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Telford & Wrekin
Co-operative Council

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Borough of Telford and Wrekin

Audit Committee

Wednesday 27 May 2026

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 28 January 2026 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors H Morgan (Chair), C Chikandamina (Vice-Chair), N A M England, G Luter, L Parker and W L Tomlinson.

In Attendance: M Brockway (Director: Finance, People & IDT), T Drummond (Principal Auditor), A Lowe (Director: Policy & Governance), R Montgomery (Head of Governance, Audit & Procurement), E Rushton (Head of Corporate & Capital Finance), P Starkey (Senior Democracy Officer (Scrutiny)) and Wykes (Team Leader - Climate Change & Sustainability).

Apologies: Councillor T Nelson.

AU24 Declarations of Interest

None.

AU25 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 19 November 2025 be confirmed and signed by the Chair.

AU26 Becoming Carbon Neutral and Climate Change Adaptation Update

The Team Leader: Climate Change & Sustainability presented an update on the Council's progress towards becoming carbon neutral and the wider work on climate change adaptation. Members were reminded that the Council declared a climate emergency in 2019 and that climate action remains one of five priorities within the Council Plan.

The report summarised the progress made since the last update presented to Committee and set out the Council's performance against net-zero targets and provided an updated on the climate change adaptation plan.

Members heard that, locally, public concern about climate change remained high, with results of a recent resident's survey showing that 63% of residents rated their concern at 7 or above. The Committee was advised that climate actions continued to deliver significant co-benefits, including reduced operational costs, warmer homes, and improvements to health and wellbeing.

Examples included extensive upgrades to leisure facilities, investment in energy-efficient housing through NuPlace, retrofit programmes supporting fuel-poor households, and active travel initiatives linked to the New School Journey project. The refurbishment of Wellington Leisure Centre, supported by £1.1m of external funding, would reduce carbon emissions by 70 tonnes per year, and recent schemes had significantly reduced car use around several schools.

It was reported that the Council had achieved a 63% reduction in carbon emissions against the 2018/19 baseline for 2024/25, including a 33% reduction in streetlighting emissions following LED upgrades and a 40% reduction in gas use. Officers emphasised that while major progress had been made, future reductions would be increasingly challenging, particularly in the absence of national funding and the ongoing constraints posed by limited grid capacity.

During the discussion, Members thanked officers for their continued work and praised the tangible benefits for communities, including improved leisure facilities and enhanced housing quality.

Members raised questions relating to project prioritisation, surveying of buildings, and the need for clearer reporting of financial returns and carbon savings. The Team Leader: Climate Change & Sustainability confirmed that a more data-driven reporting format was being developed and that surveys and business cases were regularly undertaken to support project decision-making.

Members also asked about independent verification of carbon savings and the Committee was informed that the Council uses recognised LGA methodologies, which were auditable, although external audit is not routinely commissioned.

RESOLVED – that the update on Telford and Wrekin Council becoming Carbon Neutral and the additional work the Council has undertaken to develop a corporate climate change risk register which identifies how the Council is seeking to adapt to manage unavoidable risks and impacts of the changing climate be reviewed and noted.

AU27 2025/26 Treasury Management Update Report & 2026/27 Treasury Management Strategy

The Head of Service: Corporate & Capital Finance presented the Treasury Management Update Report 2025/26 and draft Treasury Management Strategy for 2026/27.

The report set out that the Treasury Management position for 2025/26 up to 31 December 2025 and the proposed Strategy for 2026/27 and that the Committee's role was to consider the strategy prior to its submission to Full Council.

Members were advised that the report met all statutory reporting requirements and satisfied the requirements of relevant regulations such as the CIPFA Treasury Management Code and the CIPFA Prudential Code for Capital Finance in Local Authorities.

The Committee heard that the Strategy had remained consistent with previous years, focusing on limiting investment exposure, maintaining liquidity, and minimising borrowing costs. Officers highlighted that the Council continued to operate well within prudential indicators and had a strong track record of responsible borrowing and investment. Temporary borrowing and favourable cash flow movements during the year had contributed to a strong financial position.

Members were informed that the Council's investment portfolio stood at £24.9m, achieving an average return of 4.11% with a strong credit score. Investments made into projects such as NuPlace and the Growth Fund were expected to deliver long-term capital growth and wider financial benefits, including additional council tax and business rates income.

The borrowing strategy adopted by the Council had remained consistent with that in the 2025/26 strategy. Net borrowing stood at £460.4m with an interest charge of 3.8%. During the year, £17.6m of PWLB Loans had matured, with a further £29.9m due before year-end. Temporary loans had been undertaken to meet cash flow requirements, and the authority had taken the opportunity to repay a loan in consultation with treasury advisors. Investments were held mainly in overnight deposits, ensuring funds were readily available and achieved a return.

Section 4.2 of the report set out the 2026/27 Strategy, which aligned with statutory requirements, the Codes of Practice, and the Capital Programme set out within the Medium-Term Financial Strategy. It was anticipated that the Council would need further borrowing during 2026/27 to fund the medium-term capital programme and would adopt a flexible approach to this. Appendix B of the report outlined available borrowing sources, with the Public Works Loan Board remaining the primary option. The Investment Strategy remained focused on minimising investment to reduce counterparty risk and net interest costs. Investment balances would be placed in business reserve instant access and notice accounts, Money Market Funds and short-dated deposits.

The report also included the Minimum Revenue Provision (MRP) statement. Members were informed that under the Local Authorities (Capital Finance) Regulations, where borrowing had been used to finance capital activity, a provision must be made, and recent amendments effective from April 2025 required that no element of the Capital Financing Requirement could be excluded from the calculation.

In line with the Local Government Act 2003, the prudential indicators demonstrated how the authority measured and managed its exposures to treasury risks. These covered capital expenditure and financing plans, the Capital Financing Requirement representing historic and future borrowing

need, and confirmation that total debt remained below the forecast requirement.

Operational boundaries set the expected limits for external debt, alongside controls on maximum borrowing levels and the maturity structure of debt to protect against exposure, especially in uncertain periods. Voluntary measures assessing investment risk were also included. Section 6 of the report contained the Treasury Management Policy Statement, confirming adoption of the Code's key recommendations, arrangements for monitoring treasury practices, interest rate provisions, and the responsibilities of the Section 151 Officer.

Members welcomed the report and expressed appreciation for the high-quality training provided by MUFG. The Committee discussed the importance of ensuring that capital projects continue to deliver social as well as financial benefits and Officers confirmed that most investment activity, such as NuPlace and the Council's solar farms aligned with wider community and environmental objectives. Members also reflected on the strength of the Council's asset base, noting that assets significantly outweigh borrowing, providing financial resilience.

In response to questions regarding national guidance changes relating to subsidiary investments, Officers explained the distinction between equity and capital loan elements and the implications for Minimum Revenue Provision calculations. Members also discussed the national audit environment and recent updates to financial reporting requirements affecting local authorities.

Upon being put to the vote it was:

RESOLVED – that:

- a) the treasury management activities to 31 December 2025 (Appendix A) be noted;
- b) it be recommended to Full Council to approve the Treasury Strategy 2026/27 (Appendix B), including the Annual Investment Strategy, together with the Minimum Revenue Provision Statement (Appendix B para 5.0), which will apply from 2025/26 onwards and Treasury Management Prudential Indicators (Appendix Bii); and
- c) the Treasury Management Policy Statement (Appendix B para 6.0) be noted.

AU28 2024/25 Audited Statement of Accounts

The Head of Service: Corporate & Capital Finance presented an update on the audit of the Councils accounts for 2024/25 and sought approval of the Statement of Accounts together with delegated authority to make final amendments following consultation with the Chair.

Members heard that in accordance with the Accounts and Audit (England) Regulations 2025 and associated Amendment regulations, the accounts had been certified by the Chief Financial Officer in May 2025. The draft statement was presented to the Audit Committee on 28 May 2025 and published for public inspection, in line with statutory requirements.

Following historic challenges in local government audits, last year, the Government introduced statutory backstop dates as part of new regulations. It was noted that the audit opinion for 2023/24 had been issued before the backstop date, and although the audit for 2024/25 remained ongoing, the Council, again, anticipated an unqualified audit opinion.

Officers outlined several key amendments made during the audit process conducted by the Council's external auditors KPMG, including reclassification of assets, application of IFRS 16 to service concession arrangements, corrections to expenditure categorisation, and an updated valuation of the Local Government Pension Scheme liability. None of the changes affected the General Fund outturn position previously reported to Cabinet on 19 June 2025.

Members thanked officers and the external auditors for their work in completing the audit in a challenging national context and welcomed the anticipated unqualified audit opinion.

Upon being put to the vote it was:

RESOLVED – that:

- a) the 2024/25 Statement of Accounts attached at Appendix A 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.

AU29 Final Year End Report to those Charged with Governance

The Council's External Auditors, KPMG presented the final year-end report for the year ending 31 March 2025.

Members were advised that the audit had been substantially completed in line with expectations, with no material inconsistencies identified and no significant weaknesses reported under the value for money assessment.

The Auditors outlined key areas of focus, including property valuations, pension liability assessments, testing of expenditure and a review of group accounts relating to NuPlace. A small number of amendments had been necessary, which had required rolling back adjustments over the prior three

years relating to the investment property portfolio. This work had now been completed and was reflected appropriately in the balance sheet.

Some technical adjustments relating to the Local Government Pension Scheme had also been required, including applying the correct valuation technique, however auditors were now satisfied the position was fairly stated. As part of the discussion, Members asked questions in relation to the impact of changing interest rate assumptions, pension scheme valuations, and the implications of the national audit backlog. KPMG confirmed that while such assumptions influence long-term planning, there was no immediate financial risk to the Council.

Members welcomed the positive report and the strong working relationship between Council Finance Officers and KPMG and noted KPMG's intention to issue an unqualified opinion on the Council's accounts.

The report was for noting.

AU30 Update on the AGS Action Plan for 2024-25

The Head of Service: Governance, Audit & Procurement presented an update on the Annual Governance Statement (AGS) Action Plan for 2024/25.

Members were reminded that the Accounts and Audit Regulations 2015 requires the Council to produce an Annual Governance Statement each year, setting out how the authority ensures that its governance arrangements remain robust. The AGS Action Plan identifies areas for improvement and is monitored throughout the year by Senior Management and action owners.

The Committee was informed that significant progress had been made in implementing the actions agreed when the AGS was approved in May 2025. Updates reflected activity undertaken since that time, with improvements noted across several governance areas, including financial monitoring arrangements and internal control processes.

Members welcomed the report, noting the importance of strong governance and discussed recent national examples of councils that had encountered difficulties where governance arrangements were not prioritised.

In response to a question on how quickly issues in spending patterns would be identified, Officers explained that areas such as Adult Social Care are monitored very closely, with variances normally spotted within two weeks of month-end, and overall corporate monitoring taking place within three weeks. Formal reporting to the Senior Management Team (SMT) occurs every other month, with escalation to Cabinet or Council as required.

The Committee noted the positive progress made in delivering the AGS action plan and the continued focus on strengthening governance arrangements across the authority.

RESOLVED – that the contents of the Annual Governance Statement (AGS) Action Plan for 2024/25 be noted.

AU31 **Internal Audit Activity & Internal Audit Charter**

The Principal Auditor presented an update on the internal audit activity undertaken between 1 November 2025 and 31 December 2025, summarising progress against the 2025/26 Audit Plan.

Members were informed that audits continued to focus on priority areas, commercial contracts and follow-up of previous recommendations. Of the audits completed during the period, 4 reports had been issued, with 3 receiving an audit grade of amber and 1 receiving an audit grade of yellow.

Section 3.8 of the report detailed the status of previously reported audits, including 3 audits that had been followed up and gradings improved. Since the report was written, the audit for Randlay School had been completed and its grading updated to green and the BIT audit had improved to a grading of yellow.

