Neighbourhood & Enforcement	MB	2	2,3,4 & 5	M
Substance Misuse Grant	Finance & HR and Health & Wellbeing	MB	2	All	M
Family Hub	Finance & HR and Childrens Safeguarding	MB	2	All	M
HUG 2 grant (home Upgrade Grant)	Finance & HR and Housing, Commercial & Customer Services	MB	2	2,3,4 & 5	M
Happy Healthy Active Holidays	Finance & HR and Educ/Skills	MB	2	All	M
Reallocated HS2 Funding	Finance & HR	MB	2	All	M
Stop Smoking Grant	Finance & HR and Health & Wellbeing	MB	2	All	M
Corporate audits					
Procurement/Contract Monitoring	All service areas	all	15	All	H
Mileage Checks	All service areas	all	12	All	M

Total for new audits	415
external commercial work	129
Advice & guidance	19
Local Government Ombudsman	35
Annual Governance Statement	8
Follow ups	10
Contingency	12
Sub total	628
Available days (12 months)	628

1 -Every child, young person and adult lives well in their community
2 -Everyone benefits from a thriving economy
3 -All neighbourhoods are a great place to live
4-our natural environment is protected - we take a leading role in addressing the climate emergency
5- A community focused, innovative council providing efficient, effective and quality services



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 May 2025

Internal Audit Activity Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author	Tracey Drummond - Principal Auditor Rob Montgomery - Audit, Governance & Procurement Lead Manager
Officer Contact Details:	Tel: 01952 383105 Email: tracey.drummond@telford.gov.uk, 01952 383103 robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 May 2025 Audit Committee - 28 May 2025

1.0 Recommendations for decision/noting:

Audit Committee are asked to:

- 1.1 Note the information contained in this report in respect of the Internal Audit planned work undertaken between 1 January 2025 and 31 March 2025 and unplanned work to date.

2.0 Purpose of Report

- 2.1 The purpose of this report is to update members on the progress made against the 2024/25 Internal Audit Plan and to provide information on the recent work of Internal Audit.

3.0 Background

Internal Audit Activity Report

- 3.1 This report provides information on the work of Internal Audit from 1 January 2025 to 31 March 2025 and provides an update on the progress of previous audit reports issued.
- 3.2 The key focus for the team during this period was the completion of audits on the annual audit plan and fulfilling commercial contracts.
- 3.3 The information included in this progress report will feed into and inform our overall opinion in our Internal Audit Annual Report. All audit reports issued during the year are given an overall audit opinion based on the following criteria:

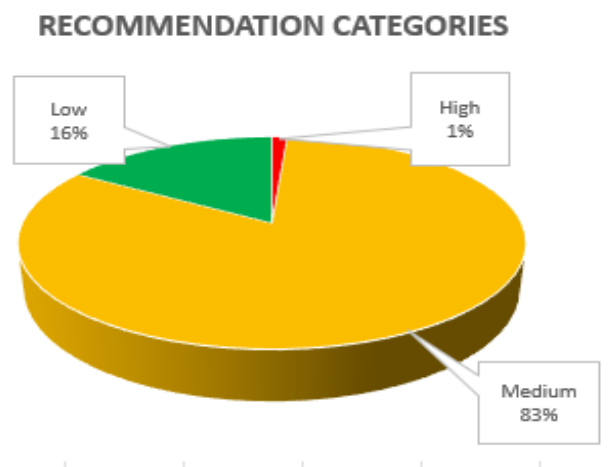
Level of Assurance/Audit Opinion & Definition	
Good (Green) There is a sound system of control designed to address relevant risks with controls being consistently applied.	Reasonable (Yellow) There is a sound system of control but there is evidence of non-compliance with some of the controls.
Limited (Amber) Whilst there is 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.	Poor (Red) The system of control is weak and there is evidence of non-compliance with the controls that do exist.

Internal Audit Activity Report

- 3.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

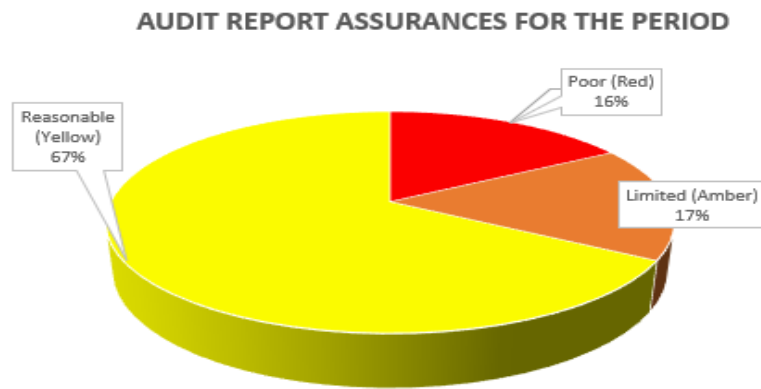
High risk =	A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.
Medium risk =	A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.
Low risk =	A recommendation aimed at improving the existing control environment or improving efficiency, these are normally best practice recommendations.

- 3.5 The chart below shows the percentage of high (red segment), medium (yellow segment) and low (green segment) risk recommendations made in the reports issued during this period.



- 3.6 The level of assurance (based on the table above) for audit reports issued in this period is detailed below.

Internal Audit Activity Report



3.7 The information in the above pie charts is broken down in the summary table below.

AUDIT REPORTS ISSUED BETWEEN 01/01/25– 31/03/2025 AND CURRENT STATUS						
Area	Date of Report	Level of risk on plan	Original Audit Grade	Follow up Due	Revised Grade	Comments
Holmer Lake Primary	12/03/2025	M	Poor	12/7/2025	N/a	
Ski Centre	07/02/2025	M	Limited	07/05/2025	N/a	
Homelessness Reduction	21/01/2025	M	Reasonable	17/08/2025	N/a	
PSP Register	17/02/2025	M	Reasonable	12/06/2025	N/a	
MIS Headway Planning System	12/03/2025	M	Reasonable	12/09/2025	N/a	
Ladygrove Primary School	27/03/2025	M	Reasonable	29/09/2025	N/a	

Internal Audit Activity Report

- 3.8 Detailed below is the status of any reports previously issued and reported to Audit Committee. Members should note that once reports have reached a green status and have been reported to members they are excluded from future Audit Committee reports.

PREVIOUSLY ISSUED REPORTS & CURRENT STATUS					
Area	Date of Report	Original Audit Grade	Status previously reported to Audit Committee	Current Grade	Current status / Comments
Direct Payments Adults	28/11/23	Poor	2 nd follow up complete. Grading changed to reasonable	Reasonable	3 rd follow up complete, grading remains reasonable. No further follow up to be undertaken
Sales Ledger	13/08/2024	Limited	In progress	Reasonable	1 st follow up complete, grading changed to Reasonable. 2 nd follow up to be undertaken as part of 25/26 audit
Wellington Leisure Centre	16/10/24	Limited	In progress	Good	Follow up complete, grading changed
Abraham Darby Leisure Centre	16/10/24	Limited	N/a	Good	Follow up complete, grading changed
Lawley Primary School	05/07/2024	Reasonable	N/a	Good	Follow up complete, grading changed

Internal Audit is confident and has been assured by management that controls have and will continue to improve in all areas where recommendations have been made. There are no other issues to bring to the attention of the Committee at this time.

4.0 Progress on completion of the 2024/25 Annual Audit Plan

- 4.1 Audit Committee members approved the 2024/25 Internal Audit Plan at the May 2024 committee meeting. **Appendix A** of this report shows the progress made against this plan. From a total of 46 audits, 8 audits are in progress, 18 have been completed and 19 have been deferred due to resources within the audit team, or request from the service area.

5.0 Unplanned work

- 5.1 Work continues on the commercial contracts with Academies and Town Councils, We provide audit services to a total of 9 Academy Trusts and 2 Town Councils. Internal Audit continue to look for opportunities to expand their commercial offering. This enables the team to positively support the financial position of the Council by attracting income which, in turn, contributes to the budget cost of of the team.

6.0 Quality Assurance and Improvement Programme

- 6.1 Internal Audit maintains a Quality Assurance and Improvement Programme that complies with the Public Sector Internal Audit Standards (PSIAS) alongside the normal quality review process applied to all audit assignments. The Audit & Governance Lead Manager undertakes an independent monthly check of randomly selected (number dependent on number of completed audits that month) completed audit files to ensure they comply with:-

- Requirements of the PSIAS
- Rules of the Code of Ethics
- Agreed Internal Audit process and procedures
- Approved Internal Audit Charter

Only minor Internal Audit procedural issues have been found from these checks and they have been fed back to the Internal Auditors during this time to aid continuous improvement in the service

7.0 Summary of main proposals

That the Audit Committee note the information provided in this report.

8.0 Alternative Options

8.1 There are no alternative options to consider as this report is for noting only.

9.0 Key Risks

9.1 The risks and opportunities in respect of this report will be appropriately identified and managed.

10.0 Council Priorities

10.1 A community-focused, innovative council providing efficient, effective and quality services.

11.0 Financial Implications

11.1 The planned work undertaken by the Internal Audit Team as outlined in this report is funded through the Council's base budget and approved as part of the Medium Term Financial Strategy. Income generated by Internal Audit from commercial contracts is used to offset the overall costs of the Internal Audit Team therefore reducing the amount of base budget required.

11.2 In circumstances where Audit findings result in changes to service delivery or controls etc. the financial consequences are managed as part of the implementation of such changes. There are no financial implications as a result of accepting the recommendations of this report.

12.0 Legal and HR Implications

12.1 There are no direct legal or HR implications arising from this report. The Council is required to undertake internal audit activity and to report the outcomes of that activity. It is one of the ways that the Council demonstrates it is operating transparently and in accordance with good governance principles.

13.0 Ward Implications

13.1 The work of the Audit team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter.

14.0 Health, Social and Economic Implications

14.1 There are no health, social or economic implications directly arising from this report.

15.0 Equality and Diversity Implications

- 15.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

16.0 Climate Change, Biodiversity and Environmental Implications

- 16.1 There are no direct climate change and environmental implications arising from this report.

17.0 Background Papers

- 1 Annual Audit Plan 2024/25
- 2 Public Sector Internal Audit Standards – Applying the IIA International Standards to the UK Public Sector 2013 and updated January 2017

18.0 Appendices

- A 2024/25 Annual Internal Audit Plan

19.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	24/04/2025	29/04/2025	AEM
Legal	24/04/2025	16/05/2025	EH

Audit Area	Service Area	Days	Priority	Risk rating	status
General ledger, assets & capital accounting - fixed asset module	Finance & Human Resources	15	ALL	H	
Payroll/HR	Finance & Human Resources	15	ALL	H	Deferred
Treasury	Finance & Human Resources	8	ALL	H	In progress
Section17 spend	Children's Safeguarding and Family Support	10	1,2 & 5	H	In progress
Placements/ High cost support packages	Children's Safeguarding and Family Support	12	1,2 & 5	H	Deferred
No Recourse to public funds	Children's Safeguarding and Family Support	10	1,2 & 6	M	In progress
Audit areas to be confirmed - Only confirmed audit is Lakewood Court		12			removed 28 days leaving 12- in progress
Money Laundering	Policy & Governance	8	2 & 5	H	Deferred
Risk Management	Policy & Governance	8	all	M	Deferred
Legal system	Policy & Governance	10	all	M	Deferred
Members Subsistence	Policy & Governance	8	2 & 5	M	Deferred
Troubled families grant	Policy & Governance	12	all	L	Complete
Future Focus (NEET)	Education & Skills	10	1,2,5	M	deferred
Multiply	Education & Skills	5	1& 5	L	complete
Home to school transport	Education & Skills	15	all	M	deferred
Schools (9 schools)	Education & Skills	45	1,3,5	M	6 complete, 2 deferred 1 in progress
Benefits	Community Customer & Commercial Serv	12	1,2,3,5	H	In Progress
Town Park	Community Customer & Commercial Serv	12	all	H	deferred
Ski Slope	Community Customer & Commercial Serv	10	all	M	In Progress
Oakengates Leisure Centre	Community Customer & Commercial Serv	10	all	M	deferred
Cyber Security	Community Customer & Commercial Serv	8	5	H/M	deferred

Capita One Housing	Community Customer & Commercial Serv	10	all	M	deferred
Gladstone Management System	Community Customer & Commercial Serv	10	all	M	deferred
MIS Headway (Planning)	Community Customer & Commercial Serv	10	all	M	complete
Homlessness reduction act	Housing & Communities	15	1,3,5	H	complete
Monitoring sale of discount market housing	Housing & Communities	5	all	M	Deferred
Capita One Housing	Housing & Communities	as above	all	M	as above
Housing Management	Housing & Communities	12	all	M	as above
Home to school transport	Neighbourhood & Enforcement	as above	all	M	as above
Licensing	Neighbourhood & Enforcement	12	2,3 & 5	M	Deferred
PIP Properties	Property & Investment	8	2,3,4,5	M	complete
MIS Headway (Planning)	Community Customer & Commercial Serv	as above	all	M	as above
BIT (H&S Management)	Property & Investment	10	2,3,4,5	M	in progress
Housing Management	Property & Investment	as above	all	M	as above
BIT (H&S Management)	Health & Wellbeing	as above	2,3,4,5	M	As Above
PSP Register	Health & Wellbeing	8	all	M	Complete
Grants					
Local Transport Capital block funding	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	Complete
Bus subsidy grant	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	Complete
Universal Drug Grant	Finance & HR and Health & Wellbeing	2	ALL	M	Complete
Family Hub	Finance & HR and Childrens Safeguarding	2	All	M	Complete
HUG 2 grant (home Upgrade Grant)	Finance& HR and Housing & Communities	2	2,3,4 & 5	M	Complete
UKSPF Grant	Finance& HR and Housing & Communities	2	2,3,4 & 6	M	deferred
Holiday Activity & Food Programme	Finance & HR and Educ/Skills	2	ALL	M	Complete
Corporate audits					
Procurement/Contract Monitoring	All service areas	12	All	H	Deferred

Total for new audits	381
external commercial work	119
Advice & guidance	19
Local Government Ombudsman	35
Annual Governance Statement	8
Follow ups	10
Contingency	10
Sub total	582
Available days (12 months)	610

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KEY	
H	high
M	Medium
L	Low

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Borough of Telford and Wrekin

Audit Committee

28 May 2025

Information Governance & Caldicott Guardian Annual Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Rob Montgomery (Audit, Governance & Procurement Lead Manager)
Officer Contact Details:	Tel: 01952 383103 Email: robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 May 2025 Audit Committee – 28 May 2025

1.0 Recommendations for decision/noting:

It is recommended that the Audit Committee:-

- 1.1 Note the Information Governance & Caldicott Guardian Annual Report for 2024/25.
- 1.2 Agree the Information Governance Work Programme for 2025/26.