At the time of the meeting, the Internal Audit Plan, set out in Appendix A of the report comprised a total of 48 audits, with 14 in progress and 12 completed.

Members welcomed the improvements demonstrated in follow-up audits and sought reassurance on team capacity. Officers confirmed that resource levels were kept under close review and benchmarked against comparable authorities, with any concerns to be escalated to the Committee if required.

The Head of Service: Governance, Audit & Procurement updated the Committee on the revised Internal Audit Charter for 2026/27, noting that changes reflected the updated global internal audit standards introduced nationally in April of the previous year. The Charter continued to define the purpose, authority and responsibilities of internal audit, consistent with GIAS requirements.

Following the discussion, it was:

RESOLVED – that:

- a) the information contained in this report in respect to the Internal Audit planned work undertaken between 1 November 2025 and 31 December 2025 and unplanned work to date be noted; and
- b) the updated Internal Audit Charter for 2026/27 be approved.

AU32 **Updated Strategic Risk Register and Risk Strategy**

The Head of Service: Audit, Governance & Procurement presented the updated Strategic Risk Register and accompanying Risk Strategy.

Members were advised that there had been minimal movement in risk scores since the previous update presented to Committee, but mitigation actions continued to be refined. The updated Risk Strategy included additional clarity around zero-tolerance risk areas, such as safeguarding, cyber security, and the protection of life.

Members noted the Council’s strong governance culture and the importance of robust risk management across all service areas. As part of the discussion, Members queried the incorporation of emerging Artificial Intelligence (AI) risks, and Officers confirmed that AI-related risks were expected to feature more prominently in future iterations of the register.

The Committee welcomed the update and commended the organisation’s proactive approach to risk oversight.

Upon being put to the vote it was:

RESOLVED – that:

- a) the information in respect to the updated Strategic Risk Register be noted; and**
- b) the updated Risk Management Strategy be approved.**

The meeting ended at 7.17 pm

Chairman:

Date: Wednesday 27 May 2026



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Audit Committee

Wednesday 27 May 2026

Audit Committee Terms of Reference

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 - Head of Governance, Audit & Procurement
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 – 12 May 2026 Audit Committee – 27 May 2026

1.0 Recommendations for decision/noting:

The Committee is asked to:-

- 1.1 Note and recommend the terms of reference attached as Appendix 1 be adopted.

2.0 Purpose of Report

- 2.1 The purpose of this report is to provide members with the Audit Committee terms of reference for 2026/27 and seek their approval to adopt the terms of reference.

3.0 Background

- 3.1 There is a requirement in the Constitution for all Committees to annually review their terms of reference at their first meeting following Annual Council.

Review of Audit Committee Terms of Reference

3.2 The Audit Committee terms of reference reflect the requirements of the Council under the Local Audit & Accountability Act 2014 in respect to the appointment of External Auditors.

4.0 Summary of main proposals

4.1 It is proposed that the Audit Committee recommend the adoption of the terms of reference.

5.0 Alternative Options

5.1 There are no alternative options relating to this report as the Audit Committee is required to have agreed terms of reference.

6.0 Key Risks

6.1 The risks and opportunities in respect to this report will be appropriately identified and managed.

7.0 Council Priorities

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

8.0 Financial Implications

8.1 Good governance processes support value for money in ensuring economy, efficient and effectiveness in the Council's decision making and processes.

9.0 Legal and HR Implications

9.1 The requirement for Terms of Reference for Council Committees is set out within the Council's Constitution. The Constitution also requires terms of reference to be reviewed on an annual basis.

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 Transparency supports equalities and demonstrates the Council's commitment to

be open and fair.

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 Global Internal Audit Standards – UK Public Sector
- 2 CIPFA Application Note

15.0 Appendices

- A Audit Committee Terms of Reference

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	06/05/2026	13/05/2026	EH
Finance	05/06/2026	07/05/2026	KP

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Telford & Wrekin Council

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 in conformance with the Global Internal Audit Standards – UK Public Sector (GIAS-UKPS).

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. The Committee will receive and consider the annual audit opinion of the Chief Internal Auditor in the Annual Audit Report and supplemented in the Annual Governance Statement. The Annual Audit Report will also detail the adequacy of internal audit resource which the Committee should have oversight on.

The Committee will ensure the essential conditions for an effective internal audit function are in place including:

- Mandate and authority
- Independence
- Resources and competence
- Access to information and senior management
- Quality assurance

3. Review summary internal audit reports and the key issues arising and seek assurance that action has been taken where necessary and that the Internal Audit Team are working effectively.
4. The Committee will ensure the independence of Internal Audit and be alert to such threats to this independence and objectivity. This will include overseeing reporting lines of the Chief Internal Auditor.
5. 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.
6. The Committee will oversee Internal Audit's Quality Assurance & Improvement Programme (QAIP) and also the External Quality Assessment undertaken every 5 years.
7. With reference to the Council's External Auditors, the Committee shall:
 - 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
8. 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) GIAS - UKPS
 - e) Receipt of the Caldicott Guardian's Annual Report
 - f) Oversight of commercial projects
 - g) The management of opportunities and risks
 - h) Other corporate governance arrangements
9. Be responsible for the review and approval of the authority's Annual Governance Statement ensuring that it accurately reflects the governance, control and risk environment and any actions required to improve it. Following approval, it should accompany the accounts.
 10. 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.
 11. 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.
 12. 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 it at least once every two years.
 13. 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.
 14. 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.
 15. The Audit Committee will seek assurance from officers in respect to the governance arrangements for partnership working.
 16. The Audit Committee will seek assurance from officers in respect to the governance arrangements of the Council's climate change measures.
 17. 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.
 18. To ensure that adequate training is received by the members of the committee on the areas covered by these terms of reference including the GIAS-UKPS.
 19. To ensure that any sensitive or confidential information obtained as a result of membership of the committee is treated as confidential.
 20. Annually review their effectiveness and their terms of reference.



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Borough of Telford and Wrekin

Audit Committee

Wednesday 27 May 2026

Annual Governance Statement (AGS) 2025-26

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, Rob Montgomery - Principal Auditor, Head of Governance, Audit & Procurement	
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 – 12 May 2026 Audit Committee – 27 May 2026	

1.0 Recommendations for decision/noting:

The Committee is asked to:-

- 1.1 Approve the Annual Governance Statement 2025/26, attached as Appendix A (including Annex 1).

2.0 Purpose of Report

- 2.1 For the Audit Committee to review and approve the 2025/26 Annual Governance Statement to accompany the annual accounts.

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 2025/26 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 2024/25 statement (implemented during 2025/26) has been reviewed and updated to reflect current progress. Any actions still in progress from the 2024/25 plan have been incorporated into the 2025/26 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 2025/26, 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 2025/26 Annual Governance Statement sets out adherence to the Council's governance arrangements that operated during the period – 1st April 2025 to 31st March 2026 and measures the effectiveness of them.

4.0 Summary of main proposals

4.1 Members of the Audit Committee approve the Annual Governance Statement 2025/26, attached as Appendix A (including Annex 1), and note the information in the report.

5.0 Alternative Options

5.1 There are no alternative options associated with this report as the production of the Annual Governance Statement is a legal requirement.

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 2025-26

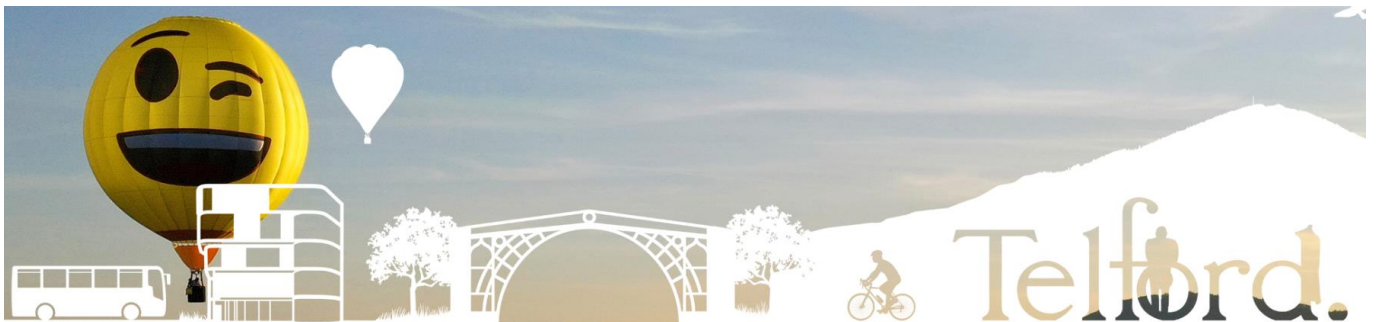
16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	06/05/3036	19/05/2026	DTW
Finance	05/05/2026	07/05/2026	KP



Annual Governance Statement

1 April 2025 – 31 March 2026

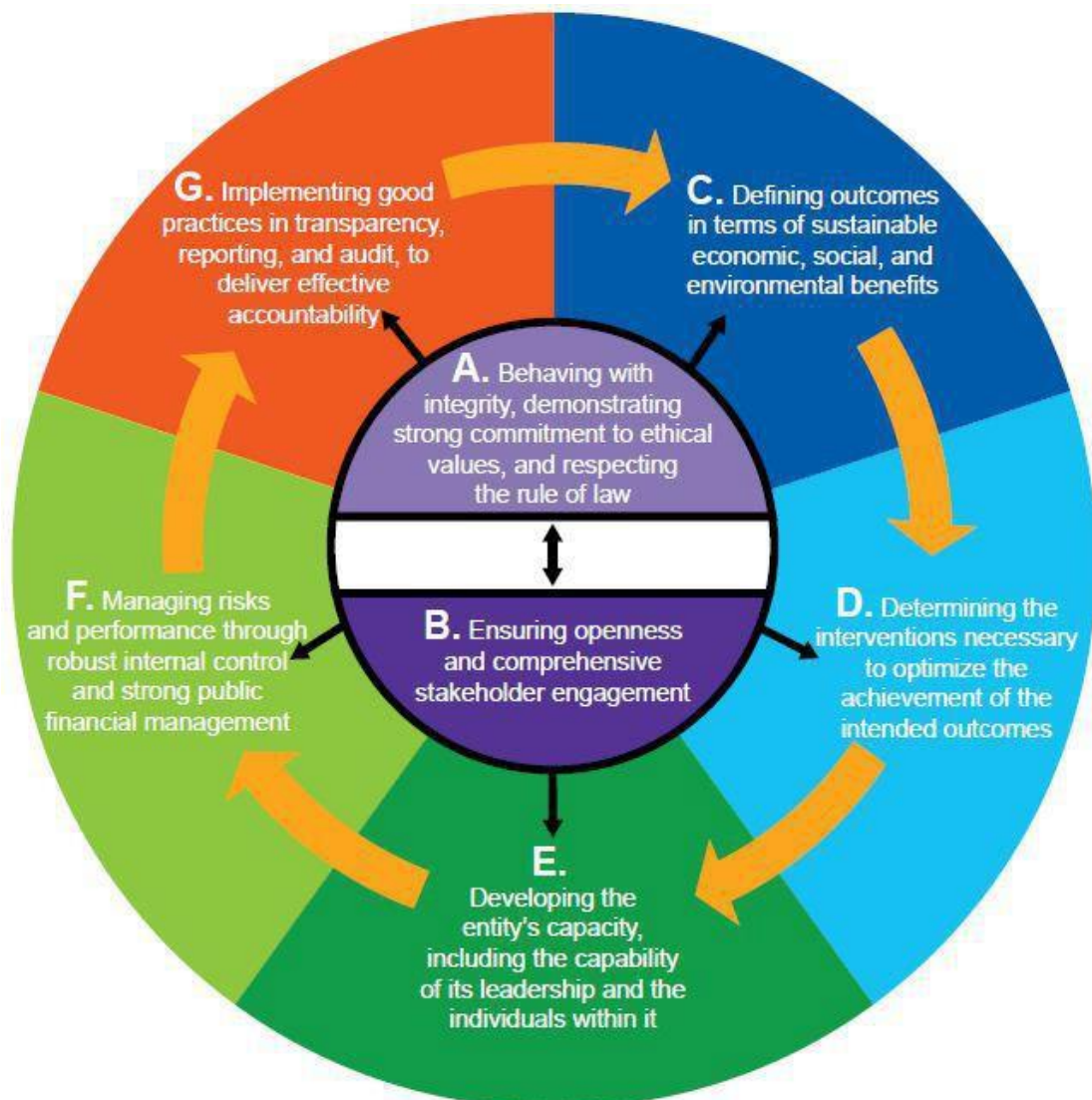


1. Introduction

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, shown below.