2.0 Purpose of Report

- 2.1 The purpose of this report is to present the 2024/2025 Information Governance (IG) & Caldicott Guardian Annual Report to the Members of the Audit Committee.

- 2.2 To provide members with the IG Work Programme for 2025/26 for consideration and approval.

3.0 Background

3.1 **2024/2025 INFORMATION GOVERNANCE ANNUAL REPORT**

- 3.2 There are a number of pieces of legislation and good practice standards that govern the IG arrangements of the Council and these are listed in the background information at the end of this report. The Information Commissioners Office (ICO) is the regulatory body responsible for ensuring Councils meet information legislative requirements relating to information governance.
- 3.3 The Local Authority Data Handling Guidelines recommend that each local authority should appoint a Senior Information Risk Owner (SIRO). The SIRO should be a representative at senior management level and has responsibility for ensuring that management of information risks are weighed alongside the management of other risks facing the Council such as financial, legal and operational risk. At Telford & Wrekin Council the nominated SIRO for the period covered by this report was the Director: Policy & Governance.

3.4 Information Rights

Information rights is a collective name for 3 main pieces of legislation in respect of public sector information, these are:

- **Freedom of Information Act 2000** – encompasses any information held by the Council
- **Environmental Information Regulations 2004** – information with an environmental impact
- **UK Data Protection Act 2018/UK GDPR** – looks at personal information relating to individuals

- 3.5 The IG Team has continued to play a key role in providing assurance that the Council complies with information rights legislation during the year. The IG Team has responsibility for the administration of all information rights requests on behalf of the Council including the application of relevant exemptions in respect of requests received.

It also co-ordinates and guides service areas when the Council receives a subject access request (someone requesting their personal information) or a request to access social care records, e.g. a parent asking to view the contents of their child's records.

- 3.6 The ICO has set a benchmark of 90% for responding to FOI requests within the 20 working day statutory deadline for responding to requests.
- 3.7 The table below details figures relating to FOI performance for the year 1 April 2024 to end of March 2025 compared with the same period for the previous year:

	23/24	24/25	% Increase / Decrease
Number of FOI requests received	1033	1,262	22%
Average number of FOI requests received per month	87	105	22%
% of FOI requests responded to within statutory deadline	85	86	1%
Average time taken (days) to respond to each request	16	15	6%

As can be seen from the figures in the table above, the Council's performance in responding to FOI requests within statutory deadlines in 2024/25 has improved slightly compared to the previous year despite the increase in the number of requests.

In addition to the above the Council received 71 requests (89 in 23/24) that were processed under the Environmental Information Regulations (EIR) 2004. 85% (77% in 23/24) of these requests were responded to within the 20 day deadline.

- 3.8 In this period IG have received 23 appeals from requestors who were not satisfied with the response they received to their FOI request. This compares to a total of 34 appeals in 2023/24.
- 3.9 During this period, the IG Team received 3 referrals from the Information Commissioner (ICO) for referrals made to them in relation to a freedom of information request.

The ICO decided that no further action was required in all 3 cases. However, in 1 case, the requester appealed the ICO's decision to the First Tier Tribunal. The tribunal decided that the ICO were incorrect in their response to the Council on this matter. Therefore the Council were required to release information relating to his request.

- 3.10 The UK Data Protection Act 2018 requires the Council to respond to subject access requests (SARs) within one month of receipt unless the request is deemed complex when a further two-month extension can be applied.

In 2024/25 the Council received 136 SARs; 32 more than the previous year.

Of the requests that had been responded to in 24/25, 96% were responded to within the legislative timescale set. This compares to 93% responded to within timescales in 23/24.

The processing of SAR's continues to be a challenge due to the volume (in pages) of information being asked for. 4 of the subject access requests received in 24/25 alone encompassed over 11,000 pages of information.

The IG Team continuously review their practices and look at the market for new technological solutions to ensure processes improve where possible.

3.11 Data Security Incidents

It is unrealistic to consider, given the amount of personal data Council services handle on a daily basis, that human errors will not occur which may result in a data breach. IG supports the investigation (with service areas) of all instances of alleged data breaches that are identified and referred to them. A data breach can cover a number of different incidents from a member/employee reporting a lost mobile phone to personal data being communicated to an unauthorised and/or incorrect recipient.

For each data breach identified in 2024/2025 a thorough investigation has been undertaken into how the breach occurred, confirmation of any individuals that have been informed in compliance with the UK Data Protection Act 2018 and lessons learnt identified and implemented to reduce the likelihood of similar data breaches occurring in the future.

The IG Team continues to work with service areas to improve the secure processing of personal data to prevent data security incidents.

- 3.12 1 data breach in 2024/25 met the threshold for reporting to the Information Commissioners Office (ICO). However, upon investigating the breach, the ICO were satisfied with the Councils measures to manage the breach and no further action was required or taken by the ICO.

3.13 Information Governance Related Audits & Work Programme

The 2024/2025 IG work programme was agreed at the May 24 Audit Committee. Progress to date in respect of this programme is shown attached as Appendix A.

- 3.14 Appendix B details the proposed IG work programme for 2025/2026 for approval. This programme mainly incorporates key actions required to facilitate the legal requirements of the UK Data Protection Act/UK GDPR 2018.

4 2024/25 CALDICOTT GUARDIAN ANNUAL REPORT

4.1 Caldicott Guardian (CG) Function – Key Responsibilities

- 4.1.1 Caldicott Guardians were introduced into social care with effect from 1 April 2002, under Local Authority Circular LAC (2002)2 dated 31 January 2002. Caldicott Guardians play a crucial role in ensuring that the NHS, Councils with Social Service responsibilities including Adult and Children's Social Care, and partner organisations adhere to the highest practical standards for handling patient-identifiable information under a framework compliant with the UK Data Protection Act 2018. They actively support efforts to enable information sharing where appropriate and advise on lawful and ethical processing options.

For Telford and Wrekin Council the Caldicott Guardian is the Director: Adult Social Care.

The Audit Committee is required to consider the Caldicott Guardians' (CG) annual report and action plan.

4.2 Summary of CG Activities

4.2.1 GDPR – The requirements of this legislation are now embedded. Staff must undertake mandatory IG training, and regular audits ensure compliance. Each service has an IG lead responsible for disseminating regular updates.

4.2.2 Electronic Adult Social Care database and financial systems – Embedded since implementation in October 2018. The Data Protection Officer monitors the Data Protection Impact Assessment on the system.

A full audit of the financial management processes, including appropriate use of financial and case management systems, was conducted in 2020. An Internal Audit Team review is planned over the coming year.

4.2.3 Liquid logic Adult System - The Liquid logic Adult System (LAS) facilitates the recording and management of client information, including assessments, care plans, and service delivery. LAS integrates with other systems like ContrOCC for financial case management, ensuring seamless data sharing and improved accuracy.

The system supports remote working and is protected by robust security measures, including password protection, encryption, and audit trails. The January 2025 review of the Data Protection Impact Assessment (DPIA) identified ongoing compliance with the Data Protection Act 2018. Data security measures include encryption, data masking, and robust access controls, ensuring compliance through regular audits and monitoring.

4.2.4 Integrated working with key partners – Information sharing protocols are regularly updated, supported by the Data Protection Officer. A review ensures all appropriate information-sharing agreements are in place and current. Integrating service delivery and records with health partners remains vital.

The Telford and Wrekin Integrated Place Partnership (TWIPP) is a key local vehicle for development and delivery, linking directly to the ICS Board. Work streams, including the Digital Information Governance Group, have regular input from the Caldicott Guardian and Data Protection Officer to meet information governance requirements as we move towards integrated pathways and partnerships.

The development of the Integrated Health and Care Record from an adult and Children's service perspective is now business as usual. The Data Protection Officer provides frequent updates to the Caldicott Guardian and the TWC Senior Management Team.

4.2.5 One Health and Care Integrated Care Record - One Health and Care is a confidential digital shared care record holding information from various local health and social care organisations. It enables professionals to provide better care by accessing the most up-to-date information about individuals.

This system reduces the need for individuals to repeatedly share their health and social care history, improving decision-making and providing safer, more consistent care. The 2024 audit by the Information Governance Team rated it as 'good'. Data security measures include encryption, data masking, and robust access controls to protect digital information from unauthorized access, corruption, or theft.

Compliance with statutory requirements such as the Data Protection Act 2018 is ensured through regular audits and monitoring. This product is live.

4.3 New Developments / Action Plan

4.3.1 Recent developments requiring Data Sharing Agreements and risk assessments to protect data and information include:

a. Magic Notes:

The Magic Notes pilot aims to enhance social workers' productivity by leveraging AI to automate meeting summaries. The tool records sessions and generates detailed write-ups, significantly reducing administrative time. This efficiency allows social workers to focus more on client interactions. The pilot demonstrated substantial time savings and improved documentation quality, with high user satisfaction.

Data security measures included encryption, data masking, and robust access controls, ensuring compliance with the Data Protection Act 2018 through regular audits and monitoring to maintain data integrity. Magic Notes coproduction ensures users understand the product's use and function. The product is in the pilot phase. The AI Governance Board also supports compliance and ethical use of AI.

b. Adult Portal:

The Adult Portal enhances communication between the public and Adult Social Care (ASC), allowing users to access information, create online forms, and engage in two-way communication with ASC workers. It supports personal and professional referrals and integrates with LAS for seamless data sharing and assessment contributions.

Data security measures include encryption, data masking, and robust access controls, ensuring compliance with the Data Protection Act 2018 through regular audits and monitoring. The product is due to go live in 2025.

c. Wider System Portals:

The LAS portals enhance communication and streamline processes within ASC, allowing citizens to access self-help resources, complete personal referrals, and enable professionals to make referrals directly into LAS. The portals include:

- Adult Portal
- Professional Portal
- Online Financial Assessment
- Client Finance Portal – in development
- Provider Portal
- Market Place Brokerage Module
- Live Well Telford

Integration with the back-office social care system improves accuracy and efficiency in managing client and provider information. The portals support remote working and are protected by robust security measures, including password protection, encryption, and audit trails.

The January 2025 DPIA review identified ongoing compliance with the Data Protection Act 2018. Data security measures include encryption, data masking, and robust access controls, ensuring compliance through regular audits and monitoring.

4.4 Adult Social Care breaches

- 4.4.1 The IG Team informs the CG of all breaches related to social care data, ensuring follow-up actions and necessary measures are taken. Data breach oversight is conducted by SMT and the ASC Assurance Board.

4.5 Governance and Quality Assurance

- 4.5.1 The Adult Social Care Assurance Board oversees policy and new developments, conducting regular reviews with the Senior Information Risk Owner, CG, and Data Protection Officer to ensure continued development and assurance of data protection systems, particularly as integration with health and care partners progresses.

4.5.2 Artificial Intelligence (AI)

- 4.5.2 The AI Governance Board oversees the implementation and management of AI technologies within the organisation. Its primary functions include identifying and analysing the advantages and disadvantages of AI solutions, ensuring compliance with data protection regulations, and providing guidance on ethical AI use.

The board evaluates AI projects, such as the Magic Notes Pilot in Adult Social Care, to ensure they align with organisational goals and improve service delivery. It also addresses potential risks, offers advice on AI integration, and ensures that AI solutions are used responsibly and effectively

5 CONCLUSIONS FOR 2024/2025

- 5.1 The Information Governance Team have performed well and made a positive contribution to the governance arrangements within the Council in 2024/2025.

6.0 Summary of main proposals

- 6.1 It is proposed that members of the Audit Committee:

6.1.1 Note the content of the annual report

6.1.2 Agree the IG Work Programme for 2025/26

7.0 Alternative Options

- 7.1 The committee could not agree the IG work programme and do nothing in relation to report content.

8.0 Key Risks

- 8.1 The risks and opportunities in respect of this report will be appropriately identified and managed.

9.0 Council Priorities

- 9.1 The report supports the Council's values that are embedded in the delivery of all of the Councils' priorities

10.0 Financial Implications

- 10.1 Costs associated with the Information Governance and Caldicott Guardian work outlined in this report are met from the Council's base budget.

11.0 Legal and HR Implications

- 11.1 The Council is required to comply with various statutory requirements contained in data protection legislation and also in relation to Caldicott Guardians. This report details the measures taken to ensure compliance and also good practice together with the work that the Information Governance Team carry out to support this.

There are no HR implications arising from this report.

12.0 Ward Implications

- 12.1 There are no specific ward implications related to this report. The work of the Information Governance Team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter.

13.0 Health, Social and Economic Implications

- 13.1 There are no health, social or economic implications directly arising from this report.

14.0 Equality and Diversity Implications

- 14.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

15.0 Climate Change, Biodiversity and Environmental Implications

- 15.1 There are no direct climate change and environmental implications arising from this report.

16.0 Background Papers

- 1 Caldicott Review - <https://www.gov.uk/government/publications/the-information-governance-review>
- 2 Information: To Share or not to Share – Government Response to the Caldicott Review.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192572/2900774_InfoGovernance_accv2.pdf

17.0 Appendices

- A Progress on IG Work Programme for 24/25
- B IG Work Programme for 2025/26

18.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	23/04/2025	25/04/2025	EH
Finance	25/04/2025	29/04/2025	AEM

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APPENDIX A

Update on Information Governance (IG) Work/Compliance Programme 2024/2025

No	Task	Completion Date	Update as at 31/3/25
1	Administer FOI/EIR/DPA requests, appeals and associated correspondence from the ICO.	Ongoing	Performance comparable with 2023/24
2	Continue the provision and promotion of additional services to schools within and outside the area to generate agreed income.	Ongoing	IG Team continues to provide services for a number of parish councils, schools and academy trusts.
3	Investigate instances of possible data breaches and ensure appropriate improvements within services and processes are made.	Ongoing	Ongoing support to services and liaison where necessary with ICO.
4	Support service areas to address any information security risks that arise.	Ongoing	As above.
5	Monitor compliance with GDPR/DPA 2018 and associated Council policies. This includes the assignment of responsibilities, awareness raising, training of staff and associated audits.	Ongoing	Compliance work completed in year contributing to accountability principle.
6	To provide advice where requested on Data Protection Impact Assessments (DPIA) and monitor performance in this area.	Ongoing	DPIA's completed on a number of projects in year that are reviewed and signed off by IG.
7	To co-operate with the Information Commissioners Office (ICO) in any relevant engagement.	Ongoing	The IG Team continue to be the key contact with ICO.
8	Inform and advise the Council and its employees who carry out personal information processing of their obligations under GDPR/DPA 2018.	Ongoing	The IG Team provides various updates to staff throughout the year.
9	Review and update the Corporate Information Security Policy (CISP)	End of March 2025	Policy currently being reviewed.
10	Complete Data Security & Protection (DSP) toolkit assessment for central government.	End of July 2025	Completed.