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 positive 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 articulates borough aspirations for the Council and its partners.
- 2.2 To achieve this vision, 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 2025/26 has seen continued challenges around financial management which have been appropriately 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 2025/26 included:
 - The Local Government Chronicle awarded the accolade of Council of the Year 2025 to Telford & Wrekin Council;
 - The Council was awarded funding to create the first Valour-recognised armed forces centre in the West Midlands, one of only 14 in the country;
 - The Council's My Options Supported Housing Team received an 'Outcome 1' Ofsted report. This is the highest rating the service could be given.

See paragraphs 6.10 and 7.3.11 for more detail on the Council's key achievements.

- 2.5 Overall this annual governance 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 has a responsibility to ensure that public money is safeguarded, 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 what it does and how it does things.

5. The Governance Framework

- 5.1 The governance framework allows the Council to monitor how it is 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 is not possible to eliminate all elements of risk that might result in a failure to achieve priorities and objectives and, therefore, these systems of internal control, and this annual governance statement can 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 continued to face a challenging financial environment during 2025/26 due to the funding constraints it is working within, coupled with ongoing rising costs and demand that has been experienced nationally. The Council has met these challenges and continues to deliver quality services against this backdrop and in the context of having delivered £195.3m savings annually since 2009.

6.3 The Council recognises the ongoing importance of information governance and has an established Information Governance Framework in place. The main focus of the Information Governance Team in 2025/26 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 including AI based products;
- Facilitating appropriate and secure information sharing where there is a legal basis to do so; and
- Supporting 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 2025/26 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 Heads of Service 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 Appendix 1. The Internal Audit team undertakes sample testing of completed certificates to provide additional assurance that adequate controls/risk management measures have been operating effectively within the organisation.

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 2025/26 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

6.7 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 the Internal Audit team is based upon risk. The scope of each audit assignment, as a minimum, includes assessment of the governance, risk management and control arrangements put in place by management. Work undertaken by Internal Audit complies with the Global Internal Audit Standards – UK Public Sector.

6.8 The Internal Audit team has 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 has 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

6.9 As stated above, reliance has been placed on other sources of assurance in 2025/26 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.

6.10 Throughout 2025/26, the Council has consistently been recognised as a well performing Council by a number of external bodies. Below is a summary of the recognition received.

- The Council was crowned 'Council of the Year 2025' by the Local Government Chronicle. This is one of the most prestigious awards in UK local government and recognised the Council's organisational excellence, leadership, performance, culture and outcomes.
- The LGC also asked the Council to present as part of a national webinar hosted by the LGC on excellence in local government.
- The Council was awarded funding to create the first Valour-recognised centre in the West Midlands
- The Council's My Options Supported Housing Team received an 'Outcome 1' Ofsted report. This is the highest rating the service could be given.
- The UK Ministry of Defence re-accredited the Council with the Employer Recognition Scheme (ERS) Gold Award.
- 8 of Telford's parks and local nature reserves earned the prestigious Green Flag Award.

- The Council's Communication's Team were named 'Comms Team of the Year' at the Comms 2.0 Awards.
- 2 Council teams were shortlisted for APSE awards – these were awards for:
 - Best Community and Neighbourhood Initiative – for the Street Champions scheme
 - Best Building and Housing Initiative – for bringing Octavia Court and the former Red Lion public house site into better use for specialist and supported housing
- The Council received the Institute of Customer Service's (ICS) Service Mark accreditation in July 2025. The Council is the first local authority in the UK to achieve this.
- 2 Council teams were shortlisted for Local Government Chronicle awards – these awards were for:
 - Small Team of the Year – for the Customer Relationship Team's work on gaining ICS accreditation
 - Housing awards – for work by the Strategic Housing and Regeneration Team in transforming empty properties
- The Telford & Wrekin Bike Hub was crowned Community Engagement Project of the Year' at the National Travel Awards
- The Local Government Association undertook a corporate peer challenge in September 2025 and found that the Council is a high-performing Council with its leadership being identified as confident and credible.

6.11 Other examples of assurance obtained in year include:

- 1:1 supervision and team meetings
- Case file audits
- Monitoring of service plans
- Regular contract review meetings
- Regular financial monitoring
- Completion of statutory returns
- Quality checks undertaken
- Completion and approval of regular reconciliations
- Lexcel re-accreditation in Legal
- Annual Scrutiny Work Programme
- Quality Assurance Improvement Plan
- Quarterly statutory officer's meetings
- External audit of Housing Benefit Subsidy Claim
- CQC/Ofsted inspection
- Accounts completed within statutory timescale with an unqualified opinion

6.12 KPMG has been the Council's External Auditor for 2025/26. They have presented to the Audit Committee throughout 2025/26. The following is a summary of KPMG's findings contained in their Annual Auditor's Report 2024/25 for that reporting period:-

- No material inconsistencies had been identified.
- In respect of governance, no significant risks have been identified.
- In respect of value for money, no significant weakness had been identified in the Council's arrangements during the work that had been completed thus far.
- The executive summary also set out actions available as part of their wider powers and it was confirmed that no actions had been taken during the current year.
- A risk assessment had also been completed in order to look at the Council's financial position which considered three key areas – financial sustainability, governance and economy, efficiency and effectiveness and that no weaknesses in these areas had been identified.

6.13 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 identified that would lead the Chief Internal Auditor to believe poor governance practices have been in place.

6.14 As part of the AGS certification process and ethics-related audit checks throughout the year, a small number of areas have been identified that require some further development. Attached as Appendix 1 is an agreed action plan to address these areas for development and ensure continuous learning and improvement. Matters identified in the previous AGS action plan (2024/25) that have been addressed or mainstreamed have been deleted and those that continue to be addressed are included in the 2025/26 action plan.

6.15 The Senior Management Team has monitored implementation of the 2024/25 actions and progress reported to the Audit Committee at its January 2026 meeting.

6.16 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. Some improvements are needed in this area and recommendations have been included in the 2025/26 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. It is important to note that the Council has a zero-tolerance policy in relation to fraud and corruption and it is the responsibility of Heads of Service 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.

- 7.1.4 The Internal Audit team, along with the Investigations Team, undertakes proactive fraud prevention, detection and investigation 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.
- 7.1.5 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.
- 7.1.6 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. Ethic questionnaire findings have been shared when discussing individual audits with relevant Heads of Service 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 2025/26 AGS action plan.
- 7.1.7 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.
- 7.1.8 The Human Resources team and the Council's 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.
- 7.1.9 Senior officers meet regularly and work closely with members to ensure that they understand and can undertake their roles effectively and legally.
- 7.1.10 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.
- 7.1.11 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. The Corporate Peer Challenge reported a strong "golden triangle" of Head of Paid Service, section 151 Officer and Monitoring Officer which is considered the backbone of robust governance.

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 by 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.
- 7.2.2 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.

7.2.3 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. A Vision 2032 Partnership Annual Review took place and the outcome of this was reported to Cabinet in April 2025. Since then, a pilot partnership project has commenced to help address inequalities in those areas of the Borough which face greatest challenge with impact being monitored and reported upon the conclusion of the pilot.

7.2.4 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.

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

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

7.2.7 Annually the public is consulted on the budget proposals for the forthcoming year.

7.2.8 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.

7.2.9 The Scrutiny provision has looked at the development of policy, the decision-making process and areas of concern. The subject areas for review are 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.

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

7.3.1 The Council 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 drive economic investment into, and grow employment opportunities within, the borough which, in turn, generates income to invest in frontline services mitigating financial uncertainty caused by global volatility, cost of living and Government funding reform. The Council has a commercial/investment strategy that demonstrates clear visions, objectives and outcomes. This includes financial, economic, social and environmental issues whilst its economic growth strategy supports and drives increased economic productivity.

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 is currently undertaking a review of the Local Plan and has carried out extensive consultation exercises on this. The Local Plan has been formally submitted to the Planning Inspectorate and is currently being examined by independent Planning Inspectors.
- 7.3.4 All service areas have their own service plans (refreshed in 2025/26) 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 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.
- 7.3.6 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.
- 7.3.7 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. Additionally, the Children's Services service area also have a cost improvement plan which is overseen by SMT and members on a regular basis throughout the year.
- 7.3.8 All reports to members (Committee reports, Cabinet reports and Council reports) show relevant legal and financial implications and risk.
- 7.3.9 Implementation of the IDT Strategy has continued, including infrastructure upgrades and further security improvements particularly in response to spam, phishing and ransomware attacks. The strategy also encompasses the expanded use of AI and governance is in place to ensure AI is implemented safely, ethically and transparently.
- 7.3.10 An Artificial Intelligence Board has been established to ensure that any AI projects are appropriately governed. In addition, AI specific assessment templates are used to assess risks and ensure ethical implementation of any approved AI technology, being mindful of information governance principles.
- 7.3.11 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:
- Securing £6.7m in Warm Homes Local Grant Funding to retrofit low-income homes, improving energy efficiency and tackling fuel poverty.
 - Continued to deliver affordable warmth through Nuplace, completing energy-efficient homes with solar panels and EV charging.

- The Council has reported a 63% carbon reduction achievement and set a target for 70% for 2026/27.
- Continued transition of Council fleet vehicles to fully electric vans.
- Promoted active travel programmes including investment in cycling and walking infrastructure and school travel behaviour projects to reduce car use.
- The Corporate Carbon Neutral Action Plan was updated in October 2025 including risk register updates and annual reporting arrangements.
- Wellington Pool work completed with the pool reopening in August 2025. The work included a £1.1m package of energy efficiency improvements.
- Through the LED Bulb Distribution Scheme, the Council has provided 16,184 energy saving LED bulbs to the borough.
- Awarded £683,370 from the On-street Residential Charge Point Scheme for the installation of 70 dual fast EV charge points in Council car parks

7.3.12 Many more activities have taken place in 2025/26 to support climate adaption and biodiversity.

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

7.4.1 The 2025/26 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 Council's Workforce Strategy is available to all employees on the intranet. The strategy consists of 6 priorities which reflect the Council's aims to be an employer of choice. The Council is refreshing this strategy in 2026, encompassing outcomes from Strategic Workforce Planning which the Council has recently been undertaking.

7.5.2 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.

7.5.3 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 2025/26 with approximately 250 Team Leaders/Managers taking part.

7.5.4 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 55 exhibitors and almost 3,000 visitors attending. Apprenticeship opportunities were promoted at this show.

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

- 7.5.6 The action plan at Appendix 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 detail 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 have potential to prevent the Council achieving its objectives. This risk register is presented to the Audit Committee for consideration and discussion 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 2025/26 the Internal Audit team achieved 93% of its revised planned work and this has been used, in part, with the relevant output from unplanned work to help form the 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 the Internal Audit team as part of the Quality Assurance Improvement Program. No significant issues have been found during these checks but a small number of minor improvements have been fed back to the Internal Audit Team to assist in their continuous development and learning.
- 7.6.6 The Internal Audit team 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 2025/26.
- 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 makes best use of the money available. Financial roles and responsibilities are clearly shown in the Regulations and this 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, MUFG, 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 mainly as a result of increased demand for services, in particular for Adult Social Care. £195.3m of ongoing savings/additional income will have been delivered by the end of 2025/26 with a further £16.7m ongoing savings/additional income to be delivered by the end of 2026/27. The Local Government Finance Settlement announced in December 2025 was the first multi-year settlement in nearly a decade with funding allocations provided for 2026/27 through to 2028/29. The settlement reflected the outcome of the Governments Fair Funding 2.0 Review and simplified the number of funding streams by consolidating several grants into the Revenue Support Grant and four main separate grants. It also simplified the formulas used in the needs assessment and updated the data used which hadn't been updated for decades.

7.6.15 Whilst the provisional settlement figures for future years provide more certainty over funding for the Council, it should be noted that the settlement will remain an annual event with figures for future years being subject to change until "locked down" by their own settlement. Due to the significant financial pressures facing the Council because of increased demand for services, it is anticipated that the need for future Council Tax increases and savings will continue. Savings targets will be allocated as part of the budget planning cycle for 2027/28 in June.

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 2025/26, the Council continued to be the lead authority for the West Midlands Audit Committee Chairs Forum (WMAACCF). The Council's Chairperson of the Audit Committee is also the Chairperson of the WMAACCF. The WMAACCF 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, the Committee was provided with an update on these matters by MUFG Treasury Services, the Council's Treasury Management advisors.
- 7.7.5 There are various committees, each 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 the Internal Audit team fully complies with the Global Internal Audit Standards – UK Public Sector (GIAS-UK PS). The Internal Audit team completes self-assessments against the standards with the outcome of this reported to the Audit Committee. The next internal self-assessment will be completed in 2026/27 against the GIAS-UK PS. The next external assessment will take place in 2027/28.
- 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 Heads of Service and relevant Senior Management representatives for consideration and implementation of recommendations. Internal Audit shares 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 procedures are in place that drive continuous improvement in performance whilst also identifying challenges and opportunities.
- 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 2025/2026 included:
- Continued delivery of the Council's EDI strategy.
 - In May 2025, a dedicated Cabinet portfolio was created for Inclusion, Engagement, Equalities and Civic Pride.
 - Ongoing formal recognition of care experience and armed forces service as a protected characteristic.
 - Compliance with the Public Sector Equality Duty.
 - Participation in the 'Everyone Belongs Here' campaign across Shropshire and Telford & Wrekin.
 - Chief Executive led cross-council internal EDI Steering Group in place

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 the Council's governance arrangements.

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 The local government sector within England and Wales faces 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 Global volatility

8.5.1 Current global volatility in areas such as Ukraine and the Middle East has been seen to impact upon global markets and the cost of things such as fuel, services and interest rates. Developments will be monitored by the Council, alongside its professional advisors to enable it to respond appropriately to any sustained impacts.

8.6 Continued Customer Centric Services

8.6.1 The Council continues to place the customer at the centre of everything it does. To supplement this approach, in September 2025, the Council published its Customer Strategy 2025-2030 – Delivering our Customer Experience.

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		

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AGS ACTION PLAN FOR 2025/26 FOR IMPLEMENTATION DURING 2026/27

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 given the challenging local government landscape.</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 a small number of staff:</p> <ul style="list-style-type: none"> • Had not received an Annual Performance & Development Discussion • Were unfamiliar 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 not completed all essential learning requirements <p>These findings have been shared with Heads of Service / Directors when identified 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, although the work undertaken on the Workforce Strategy presents opportunity to address this challenge.</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 cover succession planning, single points of failure and 'growing our own' and there will be a need for ongoing work to ensure this is an embedded approach across the organisation.</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 2025/25 the Council has continued to organise, and expand, the Skills and Apprenticeship Show to support recruitment.</p>	Director: Finance, People & IDT

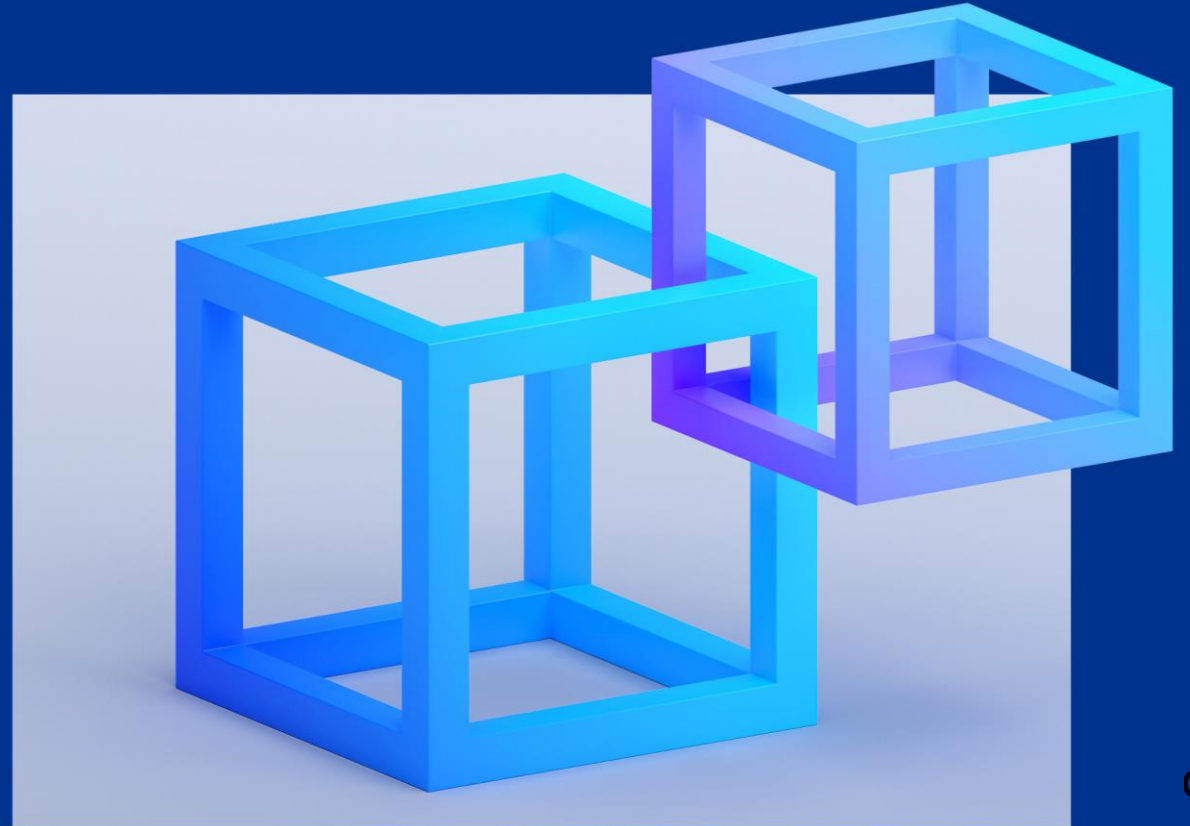
<p>4</p>	<p>Low/medium risk data breaches are being experienced in some Council Teams.</p> <p>Data breaches are reported to the Information Governance (IG) Team who investigate the circumstances of the breach, assess the associated risk and ensure lessons learnt are identified.</p> <p>The Information Commissioner's Office has not taken any action against the Council in 2024/25.</p>	<p>Data breach analysis has been incorporated into the performance management reporting presented to the Senior Management Team.</p> <p>Increase sharing of information internally of any trends around data breaches and 'near misses'.</p> <p>IG Team support for services who process high volumes of personal data.</p> <p>The Council has continued to run mock cyber security exercises to ensure awareness is maintained of the risks posed by matters such as phishing.</p>	<p>Director: Policy & Governance</p>
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Telford and Wrekin Council

Draft Report to the Audit Committee

External Audit plan and strategy for the year ending 31
March 2026

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April 2026



Introduction

To the Audit Committee of Telford and Wrekin Council

We are pleased to have the opportunity to meet with you on 27 May 2026 to discuss our audit of the consolidated financial statements of Telford and Wrekin Council, as at and for the year ending 31 March 2026.

This report provides the Audit Committee with an opportunity to review our planned audit approach and scope for the 2025/26 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 Code of Audit Practice, auditing standards and other professional requirements.

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

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.

Contents	Page
Overview of planned scope including materiality	3
Significant risks and Other audit risks	5
Audit Risks and our audit approach including Going concern	6
Mandatory communications	13
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The engagement team

Richard Walton is the engagement director on the audit. He has 22 years of experience Local audit experience. He shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Liz Gardiner (Lead Manager) Arpit Sarraf (Manager) and Avika Dhingra (In charge) with 10 years ,13 years and 6 years of experience respectively.

Yours sincerely,



Richard Walton

30 April 2026

Restrictions on distribution

This report is intended solely for the information of those charged with governance of the Telford and Wrekin Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

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 :

- An audit is 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 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 Richard Walton (Richard.Walton@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.culter@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 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 £9.1m / 65% of materiality driven by our expectations of increased level of undetected or uncorrected misstatements in the period. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons

We will report misstatements to the audit committee including:

- Corrected and uncorrected audit misstatements above £700k
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually and 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.

Group Materiality

	Group
Materiality for the consolidated financial statements as a whole	£14.0m (2024-25: £13.3m 2.18% of Expenditure)
Performance materiality	£9.1m (2024-25: £8.7m), 65% of Materiality
Misstatements reported to the audit committee	£700k (2024/25: £665k)

Council's Materiality

£11m

2.21% of Telford and Wrekin Council Expenditure
(2024-25: £10.2m)

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

We will maintain communication led by the engagement director 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 May 2026 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas.
- Audit committee meeting in July 2026 where we present our final audit plan.
- Status meetings with management between April and October where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues.
- Closing meeting with management in October 2026 where we discuss the auditor's report and any outstanding deliverables.
- Audit committee meeting in November 2026 where we communicate audit misstatements and significant control deficiencies.
- 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 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 utilise 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 industry 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 significant 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 will 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 methodology for the VFM risk assessment and will provide our detailed risk assessment on VFM separately.

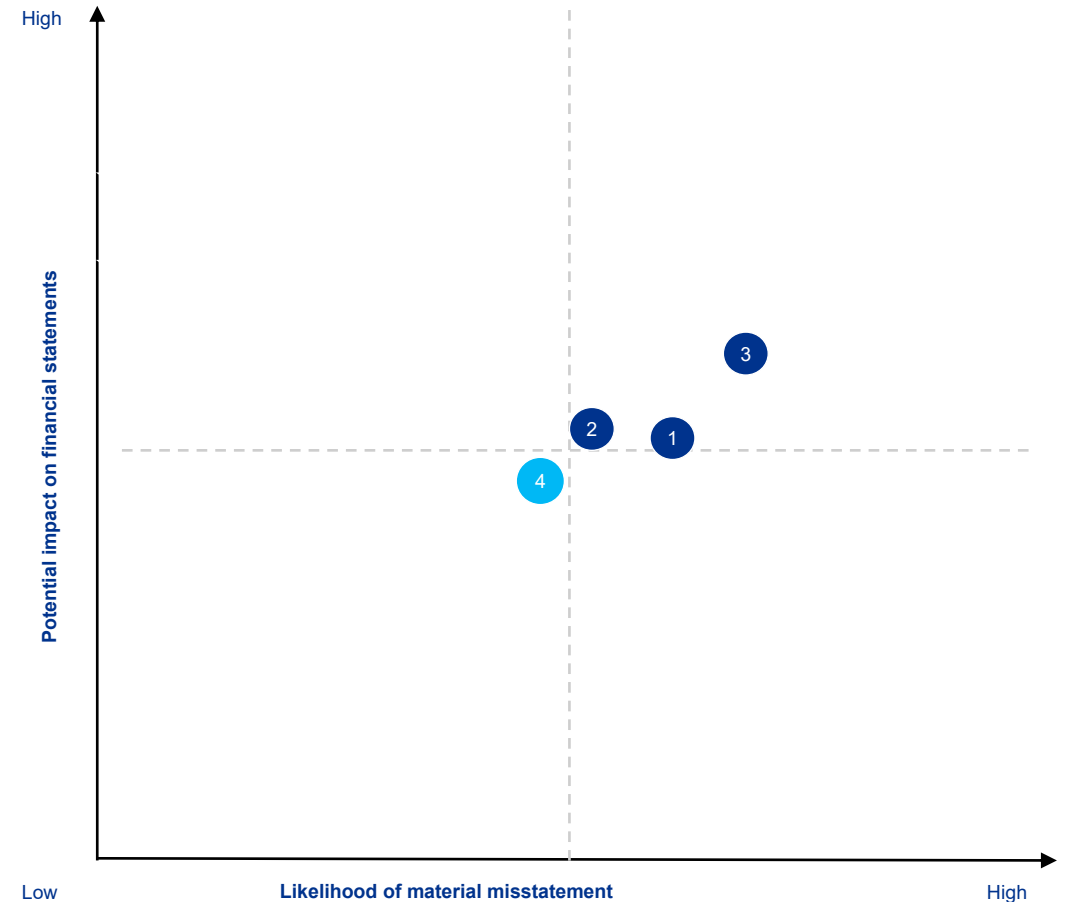
Significant risks

1. Valuation of Investment property
2. Management override of Controls
3. Valuation of post retirement benefit obligation

Other audit risk

4. Valuation of land and buildings

Key: # Significant financial statement audit risks
Other audit risk



Audit risks and our audit approach

1 Valuation of Investment property

The carrying amount of revalued Investment properties differs materially from the fair value

Change vs prior year ▲



Significant audit risk

The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property.