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APPENDIX B

Information Governance (IG) Work/Compliance Programme 2025/2026

No	Task	Completion date
1	Administer FOI/EIR/DPA requests, appeals and associated correspondence from the ICO.	Ongoing
2	Continue the provision and promotion of additional services to schools within and outside the area to generate agreed income.	Ongoing
3	Investigate instances of possible data breaches and ensure appropriate improvements within services and processes are made. This would include acting as a point of contact for the ICO.	Ongoing
4	Support service areas to address any information security risks that arise. This would include acting as a point of contact for the ICO.	Ongoing
5	Monitor compliance with GDPR/DPA 2018 and associated Council policies. This includes the assignment of responsibilities, awareness raising, training of staff and associated audits.	Ongoing
6	To provide advice where requested on Data Protection Impact Assessments (DPIA) and monitor performance in this area.	Ongoing
7	To co-operate with the Information Commissioners Office (ICO) in any relevant engagement.	Ongoing
8	Inform and advise the Council and its employees who carry out personal information processing of their obligations under GDPR/DPA 2018.	Ongoing
9	Review and update the Corporate Information Security Policy (CISP).	End of March 2026
10	Complete Data Security & Protection (DSP) toolkit assessment for central government.	End of June 2026

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Telford & Wrekin
Co-operative Council

**Protect, care and invest
to create a better borough**

Borough of Telford and Wrekin

Audit Committee

28 May 2025

Corporate Anti-Fraud & Corruption - 2024/25 Annual Report and Policy

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Rob Montgomery (Audit, Governance & Procurement Lead Manager)
Officer Contact Details:	Tel: 01952 383103 Email: robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 May 2025 Audit Committee – 28 May 2025

1.0 Recommendations for decision/noting:

Audit Committee is recommended to:

- 1.1 Consider the 2024/25 Annual Report on corporate anti-fraud and corruption activity; and
- 1.2 Approve the Anti-Fraud & Corruption Policy attached at **Appendix A**.

2.0 Purpose of Report

- 2.1 For the Audit Committee to:

- Consider the 2024/25 Annual Report on corporate anti-fraud and corruption activity.
- Approve the Anti-Fraud & Corruption Policy attached at **Appendix A**.

3.0 Background

- 3.1 The Council is committed to high standards of Corporate Governance and has a set of effective procedures in place to support this.
- 3.2 The committee should review and note the anti-fraud activity detailed in this report as evidence of the Council's commitment to tackling all aspects of fraud and corruption that may affect the authority.

4. Information – Annual Report 2024/25

- 4.1 The Anti-Fraud and Corruption Annual Report and associated policy supports one of the key elements of good corporate governance – Standards of Conduct. The Council aims to ensure that all those associated with it maintain high standards of ethics and conduct in public life.
- 4.2 In their report dated 18 November 2024, the National Audit Office estimated that public sector fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 nationally. The UK Government announced in February 2024 that approximately 40% of crime in the UK is believed to be fraud related. In many organisations fraud goes undetected with potential losses being significant.
- 4.3 Every Council pound lost to fraud is a pound that it cannot spend on providing services to the community. With the continued pressure on public finances, it is more important than ever that the Council is focused on preventing fraud from occurring and investigating and pursuing any potential fraud identified.
- 4.4 This report contains information on counter fraud and investigation activities within Telford & Wrekin Council during the year 2024/25, driven by the Investigation Team along with Internal Audit, IDT Services and the work that other enforcement teams undertake in tackling specific types of fraud.
- 4.5 The term fraud is wide-ranging and can be used to describe acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. The Bribery Act 2010 was introduced to update and enhance UK law on bribery. This report covers all financial impropriety including theft or corruption. When the term “**fraud**” is referred to in this report it will refer to all kindred offences of:

- ☒ Fraud
- ☒ Theft
- ☒ Money Laundering
- ☒ Bribery
- ☒ Corruption

- ☒ Conspiracy
- ☒ Embezzlement

4.6 The Council's procedures and controls are designed to minimise the opportunity for fraud occurring and to highlight areas where there may be a greater risk of possible fraudulent activity. These controls need to be continually reviewed and assessed as the fraud landscape changes. Work undertaken by the Council to prevent/detect fraud is not only about the savings realised by doing so; putting preventative measures in place to reduce the risk of fraud is equally, if not more, important.

5. Transparency Code Requirements

5.1 The Local Government Transparency Code requires the Council to publish data regarding its fraud arrangements as shown in the table below.

Requirement Description		T&W Arrangements
1	Number of occasions the Council has used the powers under the Prevention of Social Housing Fraud Regulations 2014 or similar powers.	There has been no use of these powers in the last 12 months.
2	Number (absolute and FTE) of employees undertaking investigations and prosecutions of fraud	<p>Currently there are 2 FTE officers undertaking investigations into fraud, theft and other irregularity. They also undertake work related to preventative measures to combat fraud, providing training, writing policies and updating risk assessments.</p> <p>Other Council services also undertake fraud prevention activity for example Internal Audit, Public Protection and IT Services as well as prosecutions being undertaken by the legal team. These tasks form an ancillary part of an officer's job role and therefore it would be difficult to identify what proportion of their role would be taken up undertaking fraud related work.</p>
3	Number (absolute and FTE) of professionally accredited counter fraud specialists	Currently 2 Accredited Counter Fraud Specialists work in the Investigation Team.

4	Total amount spent by the authority on the investigation and prosecution of fraud	<p>The cost of the Investigation Team for 2024/25 was £130,261 including all investigation costs.</p> <p>As stated in point 2 above, other areas of the Council undertake investigations, but it is difficult to attribute a cost to this as costs are consumed in overall budgets for each service.</p>
5	Total number of fraud cases investigated	See case investigation data in this report.

6. The Investigation Team

- 6.1 The Investigation Team, within Audit, Governance & Procurement, has responsibility for investigating all matters of fraud and kindred offences referred to in section 5.5 across the authority. The team is also responsible for supporting the introduction of measures to help prevent the risk of these offences occurring. This support includes the maintenance of the fraud risk register, training staff, providing advice and guidance to service areas on all aspects of fraud prevention, issuing of fraud alerts and producing relevant policies relating to fraud, theft and irregularity. The team works closely with Internal Audit to mitigate fraud risks to the Council.
- 6.2 The Investigation Team also supports the Council's Money Laundering Reporting Officer (MLRO) in their role. Initial Suspicious Activity Reports are screened and interrogated by the team before being passed to the MLRO. The team writes and maintains the Anti-Money Laundering Policy.
- 6.3 The Investigation Team maintains the Speak Up (Whistleblowing) Policy and associated reporting.
- 6.4 Prevention is the most effective way of combating fraud and the Investigation Team looks at ways that each service area can reduce their risk of fraud. However, there will always be instances where fraud occurs and needs to be investigated. A large proportion of the team's investigation work comes from investigating matters affecting the Revenues Service.
- 6.5 The Senior Investigation Officer within the Investigation Team has now undertaken training with the National Crime Agency to become an Accredited Financial Investigator. This qualification ensures that the Investigation Team can undertake essential enquiries into money laundering offences that could affect the authority and is able to obtain material essential to these investigations. The use of an Accredited Financial Investigator is also beneficial in Trading Standards investigations, not only in uncovering the totality of an individual's offending but also in the recovery of proceeds of criminality through mechanisms contained within the Proceeds of Crime Act 2002.

- 6.6 Some investigations commenced in 2024/25 are continuing into 2025/26 due to the fact that some investigations require more in-depth work given the nature of the allegations.
- 6.7 The Investigation Team has undertaken a number of investigations in the Revenues services, saving and/or preventing future expenditure in excess of £113,000. This includes the investigation of Single Person Discount, Council Tax Support, other exemptions and incorrect liability matters.
- 6.8 The first joint investigations with the Department for Work and Pensions were undertaken during 2024/25. The first investigation resulted in over £11,000 in falsely obtained Council Tax Support being identified and recovery action commencing.

7 Investigation Work Undertaken in 2024/25

- 7.1 The Investigation Team concluded 113 investigations in 2024/25 with 67 having a positive outcome, i.e. fraud confirmed and/or financial saving. This figure does not include 46 open investigations which have been carried over into the next financial year.
- 7.2 Direct financial outcomes, i.e. money coming back into the Council and/or future expenditure prevented, as a result of the Investigation Team work are detailed below

Area	Financial Outcome
Revenues Investigations	£112,528
Housing Benefit as result of Revenues investigations	£15,788
Corporate fraud work	£177,542
TOTAL	£305,858

- 7.3 The Investigation Team also manages the National Fraud Initiative (NFI) activity on behalf of the Council. The 2024/25 exercise, to date, has already produced notional savings of £225,000..

8 Preventative work undertaken by the Investigation Team in 2024/25

- 8.1 There is no way of accurately measuring the consequential effects and indirect savings that occur due to the Investigations Team's prevention work detailed in 7.12.2 below. If this work was not undertaken, then the loss to the authority could potentially increase year on year although it is difficult to quantify. In addition, the successful outcomes of investigations serve as a deterrent to those considering committing acts of fraud against the authority.
- 8.2 The Investigation Team's proactive work in 2024/25 included:
- Maintaining and updating the Council's fraud risk register which helps to identify risks across all service areas and details what preventative measures are in place to guard against these risks.

- Providing face to face induction sessions for new starters. In 2024/25, the Investigation Team provided induction sessions to over 120 new starters.
- Providing regular fraud alerts across the authority and to specific service areas based on current local and national fraud risks and trends. The Investigation Team issued 53 National Fraud Alerts to relevant services areas in 2024/25 to help inform the relevant service area of an emerging fraud risk.
- Requesting IDT Services to block all emails that have been highlighted in National Fraud Alerts to help protect the authority from risk of these frauds.
- Providing fraud training to service areas when requested along with updating the online anti-fraud training modules.
- The Investigation Team attended a number of team meetings to offer training to staff to discuss money laundering risks.
- Providing recommendations to service areas following fraud investigations.
- Working closely with the Internal Audit Team to recognise fraud risks, gaps in processes and understanding in service areas and training needs.
- Providing fraud and theft advice when service areas are implementing new policies and procedures.
- Offering advice to employees on any aspect of fraud, theft, bribery and corruption.
- Working closely with the Council's Infrastructure Security Specialist on fraud prevention matters relating to cyber-attacks.

8.3 The preventative measures that the team has helped put in place across the Council continues to be key in preventing fraud from occurring, reducing the risk of fraud and ultimately saving the Council money. These activities and resulting savings are in addition to the savings identified in section 7.11.

9. INTERNAL AUDIT

- 9.1 Internal Audit has a preventative role in ensuring that adequate systems, controls and procedures are in place to prevent and deter fraud, bribery and corruption. They assist managers in ensuring they have appropriate systems and controls in place that are designed to prevent or reduce the opportunity for fraud. Their annual audit plan includes spot checks to assist in the detection and prevention of fraud.
- 9.2 All audit assignments have a standard fraud working paper which is used to measure the auditees understanding of fraud in their area, the findings are then forwarded to the Investigation Team to undertake further checks or training as needed.
- 9.3 The Internal Audit Team and the Investigation Team work collaboratively to share information which informs both the audit plan and the work of the Investigation Team.
- 9.4 Internal Audit also provides continuous advice and guidance to managers to assist them in the prevention of fraudulent activity.

- 9.5 Internal Audit adheres to the Public Sector Internal Audit Standards (PSIAS) which defines their role with regard to fraud prevention, specifically points 1210.A2, 2120.A2 and 2210.A2.

10 Benefits Service

- 10.1 The overall Housing Benefit and Council Tax Reduction caseload has decreased over the last 12 months, from 14,709 (live cases) on 31 March 2024 to 13,290 as of 31 March 2025.
- 10.2 Universal Credit was introduced for new claims and those with certain changes in their circumstance since 14 November 2018. From April 2024 the next phase of Universal Credit began, called managed migration. This is where existing working age customers in receipt of six legacy benefits, including Housing Benefit, have been contacted by the Department for Work and Pensions (DWP) and given three months to make a claim for Universal Credit. The DWP have brought forward, to 31 March 2026, the date when they expect to have contacted all working age customers and migrated those who make a claim.
- 10.3 The Council retains responsibility for Council Tax Reduction and Housing Benefit for pensioners, Council provided temporary accommodation and specified accommodation. The latter is a complex area that has an ever-increasing demand on the service. Telford & Wrekin Council initially signed up to the DWP's Housing Benefit Award Accuracy Initiative in October 2021 prior to it becoming a mandatory requirement for all local authorities. The initiative involves completing Housing Benefit Matching Service (HBMS) matches on cases where DWP data does not match local authority data and undertaking full case reviews into customer's circumstances based on a risk list provided by the DWP. A total of 1,005 reviews and 87 HBMS data matches were completed in 2024/25.
- 10.4 The Benefits Team continues to review changes in earnings and occupational pensions received from the Department for Work and Pensions via their Verification of Earnings and Pensions (VEP) alerts. These alerts notify the Council when there may have been a change in the customer's earnings or pension. The number of alerts has reduced in 24/25 due to managed migration to Universal Credit. The Benefits Team has also reviewed cases as part of the government's National Fraud Initiative.
- 10.5 The DWP continues to provide a wealth of data, and the Council obtains the majority of change of circumstances via their daily downloads and data matches. However, it still remains the customer's responsibility to notify the Council of any changes in their circumstances. Below is a table detailing the intervention work undertaken within the Benefits Service.