During 2024/25, the authority has completed a review of the property assets it holds and has determined that a number of individual sites meet CIPFA's definition of Investment Property. The fair value of investment properties recorded in the signed 24/25 financial statements was £48.763m (£46.575m FY23/24).

There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.



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 Estate and Investment council's internal valuers used in developing the valuation of the Council's investment property at 31 March 2026;
- We will inspect the instructions issued to the valuers 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; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- 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

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.
- In line with our audit plan, test post closing adjustments.
- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- Identify journal entries and other adjustments with characteristics that indicate that they may be inappropriate or unauthorised and therefore may have been used to manipulate the financial statements (which we refer to as 'high-risk journals and other adjustments'), using KPMG Clara Journal Entry Analysis and perform procedures to test the appropriateness of these entries and adjustments.

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



Page 48



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 actuary will take account of the results of the new Triennial Valuation as at 31 March 2025 for accounting at 31 March 2026. This means re-basing their estimate models to allow for actual experience since March 2022, which could result in corrections to the defined benefit obligation and asset valuations this year. It also updates the contributions payable, which could have an impact on the assessment of the asset ceiling applying to 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.



Planned response

We will perform the following procedures:

- Understand the processes the Councils 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 and implementation 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;

Audit risks and our audit approach (cont.)

3

Valuation of post retirement benefit obligations- continued

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

Change vs prior year



Significant audit risk

We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme

Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Planned response

We will perform the following procedures:

- Consider the adequacy of the Council's disclosures in light of the updated information and change of contributions following the completion of the funding valuation and assess the sensitivity of the deficit or surplus to the assumptions made.
- Assess the level of surplus that should be recognised by the entity; and
- Assess the impact of special events, if any.

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

4

Valuation of land and buildings– rolling programme

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

Change vs prior year



Other audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

- A quinquennial revaluation, supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.

The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle and indexation in the intervening years.

This creates an elevated risk that the carrying value of assets not revalued in year differs materially from the year end current value as the indexation applied is not appropriate.

A further risk is presented for those assets that are revalued in year as valuations are inherently judgmental and there is a risk of error that the assumptions are not appropriate or correctly applied.

We will review this business process at the end of the year to ensure the risk is still suitable based on year-end figures.



Planned response

We will perform the following procedures designed to specifically address the elevated risk associated with the assets revalued in year:

- 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 2026;
- 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 challenge key assumptions within the valuation as part of our judgement;
- 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;
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

We will also perform audit procedures in response to the risk of material error arising from the application of indexation, however we consider the risk of error to be lower than the risk for buildings being subject to valuation.

Audit risks and our audit approach

Revenue – Rebuttal of Significant Risk

Professional standards require us to presume, unless rebutted, 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.

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 reorganization) do not negate the presumption of going concern. However, financial sustainability is a core area of focus for our Value for Money responsibilities.

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 
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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.
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	<p>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.</p>
Auditor’s responsibilities – Fraud	<p>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.</p>
Auditor’s responsibilities – Other information	<p>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.</p>
Independence	<p>Our independence confirmation at page 22 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.</p>

Telford and Wrekin Council

Value for money risk assessment

Our approach

Year ended 31 March 2026

April 2026

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/Entity 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/Entity'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

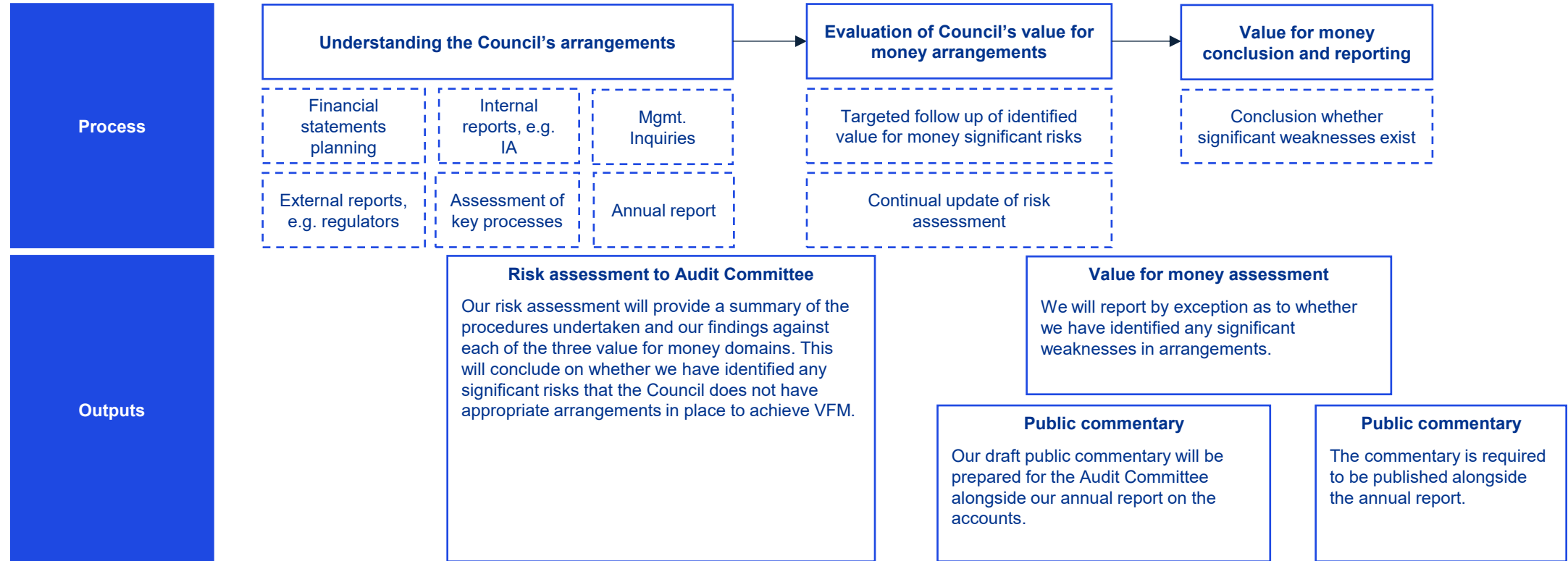
How the body ensures that it makes informed decisions and properly manages its risks.

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

Approach we take to completing our work to form and report our conclusion:



Appendix

A	Audit team and rotation	19
B	Audit timeline	20
C	Fees	21
D	Confirmation of Independence	22
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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.



Richard Walton is the director responsible for our audit. They will lead our audit work, attend the Audit Committee and be responsible for the opinions that we issue.



Liz Gardiner is the lead senior manager responsible for our audit. They will co-ordinate our audit work, attend the Audit Committee and ensure we are co-ordinated across our accounts and VFM work.



Arpit Sarraf is the other senior manager responsible for our audit. They will co-ordinate our audit work and ensure we are co-ordinated across our accounts and VFM work.



Avika Dhingra is the in-charge responsible for our audit. They will be responsible for our on-site fieldwork. He will complete work on more complex section of the audit.

To comply with professional standard we need to ensure that you appropriately rotate your external audit partner. 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 timeline

We have developed our audit timeline based on management’s financial reporting timetable. If we need to make significant changes to the audit timeline below, then we will communicate the reasons to you on a timely basis.

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	2025		2026										
Activity	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Risk assessment and planning	Inquiries of those charged with governance from April 2026												
Evaluate and test controls													
Audit complex accounting estimates													
Year-end audit fieldwork													
Procedures on financial statements/annual report													

* Dates for issuing deliverables are preliminary and based on information available at planning. They are therefore subject to change.

Fees

Audit fee

The audit fees for the year ended 31 March 2026 are set out below.

Entity	2025/26 (£)	2024/25 (£)
Scale fees as set by PSAA	343,328	337,869
FV ISA600r*	-	4,012
FV IFRS16*	-	2,430
FV Prior Period Adjustment*	-	5,104
FV overruns*	-	1,872
TOTAL	343,328	351,287

We note we are expecting fee variations for the following areas in 2025/26 and will advise of the level as work progresses:

- LGPS Triennial valuation (we will be in a position to provide an estimate once this has been considered further.

- 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 fee variation process as outlined by the PSAA.

*Submitted for PSAA approvals.

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;
- There will be no changes in deadlines or reporting requirements; and
- There are no VFM significant risks.

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 Partner and audit staff is not impaired.

To the Audit and Risk 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 is subject to review by an engagement quality control reviewer, who is a director not otherwise involved in your affairs.

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	Principal threats to Independence	Safeguards Applied	Basis of fee
Certification of the Teachers Pension return for 25/26	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.

	2025/26
	£'000
Scale fees	343
Other Assurance Services	-
Non – audit services	7
Total Fees	350

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.

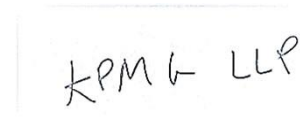
Confirmation of audit independence

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

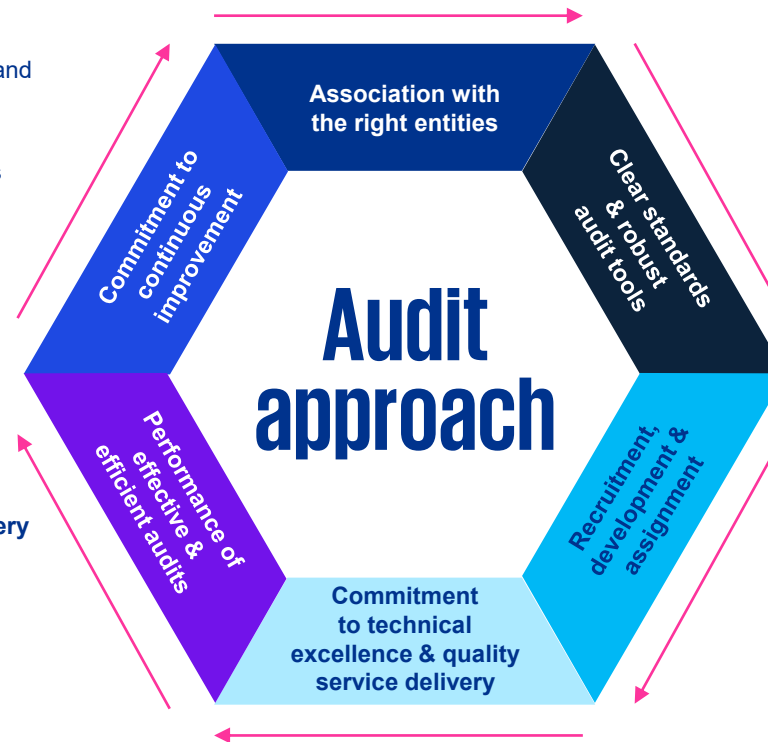
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ 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



kpmg.com/uk

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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 27 May 2026

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 - Head of Governance, Audit & Procurement	
Officer Contact Details:	Tel: 01952 383105 01952 383103	Email: tracey.drummond@telford.gov.uk robert.montgomery@telford.gov.uk
Wards Affected:	All Wards	
Key Decision:	Not Key Decision	
Forward Plan:	Not Applicable	
Report considered by:	Senior Management Team – 12 May 2026 Audit Committee – 27 May 2026	

1.0 Recommendations for decision/noting:

It is recommended that Audit Committee:

- 1.1 Notes the information contained in this report in respect of the Internal Audit planned work undertaken between 1 January 2026 and 31 March 2026 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 2025/26 Internal Audit Plan and to provide information on the recent work of Internal Audit.