Number of Verification of Earnings and Pensions Undertaken	595
Number of Reviews Undertaken (including those outside of the Housing Benefit Award Accuracy Initiative)	1,005

Projected Annual Council Tax Reduction Saving	£46,431.84
Overpaid Housing Benefit	£87,476.41

11. Cyber Fraud

- 11.1 As a Council we have numerous technical controls in place to counter or prevent cyber fraud such as email security gateways and antivirus products. These help to prevent or mitigate malicious activity from 'actors' such as crime groups who use techniques such as phishing or ransomware to conduct criminal activity in an attempt to encrypt, disrupt or steal and leak data with the intent of getting a payment.
- 11.2 The Council has not been the victim of any successful Distributed Denial of Service Attacks (DDOS) during 2024/25 due to the preventative measures put in place. The Council continues to develop its technical defences to help prevent future cyber-attacks.
- 11.3 Working with the Investigation Team, any email addresses that have been identified, through national fraud alerts, as being used in attempted and successful fraud attacks on other Councils are blocked from being able to access any service at Telford & Wrekin Council.
- 11.4 During 2024/25 the Council moved to a new Protective Domain Name Service (PDNS) from the National Cyber Security Centre. This system prevents access to domains which are known nationally to be malicious.
- 11.5 During 2024/25 the Council had 2,138 malicious emails reported to IDT, 8 of the most sophisticated were reported to a 3rd party service to assist with centralised blocking.
- 11.6 There were 576 malicious URL in emails which were actioned and blocked along with 143 email file attachments.

12. Fighting Fraud in the Community

- 12.1 The Investigation Team has a close working relationship with West Mercia Police Intelligence Team. A Service Level Agreement (SLA) exists which facilitates the sharing of data for the prevention and detection of crime. The team assists the Police on a regular basis in a variety of matters under this agreement. This is an important partnership in helping the fight against crime in the local community, some of which will include matters of fraud and theft that fall under the Police's jurisdiction.

West Mercia Police has stated that this information sharing is invaluable and saves thousands of pounds each year. On occasions, information received from the Police may lead to investigations being conducted by the Investigation Team which otherwise may have not taken place. In 2024/25, the team processed over 250 enquiries to support West Mercia Police under this agreement. This is a great example of a joined-up approach to tackle crime in the local community.

- 12.2 The Public Protection Service (which includes Trading Standards, Licensing, Night-time Economy), Health Protection Hub and Private Sector Housing, play a significant role in delivering the Council's response to business and individual fraud in the borough. The majority of the responses are based around statutory responsibilities refined to provide effective detection and countermeasures in respect to fraud.

These services are not restricted as to who they can investigate and are constrained only by the limitations of the statute under which an investigation is being conducted. Public Protection Services actively engage in the Multi Agency Targeted Enforcement (MATES) across a wide variety of settings and support the wider serious and organised crime agenda.

- 12.3 All teams, through the course of their routine work, may come across irregularities. Where these irregularities are outside of Public Protection's remit, they are referred to agencies such as UK Border Force, Driving & Vehicle Licensing Agency, HM Revenues & Customs, Insurance Fraud Bureau, Police and internal service areas such as the Investigation Team and Revenues and Benefits Service.

13. Health Protection

- 13.1 Fraud can occur in a number of areas that the Health Protection team covers. The prevention and detection of unfit and debased food through inspection, sampling and intelligence is part of the team's role. Members of the public can use an online portal to report any concerns that they may have.
- 13.2 In 2024/25 the Food Health & Safety Team, part of Health Protection, undertook a project to look at imported American sweets and drinks sold at targeted premises across the borough. The aim of the project was to be able to assess whether or not there were items of food with banned ingredients being sold to the public. The project included training for officers on what to look for and how to deal with any products that were identified, identifying retail premises which were likely to sell these types of food and producing an advice sheet to give out to businesses and parents, via schools, on what to look out for. The project helped to increase awareness and compliance across the borough.
- 13.3 Fraudulent use of health and identification marks is another area that the team investigate. All approved premises within the borough are checked to ensure they are applying the health mark appropriately when they are inspected. Inspectors will routinely check for health marks on animal products in retail establishments.

14 Licensing and Night-time Economy Service

- 14.1 Within the Licensing Service there are a number of areas with the potential for fraud. Licensing applications/permits details are checked at the initial application stage, and then throughout the lifecycle of the licence/permits to ensure compliance. These are listed below:

- Street trader consents
 - Prevention and detection of the illegal transfer or sub-letting of street trader consents by checking details of applicants and compliance visits undertaken.
 - Ensuring application details are correct including National Insurance Numbers/ DOB etc.
- Taxi licensing –
 - Ensuring licensed vehicles are correctly insured with documents being verified by officers to ensure that insurance certificates have not been altered and only driven by a Telford Council licensed driver.
 - Ensuring taxi drivers submit tax conditionality checks and current DBS certificates as part of their application/renewal process. There has been occasions whereby an applicant has submitted incomplete documentation, such as not declaring all known names on their DBS certificate.
- Scrap metal licensing –
 - Joint working with police to detect illegal trading in stolen vehicles, other stolen metal items such as copper cabling, lead and catalytic convertors.
 - Tax check code required before a licence is granted.
- Street Collections, charity collections –
 - Applicants must give details of the charity and authorisation to show that they can collect on their behalf, to help identify fraudulent collections
 - Within 30 days of the end of the collection a return form showing details of the monies collected must be completed and returned to the Council
- Gambling Act
 - An annual program of compliance audits is conducted at licensed premises to ensure adherence to licensing conditions.
 - Submission of annual statistical returns to the Gambling Commission to ensure compliance with anti-money laundering (AML) regulations and other necessary policies, which are regularly updated to reflect the latest requirements.

15 Trading Standards Service

- 15.1 The Trading Standards Service enforces specific pieces of Consumer Protection legislation that contribute to the tackling of fraud and fraudulent trading across the borough. Due to the correlation between certain consumer protection offences with offences under the Fraud Act 2006, Trading Standards will look to prosecute for fraud where it is the most appropriate charge.

In 2024/25, two significant prosecutions of rogue builders were concluded at Crown Court. In both cases, the traders were found guilty of offences against vulnerable consumers under the Fraud Act 2006, with one receiving a custodial sentence of 5 ½ Years, and the second a 2-year term of imprisonment suspended for 2 years. The values of the frauds were £70,000 and £60,000 respectively.

- 15.2 In 2024/25 Trading Standards have been heavily involved with work tackling the supply of counterfeit and illicit tobacco and vapes. In addition to Trading Standards

led work, the team supported two Police operations in their national fraud intensification month, focussing on businesses in the borough suspected of being involved in fraud and money laundering. Several seizures of illegal products were made and cash seized, and assets frozen by the Police. Investigations are ongoing.

- 15.3 Within the Central England area, there is a Regional Trading Standards Investigation Team, funded via a national grant. It takes referrals from local Trading Standards services where a business or trader is causing problems to consumers on a regional or national level.

Telford Trading Standards noticed a dramatic increase in complaints about a particular motor business, with a total consumer detriment estimated at over £300,000. This large-scale potential fraud has been referred to the Regional Investigation Team (RIT) who are actively investigating the trader. This is the second Telford based trader the Trading Standards Team have referred to the RIT, the second being a home improvements business. The trader has pleaded not guilty to Fraud Act charges and trial scheduled for June 2027. Total value of fraud is circa £180,000 affecting 20 consumers across 12 Local Authority areas.

16. Publicity

- 16.1 Publicity of any cases is important as a deterrent. The Investigation Team and other enforcement teams use Corporate Communications to issue press releases and social media to alert the public and inform businesses about relevant campaigns, interventions and prosecutions. The press releases are also published on the Council's website.
- 16.2 When any significant investigation occurs then the relevant Director and Cabinet Member are briefed accordingly. Any lessons learnt are shared within the relevant members of staff and recommendations put forward to help prevent such matters occurring again.
- 16.3 Where allegations of internal frauds have been investigated and procedures and controls are changed the lessons learnt are shared across the Council through the staff news, bulletins and in management meetings.

17. Training and Awareness

- 17.1 The Council ensures that both members and officers are aware of their responsibilities in respect to the Council's Anti-Fraud and Corruption Policy. This is achieved through a variety of measures including:
- New starters receiving a face-to-face induction program which includes training from the Investigation Team every quarter.
 - Online training courses being available for all staff on fraud, theft, bribery, cyber security/fraud and corruption along with money laundering. These courses were updated in 2024/25.

- Internal Audit recommending relevant teams undertake the online fraud or money laundering training as part of audit recommendations.
- The Investigation Team attending service area team meetings when a need is identified or when requested, to discuss prevention and detection of fraud, theft, bribery and corruption.
- The Investigation Team providing specific training to services areas when the need arises.
- Regular fraud awareness being provided through corporate communication channels and staff news
- Regular national alerts being sent to affected service areas which helps increase staff awareness.
- Copies of all relevant policies, such as the Fraud Response Plan the Whistleblowing Policy and any other relevant policy being available on the intranet.
- Guidance being provided by Internal Audit when work is undertaken in a service area.
- Regular cyber threat alerts being issued by IDT.

18. Challenges for 2025/26

- 18.1 The threat of fraud and related offences against the authority continues to grow. The work of the Investigation Team each year highlights more service areas that are identifying fraud attempts and risks. Although there is a separate Anti-Money Laundering Policy, it is recognised that the two types of offences go hand in hand. Fraud is the most common form of criminality in the UK and public services are actively targeted. There is no financial safety net, and any financial loss will impact the Council's ability to provide services. Therefore, the Council's response to this is to be proactive and reactive.
- 18.2 The main challenge for 2025/26 continues to be the financial constraints the authority is facing which provides some challenge to resource levels across the Council.
- 18.3 On 1 September 2025 the Economic Crime and Corporate Transparency Act 2023 comes into force which includes a new offence of failing to prevent fraud. The impact of this offence on the authority's preventative measures is yet unknown but this could be a significant challenge for 2025/26.

19. Anti-Fraud & Corruption Policy Update

- 19.1 The Anti-Fraud and Corruption Policy has been reviewed, updated and is brought to committee for review this year. The policy was last reviewed in 2023 and is required to be reviewed every two years.

20.0 Summary of main proposals

- 20.1.1 That members note the content of this report and approve the policy at **Appendix A**.

21.0 Alternative Options

- 21.1 Members do not note the report and/or approve the policy at **Appendix A**. However if members chose this option, it would not comply with good governance requirements.

22.0 Key Risks

- 22.1 Having a policy which sets out the Council's anti-fraud and corruption culture and associated procedures assists in the management of the risk of fraud and corruption against the Council

23.0 Council Priorities

- 23.1 The policy supports all corporate priorities and good corporate governance demonstrating the Council's desire to ensure sound conduct and ethical procedures for all those associated with the Council and its service delivery. Monitoring the policy provides the opportunity to identify if there are any changes required or additional areas of activity.

24.0 Financial Implications

- 24.1 The report details the financial impact of fraud and corruption to the Council where it has been possible to quantify. Costs associated with the anti-fraud and corruption work outlined in this report are met from the Council's base budget. This includes staffing costs, training, marketing and promotion costs, stationery and any postage.

25.0 Legal and HR Implications

- 25.1 The Accounts and Audit Regulations 2015 require the Council to ensure 'that the financial management of the body is adequate and effective and that the body has a sound system of internal control'. The anti-fraud documents help to fulfil this requirement.

The Council has full regard to relevant legislative requirements, including without limitation:

- The Fraud Act 2006
- Theft Act 1968
- Bribery Act 2010
- Section 151 Local Government Act 1972
- Section 5 Local Government & Housing Act 1989
- Contracts Regulations 2015
- Accounts and Audit Regulations 2011
- The Council Tax Reduction Schemes (Detection and Enforcement) (England) Regulations 2013
- Local Government Finance Act 1988
- Regulation of Investigatory Powers Act 2000

- Terrorism Act 2006
- Proceeds of Crime Act 2002
- Police and Criminal Evidence Act 1984
- Companies Act 2006
- Localism Act 2011
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

26.0 Ward Implications

- 26.1 There are no specific ward implications related to this report. The work of the Investigation Team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter

27.0 Health, Social and Economic Implications

- 27.1 There are no health, social or economic implications directly arising from this report.

28.0 Equality and Diversity Implications

- 28.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

29.0 Climate Change, Biodiversity and Environmental Implications

- 29.1 There are no direct climate change and environmental implications arising from this report.

30.0 Background Papers

- 1 Fraud Response Plan 2024-25
- 2 Anti-Money Laundering Policy 2025-26
- 3 Speak Up (Whistleblowing) Policy 2024/25

31.0 Appendices

- A Anti-Fraud & Corruption Policy

32.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	15/05/2025	19/05/2025	RP
Finance	19/05/2025	19/05/2025	MLB

**TELFORD & WREKIN AUDIT COMMITTEE -
OUTLINE OF BUSINESS FOR FUTURE MEETINGS 2025/26**

DATE OF MEETING	ITEM	RESPONSIBLE OFFICER
28 May 2025 <div>Page 145</div>	1. Review of Terms of reference for the Committee	RM
	2. External Audit Fee Letter and Plan for 2025/26	KPMG
	3. 2024/25 Annual Governance Statement including a review of the Local Code of Good Governance	RM
	4. Draft Statement of Accounts 2024/25	MB/ER
	5. 2022/23 Internal Audit Annual Update Report including the Audit Committee Annual Report and 2023/24 Internal Audit Plan	RM/TD
	6. Update Report on the work of Internal Audit	RM/TD
	7. 2024/2025 Annual Information Governance and Caldicott Guardian Report & 2024/25 IG Work Programme	RM/TD
	8. 2022/2023 Anti-Fraud & Corruption Annual Report and updated Policy 2023/24	RM
	9. Outline of Audit Committee Business for 2024/25	AL/RM

16 July 2025	1. Treasury Management Outturn 2024/2025 and Update 2025/26	PH
	2. External Auditor update report	KPMG
	3. Publication of Information on Councillors who Traded with the Council during 2024/2025	PH/RM
	4. Strategic Risk Register Update	RM
	5. 2025/26 - Internal Audit & IG Activity Update Report	RM/TD
	6. Annual Customer Feedback Report and assurance on lessons learnt 2023/2024 (including LGO investigations)	LH/RZ

24 September 2025	1. Audited Statement of accounts for 2024/25	MB/ER

19 November 2025	2. Internal Audit & IG Activity Update Report	RM/TD
	3. Strategic Risk Register	RM
	4. The 2023/24 ISA260 External Audit Report	KPMG

28 January 2026	1. Draft Treasury Management Strategy 2026/2027 and update 2025/2026	MB/PH
	2. Audited Statement of Accounts 2023/24	ER
	3. Internal Audit Activity Report and Update to Internal Audit Charter 2024/2025	RM/TD
	4. Updated position of the AGS Action Plan 2023/2024	JP/RM
	5. Strategic Risk Register and Risk Strategy Update	RM/TD
	6. Move to new municipal year 2025/26	JP
	7. Climate change management - Becoming carbon neutral report	IW