3.0 Background

- 3.1 This report provides information on the work of Internal Audit from 1 January 2026 to 31 March 2026 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:

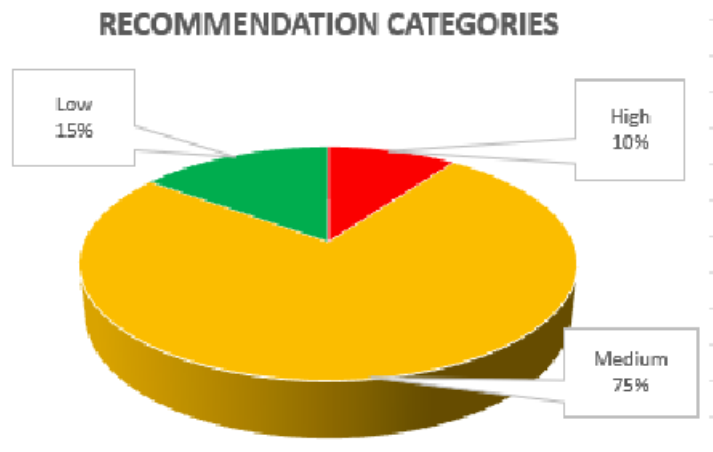
Level of Assurance/Audit Opinion & Definition	
<p>Good (Green)</p> <p>There is a sound system of control designed to address relevant risks with controls being consistently applied.</p>	<p>Reasonable (Yellow)</p> <p>There is a sound system of control but there is evidence of non-compliance with some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

- 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:

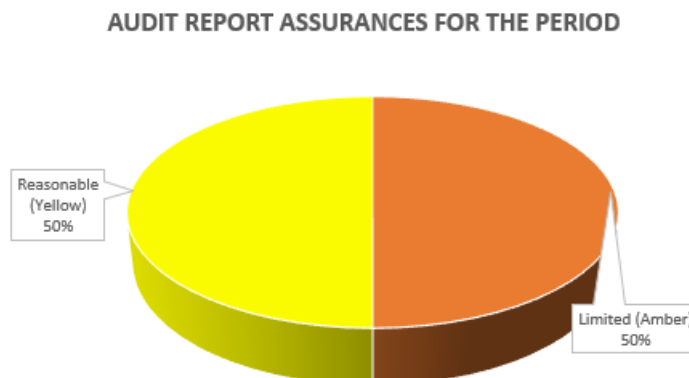
Internal Audit Activity Report

- 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 3.3 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.

Area	Date of Report	Level of risk on	Original Audit Grade	Follow up Due	Revised Grade
Donnington Wood CofE Junior School	6/2/26	M	Limited	May 2026	N/A
Council Tax & NNDR	27/3/26	M	Good	N/a Green Report	N/A

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 or recommendations outstanding are a low risk, 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
PSP Register	17/02/2025	Reasonable	1 st follow up complete. 2 nd follow up to be undertaken	Reasonable	In progress
Randlay Primary School	14/05/2025	Reasonable	Follow up due	Good	Follow up complete. No further follow up to be undertaken.
Supported Living	21/07/2025	Limited	Follow up undertaken November 25. 2 nd follow up due March 26	Reasonable	2 nd follow up in progress.

Internal Audit Activity Report

Coalbrookdale & Ironbridge CE Primary School	25/07/2025	Limited	Follow up undertaken November 25. 2 nd follow up due 20/2/2026	Good	2 nd follow up complete. No further follow up to be undertaken.
BIT	15/08/2025	Limited	Follow up in progress.	Reasonable	Follow up completed and grading changed. No further follow up to be undertaken as new audit to be carried out.
Town Park	05/08/2025	Reasonable	Follow up due 05/02/2026.	Reasonable	Follow up completed and grading remains yellow. No further follow up to be undertaken as outstanding recommendations are in progress and are low risk.
HHAH Grant	03/11/2025	Limited	As part of the next annual audit of the grant	N/a	
John Randall Primary School and Nursery	05/11/2025	Limited	05/02/2026	Good	Follow up completed and grading changed. No further follow up to be undertaken.
Local Transport Capital Funding	20/11/2025	Limited	Next planned audit	N/a	
The Local Stop Smoking Services and Support Grant	02/12/2025	Reasonable	Next planned audit	N/a	

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 2025/26 Annual Audit Plan

4.1 Audit Committee members approved the 2025/26 Internal Audit Plan at the May 2025 committee meeting. **Appendix A** of this report shows the progress made against this plan. From a total of 48 audits, 16 are in progress, 15 have been completed and 16 were deferred and these to the 2026/27 audit plan.

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 budgeted cost 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 Global Internal Audit Standards (GIAS) for the UK Public Sector alongside the normal quality review process undertaken for all audit assignments. The Head of Governance, Audit & Procurement undertakes an independent monthly check of randomly selected completed audit files to ensure they comply with:-

- Requirements of the GIAS
- 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 Alternative Options

7.1 As this report is for noting, there are no alternative options. There is a legal requirement for the local authority to undertake internal audit activity and this report sets out how that has been done during the last reporting period.

8.0 Key Risks

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

9.0 Council Priorities

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

10.0 Financial Implications

- 10.1 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.
- 10.2 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.

11.0 Legal and HR Implications

- 11.1 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 way that the Council can demonstrate it is operating transparently and in accordance with good governance.

12.0 Ward Implications

- 12.1 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.

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.

Internal Audit Activity Report

16.0 Background Papers

- 1 2025/26 Annual Audit Plan
- 2 Global Internal Audit Standards (2024) – mandatory from April 2025

17.0 Appendices

- A 2025/26 Annual Audit Plan

18.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	07/05/2026	07/05/2026	AL
Legal	05/05/2026	18/05/2026	EH
Finance	07/05/2026	07/05/2026	KP

Audit Area	Service Area	Days	Priority	Risk rating	status
General ledger, assets & capital accounting - fixed asset module	Finance & Human Resources	15	All	H	In progress
Payroll/HR	Finance & Human Resources	15	All	H	
Sales Ledger	Finance & Human Resources	15	All	H	In progress
Council Tax/ NNDR	Finance & Human Resources	15	All	H	Complete
Purchase Ledger	Finance & Human Resources	15	All	H	In progress
S106	Finance & Human Resources	as below	All	M	see below
IDT x 5	Finance & Human Resources	46	All	H	2 IP & 2 Def
Transition Leaving Care	Children's Safeguarding and Family Support	10	1,2 & 5	M	In progress
Together 4 Children	Children's Safeguarding and Family Support	8	1,2, & 5	M	Complete
Commissioning	Children's Safeguarding and Family Support	12	1,2 & 5	H	Deferred
Direct Payments	Children's Safeguarding and Family Support	15	1,2 & 6	M	Deferred
Brokerage	Adult Social care	12	1,2,3 & 5	M	Deferred
Deferred Payments	Adult Social care	12	1,2,3 & 5	M	Deferred
Direct Payments	Adult Social care	15	1,2,3 & 5	M	Deferred
Money Laundering	Policy & Governance	8	2 & 5	H	Deferred
Risk Management	Policy & Governance	8	All	M	In progress
Legal system	Policy & Governance	10	All	M	Deferred
Licensing	Policy & Governance	12	2,3 & 5	M	Deferred
Future Focus (NEET)	Education & Skills	8	1,2,5	M	Deferred
Connect to Work	Education & Skills	8	1,2,5	M	In progress
S106	Education & Skills	as below	All	M	see below
Schools (8 schools)	Education & Skills	40	1,3,5	M	3 IP, 3D & 3C
Gypsy & Travellers	Neighbourhood & Enforcement	9	1,2,3 & 5	H	Complete
S106	Neighbourhood & Enforcement	as below	All	M	see below
Oakengates Leisure Centre	Housing, Commercial & Customer Services	10	All	M	In progress
Town Park	Housing, Commercial & Customer Services	10	All	M	Completed
Benefits	Housing, Commercial & Customer Services	15	All	M	In progress

Housing Management & Temporary Accommodation	Housing, Commercial & Customer Services	As below	All	M	see below
S106	Prosperity & Investment	9	All	M	In progress
Housing Management	Prosperity & Investment	10	All	M	Deferred
Domestic Abuse Act	Health & Wellbeing	10	1,3,5	M	In progress
Grants					
Local Transport Capital block funding	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	Completed
Bus subsidy grant	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	Completed
Substance Misuse Grant	Finance & HR and Health & Wellbeing	2	All	M	Completed
Family Hub	Finance & HR and Childrens Safeguarding	2	All	M	Completed
HUG 2 grant (home Upgrade Grant)	Finance& HR and Housing, Commercial & Customer Serv	2	2,3,4 & 5	M	Completed
Happy Healthy Active Holidays	Finance & HR and Educ/Skills	2	All	M	Completed
Reallocated HS2 Funding	Finance & HR	2	All	M	Completed
Stop Smoking Grant	Finance & HR and Health & Wellbeing	2	All	M	Completed
Corporate audits					
Procurement/Contract Monitoring	All service areas	15	All	H	Deferred
Mileage Checks	All service areas	12	All	M	In progress

Priority
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

KEY	
H	high
M	Medium
L	Low



Borough of Telford and Wrekin

Audit Committee

Wednesday 27 May 2026

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 - Head of Governance, Audit & Procurement
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 – 12 May 2026 Audit Committee – 27 May 2026

1.0 Recommendations for decision/noting:

It is recommended that Audit Committee:

- 1.1 Note the Information Governance Annual Report for 2025/26.
- 1.2 Note the Caldicott Guardian Annual Report for 2025/26.
- 1.3 Agree the Information Governance Work Programme for 2026/27.

2.0 Purpose of Report

- 2.1 The purpose of this report is to present the 2025/26 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 2026/27 for consideration and approval.

3.0 Background

3.1 2025/2026 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.

Information Rights

3.4 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 2025 to end of March 2026 compared with the same period for the previous year:

	24/25	25/26	% Increase / Decrease
Number of FOI requests received	1,262	1,338	6%
Average number of FOI requests received per month	105	111	6%
% of FOI requests responded to within statutory deadline	86	85	-1%
Average time taken (days) to respond to each request	15	15	-

As can be seen from the figures in the table above, the Council's performance in responding to FOI requests within statutory deadlines in 2025/26 has decreased slightly compared to the previous year. However, the number of FOI requests received has increased by 6% from the previous year.

In addition to the above the Council received 55 requests (71 in 24/25) that were processed under the Environmental Information Regulations (EIR) 2004. 89% (85% in 24/25) of these requests were responded to within the 20 day deadline.

3.8 In this period IG have received 40 appeals from requestors who were not satisfied with the response they received to their FOI request. This compares to a total of 23 appeals in 2024/25. The majority of appeals received by the Council are not upheld.

3.9 During this period, the IG Team received 4 referrals from the Information Commissioner (ICO) for referrals made to them in relation to a freedom of information request. The outcome of each referral is detailed below:

- Referral 1 – ICO decided not to investigate
- Referral 2 – Council response to an FOI was late, Council did respond to requester and no further action was required
- Referral 3 – Council provided incomplete information in response to an FOI. The Council provided further information, and no further action was required
- Referral 4 – ICO decided no further action was required

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 2025/26 the Council received 173 SARs (136 in 24/25).

Of the requests that had been responded to in 25/26, 95% were responded to within the legislative timescale set. This compares to 96% responded to within timescales in 24/25.

The processing of SAR's continues to be a challenge due to the volume (in pages) and complexity of information being asked for.

The IG Team continuously reviews its practices and looks at the market for new technological solutions to ensure processes improve where possible.

Data Security Incidents

- 3.11 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 2025/2026 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 2025/26 met the threshold for reporting to the Information Commissioners Office (ICO). The ICO is investigating this matter.

Information Governance Related Audits & Work Programme

- 3.13 The 2025/2026 IG work programme was agreed at the May 25 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 2026/2027 for approval. This programme mainly incorporates key actions required to facilitate the legal requirements of the UK Data Protection Act/UK GDPR 2018.

4 2025/26 CALDICOTT GUARDIAN ANNUAL REPORT

4.1 Caldicott Guardian (CG) Function – Key Responsibilities

- 4.1.1 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.

4.2 Summary of CG Activities

4.2.1 **GDPR** – The requirements of this legislation are 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** – The Council implemented new IT systems in October 2018. The Data Protection Officer monitors the Data Protection Impact Assessment on these.

Various internal audits have taken place of financial management processes including the use of the financial and case management systems as part of routine planned audits undertaken.

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 in use within Adult Social Care for financial case management. This ensures seamless data management and improved accuracy reducing error.

The system supports remote working and is protected by robust security measures, including strong password protection and encryption.

4.2.4 **IA Powered Technology Tool** - Adult Social Care have adopted a tool that records sessions and generates detailed write-ups, significantly reducing administrative time. This efficiency allows users to focus more on client interactions.

There are clear safeguards in place to protect personal information and uphold Caldicott principles which are recorded in the Data Protection Impact Assessment (DPIA). The tool adopted does not use any council data for AI training, and all outputs remain first draft only, requiring mandatory practitioner review before entering any case record. The implementation of this tool is overseen by the two Artificial Intelligence (AI) Boards (see AI section). Sub processor checks, and continuous user feedback loops further strengthen oversight.

The tool used remains a controlled, transparent, and ethically governed tool that enhances operational efficiency while maintaining the highest standards of information governance and safe handling of personal confidential data.

4.2.5 **Integrated working with key partners** – Information sharing protocols are regularly updated, supported by the Data Protection Officer. This ensures all appropriate information-sharing agreements are in place and current. Integrating service delivery and records with health partners remains vital to ensure a person-centred holistic view of those that we work with.

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 (see more on this below).

The Data Protection Officer provides frequent updates to the Caldicott Guardian and the Council's Senior Management Team on all aspects of information governance.

- 4.2.6 **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.

Monthly audits are undertaken to ensure user comply with Caldicott Guardian mandated system recording and access. Compliance with regulations such as the Data Protection Act 2018 is ensured through regular audits and monitoring. This product is live and the Data Privacy Impact Assessment is updated annually. T&W users only have read only access to this information and cannot update information. This applies to both T&W data and Health data. One Health and Care data is uploaded direct from LAS by automated API script.

New Developments / Action Plan

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

a. Adult Social Care Portal:

The Adult Social Care 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 the Liquid logic Adult System (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 personal and professional referral functions of the Adult Social Care Portal facilitate two way communication.

b. 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 Social Care 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 March 2026 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.

Adult Social Care breaches

- 4.4 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.

Governance and Quality Assurance

- 4.5 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.

Artificial Intelligence (AI)

- 4.6 There are two Artificial Intelligence (AI) Boards in place; AI Governance Board providing strategic oversight, ethical approval, risk management, compliance and organisational decision-making and the AI Assurance Operational Oversight Board monitoring pilot activity, technical implementation, and ensuring AI meets required standards before wider rollout.

The boards also address potential risks, offer advice on AI integration, and ensures that AI solutions are used responsibly and effectively. The boards supported the development of AI Vision Statement 2026, AI Policy, AI General

Risk Assessment, AI Data Protection Impact Assessment template, and AI Governance Board Terms of Reference.

5 CONCLUSIONS FOR 2025/2026

5.1 The Information Governance Team have performed well and made a positive contribution to the governance arrangements within the Council in 2025/2026.

6.0 Summary of main proposals

6.1 The contents of this report provide the committee with information which gives assurance around matters relating to information management and the activity that takes place on a day-to-day basis to gain assurance that our information management processes are robust. Members are asked to note the contents of the report and approve the IG Work Programme for 2026/27.

7.0 Alternative Options

7.1 The committee could choose not to approve the IG work programme. This is not recommended as it would not align with best practice and would not provide assurance around information management.

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 The costs associated with delivering the Information Governance and Caldicott Guardian functions are currently met from within the Council's approved base budget.

10.2 The Council continues to see increased demand across key Information Governance activities, including Freedom of Information requests and Subject Access Requests, which may place ongoing pressure on existing resources. These pressures are being managed within existing budgets at this time.

10.3 Effective Information Governance arrangements are a key control in mitigating financial risk to the Council. Failure to comply with relevant legislation, including the UK Data Protection Act 2018 and UK GDPR, could result in financial penalties from the Information Commissioner's Office, as well as potential legal claims and reputational damage.

10.4 The Council continues to invest in systems, processes and training (including the use of digital and AI-enabled tools) to support compliance and efficiency. Any

significant additional investment requirements will be considered as part of the Council's normal budget setting process.

11.0 Legal and HR Implications

11.1 The Local Authority is required to comply with UK GDPR and The Data Protection Act 2018, as well as the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 in data handling. Further the Local Authority must adhere to the Health and Social Care Act 2012 information governance duties - in conjunction with the Care Act 2014 and the Health and Social Care (National Data Guardian) Act 2018 - in relation to the Caldicott Guardian role following the Caldicott Reports and in applying the Caldicott principles.

There are no HR implications arising from this report.

12.0 Ward Implications

12.1 The committee could choose not to approve the IG work programme. This is not recommended as it would not align with best practice and would not provide assurance around information management.

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 25/26
- B IG Work Programme for 2026/27

18.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	05/05/2026	18/05/2026	ON
Finance	05/05/2026	11/05/2026	KP

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

No	Task	Completion Date	Update as at 31/3/26
1	Administer FOI/EIR/DPA requests, appeals and associated correspondence from the ICO.	Ongoing	Performance comparable with 2024/25.
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 reviewed.
10	Complete Data Security & Protection (DSP) toolkit assessment for central government.	End of June 2026	To be completed.

Information Governance (IG) Work/Compliance Programme 2026/2027

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 2027
10	Complete Data Security & Protection (DSP) toolkit assessment for central government.	End of June 2027

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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 27 May 2026

Annual Corporate Anti-Fraud & Corruption Report – 2025/26

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 - Head of Governance, Audit & Procurement
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 – 12 May 2026 Audit Committee – 27 May 2026

1.0 Recommendations for decision/noting:

It is recommended that Audit Committee:

- 1.1 note the content of the Anti-Fraud & Corruption Annual Report; and
- 1.2 approve the Anti-Fraud & Corruption Policy.

2.0 Purpose of Report

- 2.1 The purpose of this report is to inform members on the anti-fraud and corruption activity in 2025/26 and to provide a copy of the Anti-Fraud & Corruption Policy.

3.0 Background

- 3.1 The Anti-Fraud and Corruption Report and Policy support 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.

- 3.2 In their report dated 18 November 2024, the National Audit Office estimated that public sector fraud and error cost the taxpayer between £55 billion and £81 billion in 2023/24. The UK Government announced in February 2024 that approximately 40% of crime in the UK is believed to be fraud related. However, a recent report in the House of Lords outlined that only 1% of policing is focused on tackling economic crime. In many organisations fraud goes undetected. The potential loss to fraud and error at every local authority can be significant.
- 3.3 Every pound lost to fraud is a pound that cannot be spent 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.
- 3.4 This report contains information for 2025/26 on counter fraud and investigation activities within Telford & Wrekin Council, driven by the Investigation Team along with Internal Audit, IDT and the work that other Council enforcement teams undertake in tackling certain types of fraud within our communities.
- 3.5 The term fraud is generally used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions. 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

- 3.6 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. However, these controls need to be continually reviewed and assessed as the fraud landscape changes. Work undertaken by the Council teams is not just about the savings realised, putting preventative measures in place to reduce the risks is equally if not more important.

4.0 TRANSPARENCY CODE REQUIREMENTS

- 4.1 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 have used the powers under the Prevention of Social Housing Fraud Regulations 2014 or similar powers.	The Council manages a small portfolio of social housing, allowing for appropriate anti-fraud awareness to be embedded in everyday practise. The Council has not had cause to use its powers during the past 12 months.
2	Number (absolute and FTE) of employees undertaking investigations and prosecutions of fraud	<p>Currently there is 1 Senior Investigation Officer and 1 Assistant Investigation Officer working in the Investigation Team. This equates to 2 FTE officers undertaking investigations into fraud, theft and other irregularity along with introducing preventative measures to combat fraud, providing training, writing policies and risk assessments.</p> <p>Other Council services undertake fraud prevention activity for example Internal Audit, Public Protection and IDT. 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. One officer is also a Financial Investigator accredited by the National Crime Agency.
4	Total amount spent by the authority on the investigation and prosecution of fraud	The cost of the Investigation Team for 2025/26 was £139,663 including all investigation costs. Although a significant portion of this cost relates to supplier and support service costs such as contributions to centralised services like HR and IDT. Also

		<p>included in these costs are expenses such as barrister fees for cases that are within the court system.</p> <p>As stated on 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.

5.0 THE INVESTIGATION TEAM

5.1 The Investigation Team, within Governance, Audit and Procurement has responsibility for investigating all matters of fraud and kindred offences referred to in section 5.5 across the authority. The team are also responsible for introducing measures to help prevent the risk of these offences occurring. This includes maintaining 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 the relevant policies relating to fraud theft and irregularity. The team works closely with Internal Audit to mitigate fraud risks to the Council.

Summary of the Investigation Team work in 25/26:

- The team identified just under £300,000 in fraud and error due to direct investigations undertaken
- Extensive fraud prevention work continues to be undertaken by the team which prevents the authority being subjected to fraud and kindred offences, but the figures related to this could never be quantified
- The team manage the National Fraud Initiative which resulted in £225,000 of notional savings for the authority
- The team issued 57 national fraud alerts to relevant service areas and blocked over 30 rogue email address and 12 bank accounts associated with criminality.
- Over 300 enquires were undertaken to assist the police in fighting fraud in the community.
- Fraud induction training was provided to over 100 new starters
- Provided Accredited Financial Investigation services for all enforcement teams at the Council.

5.2 The Senior Investigation Officer within the team is the Council’s Accredited Financial Investigator. An Accredited Financial Investigator is a specialised enforcement position trained and accredited by the National Crime Agency to investigate financial crimes, such as money laundering and recover assets under the Proceeds of Crime Act 2002.

- 5.3 The Investigation Team also support 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 write and maintain the Anti-Money Laundering Policy.
- 5.4 The team also maintain the Speak Up (Whistleblowing) Policy and associated reporting channels on behalf of the authority.
- 5.5 Prevention is the most effective way of combating fraud, and the team look 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.
- 5.6 A number of complex investigations have been undertaken in 2025/26. Some of these are continuing into the next financial year, due to the complex nature of the criminal and civil investigations and the period of time cases can remain within the criminal justice court system. Each individual investigation that the team have investigated cannot not be outlined in detail in this report although certain significant activity undertaken by the team can be referred to below:
- Potential misuse of direct payments funds relating to adult social care. This case is currently with our Legal Team.
 - A number of investigations have been undertaken in respect Council Tax Single Person discount, Council Tax Support/exemptions and incorrect liability matters. This has resulted in £89,000 worth of actual/notional savings
 - Prosecution of an individual for falsely claiming sick pay through an adult social care direct payment award.
 - Council contractor submitted misleading information to obtain funds from the Council
 - First joint prosecution with the Department for Work and Pensions had identified false claims in relation to Universal Credit and Council Tax Support amounting to over £100,000

6.0 Investigation work undertaken in 2025/26

- 6.1 The Investigation Team concluded 117 investigations in 2025/26 with 58 having a positive outcome. This figure does not include 43 open investigations which have been carried over into the next financial year.
- 6.2 Direct fraud identified financial outcomes as a result of the Investigation Team work

Area	Financial Outcome
Revenues Investigations	£89,869
Housing Benefit as result of Revenues investigation	£15,6844
Corporate fraud work	£178,441.93
TOTAL	£283,994

6.3 The Investigation Team also manage the National Fraud Initiative (NFI). The 2025/26 exercise has already produced notional savings of £225,000 of fraud and error.

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

6.4.1 There is no way of accurately measuring the consequential effects and indirect savings that occur due to the Investigation Team's prevention work detailed in 7.12.2. If this work was not undertaken, then the loss to the authority would potentially increase year on year. In addition, the successful outcomes of investigations service as a deterrent to those considering committing acts of fraud against the authority.

6.4.2 The Investigation Team's proactive work in 2025/26 included:

- Maintaining and updating the 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 training for new starters. In 2025/26 the team provided induction training to over 100 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 57 national fraud alerts to relevant services areas in 2025/26 to help inform the relevant service area of an emerging fraud risk.
- As a result of the national fraud alerts, together with IDT the team blocked over 30 email addresses that we used in national fraud attempts and a further 12 bank accounts were blocked, protecting Telford and Wrekin Council from the risks of nationwide fraud attempts.
- 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, including the Sales Ledger Team.
- 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 to areas 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.

6.4.3 The preventative measures that the team have helped put in place across the Council, along with the training, advice and guidance continues to be key in preventing fraud from occurring, reducing the risk to fraud and ultimately saving the Council money. These activities and resulting savings are in addition to the direct savings identified.

- 6.4.4 In October 2025 the Senior Investigation Officer passed the confiscator qualification within the Accredited Financial Investigator role. This now means that confiscation investigations can be undertaken to help establish whether a person has benefited from their criminal conduct, the location of any criminal funds and calculate the available amount in assets that person must pay back. This can help the authority recover substantial funds where the Council has been the victim of financial crime or provide compensation for our customers if they are the victim (such as rogue trader cases).

7.0 INTERNAL AUDIT

- 7.1 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 and unannounced visits to assist in the detection and prevention of fraud.
- 7.2 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.
- 7.3 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.
- 7.4 Internal Audit also provides continuous advice and guidance to managers to assist them in the prevention of fraudulent activity.
- 7.5 Internal Audit adheres to the Global Internal Audit Standards (GIAS) – UK Public Sector which defines their role regarding fraud prevention.

8.0 BENEFITS SERVICE

- 8.1 The overall Housing Benefit and Council Tax Reduction caseload has decreased over the last 12 months, from 13,290 (live cases) on 31 March 2025 to 12,623 as of 31 March 2026.

The reduction is due to a fall in Council Tax Reduction cases due to managed migration to Universal Credit. 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 brought forward the date for completion of managed migration to 31 March 2026, which they have largely achieved with only a very small number of customers left to migrate over to Universal Credit. 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.

- 8.2 Telford & Wrekin Council initially signed up to the DWP’s Housing Benefit Award Accuracy Initiative from October 2021. From 2022/23 the initiative became mandatory.

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 on customer’s circumstances.

In 2025/26 the DWP required Local Authorities to review pension age customers who are not in receipt of Pension Credit. A total of 910 reviews and 73 HBMS data matches were completed in 2025/26.

- 8.3 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 us when there may have been a change in the customer’s earnings or pension. The number of alerts has reduced due to managed migration to Universal Credit. The Benefits Team have also reviewed cases as part of the government’s National Fraud Initiative.

- 8.4 The DWP continue to provide data, and the Council obtains most of the change of circumstances via their daily downloads and data matches. However, it remains the customer’s responsibility to notify us of any changes. Below is a table detailing the intervention work undertaken within the Benefits Service.

Number of Verification of Earnings and Pensions Undertaken	275
Number of Full Case Reviews Undertaken (as part of Housing Benefit Award Accuracy Initiative)	910
Projected Annual Council Tax Reduction Saving	£83,297.76
Overpaid Housing Benefit	£297,866.28

9.0 CYBER FRAUD

- 9.1 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.

- 9.2 The Council has not had any Distributed Denial of Service Attacks (DDOS) during 2025/26; we continue to operate preventative measures in this space. The Council continues to develop its technical defences to help prevent cyber-attacks.

- 9.3 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.

- 9.4 During 2025/26 the Council continue to use the Protective Domain Name Service (PDNS) from the National Cyber Security Centre. This system prevents access to domains which are known nationally to be malicious.
- 9.5 During 2025/26 the Council had 3,771 malicious emails reported to IDT, 45 of the most sophisticated were reported to a 3rd party service to assist with centralised blocking.

10.0 FIGHTING FRAUD IN THE COMMUNITY

- 10.1 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 assist 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 have 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 2025/26, the team processed over 300 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.

- 10.2 An officer from the Investigation Team is also part of a group with the Police and partnership agencies that looks at data sharing to tackle crime in the community.
- 10.3 The authority's other enforcement teams, which includes Trading Standards, Licensing, Night-time Economy, Planning Enforcement, The Health Protection, Environment Enforcement and Private Sector Housing, play a significant role in delivering the Council's response to business and individual fraud in the borough.

Many 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 whom its officers may investigate and are constrained only by the limitations of the statute under which an investigation is being conducted. These 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.

- 10.4 All teams, through the course of their routine work, may come across irregularities. Where these irregularities are outside any enforcement team's remit these 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.

11.0 Health Protection

11.1 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.

11.2 In 2025/26 the Food Health & Safety Team from Health Protection undertook a project to look at pizza topping authenticity. Samples of pizza cheese were analysed to see if they matched the label description at premises across the Borough . All the samples taken were satisfactory .

11.3 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 imported products of animal origin in retail establishments.

11.4 Licensing and Night-time Economy Service

11.4.1 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.

11.4.2 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
- Applications are circulated to the responsible authorities, including the Police, for background checks.

11.4.3 Taxi licensing

- Validating applications are completed accurately, with all information checked and verified. Applications must be signed by the applicant to confirm that the information provided is true and accurate; submission of false information may result in refusal of the application and/or prosecution.
- 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 have been occasions whereby an applicant has submitted incomplete documentation, such as not declaring all known names on their DBS certificate.

11.4.4 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 we can grant a licence.

11.4.5 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

11.4.6 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.

11.5 Trading Standards Service

11.5.1 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.

11.5.2 In 2025/26, Trading Standards have once again been heavily involved in work tackling the supply of counterfeit and illicit tobacco and vapes. As a result of this work, one premises has closed down and been evicted by the landlord, with work ongoing to deal with similar businesses in the Borough who exist primarily to sell such products.

11.5.3 Following referrals from colleagues in Licensing, the team has also begun investigations into individuals running a business buying and selling pet animals without holding necessary licenses. The scale of the operation suggests a fraudulent business may be being operated. Enquiries are ongoing, with valuable input from the Accredited Financial Investigator.

12.0 PUBLICITY

12.1 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.

12.2 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.

12.3 Where allegations of internal frauds have been investigated and procedures and controls are changed the lessons learnt will be shared across the Council through the staff news, bulletins and in management meetings, if appropriate to do so.

13.0 TRAINING AND AWARENESS

13.1 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. Training also includes a section on cyber security and cyber fraud
- Online training courses being available for all staff on fraud, theft, bribery, cyber security/fraud and corruption along with money laundering.
- 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 Speak Up (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.

14.0 CHALLENGES FOR 2026/27

14.1 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 cannot just be reactive.

14.2 The main challenge for 2026/27 continues to be the financial constraints the authority is facing which challenges resource levels across the Council.

14.3 The expanding of the Accredited Financial Investigator role is an extremely exciting and beneficial service for Telford and Wrekin Council, not just for the authority's enforcement teams but for the authority as a whole. However, this could have an impact on the resources of the Investigation Team itself.

15.0 ANTI-FRAUD & CORRUPTION POLICY UPDATE

15.1 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 2025 and is required to be reviewed every two years. A number of minor amendments have been made which is why the policy has been reviewed again this year.

16.0 Alternative Options

16.1 Audit Committee having oversight of the details set out in the report form a key part of the Council's assurance framework. Without which, there would be little Member oversight.

Members could choose not to approve the policy but refreshing the policy is considered to be a good governance practice.

17.0 Key Risks

17.1 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.

18.0 Council Priorities

18.1 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.

19.0 Financial Implications

19.1 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.

The report highlights identifiable financial recoveries and avoided losses, alongside increasing fraud risks and ongoing resource pressures. This indicates both the value of counter-fraud activity and the underlying exposure to potential financial loss, reinforcing the need for continued investment in prevention, strong financial controls and ongoing monitoring as part of the Council's financial resilience.

20.0 Legal and HR Implications

20.1 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 but not limited to:

- 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

21.0 Ward Implications

21.1 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.

22.0 Health, Social and Economic Implications

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

23.0 Equality and Diversity Implications

23.1 Transparency supports equalities and demonstrates the Council’s commitment to be open and fair.

24.0 Climate Change, Biodiversity and Environmental Implications

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

25.0 Background Papers

1 None

26.0 Appendices

A Anti-Fraud & Corruption Policy

27.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	05/05/2026	05/05/2026	RP
Finance	05/05/2026	07/05/2026	KP

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Anti-Fraud and Corruption Policy

Audit & Governance

Update: April 2025

Update: April 2026

1. Introduction

Fraud and Corruption

According to the Fraud Act 2006, fraud can be committed in the following ways:

A. *Fraud By False Representation*: A person commits an offence when they dishonestly make a false representation, and intends, by making the representation to:

- make a gain for himself or another, or
- cause loss to another person or expose another to a risk of loss.

A representation is false if:

- it is untrue or misleading, and
- the person making it knows that it is, or might be, untrue or misleading.

B. *Fraud By Failing to Disclose Information*: An offence is committed where a person dishonestly fails to disclose to another person information, which he is under a legal duty to disclose, and intends, by failing to disclose the information to:

- make a gain for himself or another, or
- cause loss to another or to expose another to a risk of loss.

C. *Fraud By Abuse of Position*: An offence is committed where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to:

- make a gain for himself or another, or
- cause loss to another, or to expose another to a risk of loss.

A person also commits an offence if they:

- Have Possession of Articles for use in fraud
- Makes, adapts, supplies or offers supply any article for use in fraud
- Participates in a fraudulent business as a sole trader
- Obtains services dishonestly

The Bribery Act 2010, effective from 1 July 2011, sets out two general offences:

- Offering, promising, or giving a financial or other advantage,

- Requesting, agreeing to receive, or accepting such an advantage.

Additionally, the Act creates a corporate offence for failing to prevent bribery carried out on behalf of an organisation. Bribery involves giving or receiving something of value with the intention of influencing the actions of the recipient in favour of the provider. All staff must be aware of their responsibilities under this legislation.

The Council defines corruption as the act of giving or obtaining an advantage through illegitimate, immoral, or unethical means that conflict with the duties of employees or councillors or infringe upon the rights of others.

The term fraud is generally used to describe such acts as deception, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions. This Anti-Fraud and Corruption Policy, hereinafter called “the Policy” covers all financial impropriety including theft or corruption. When the term fraud is referred to in this policy it will also refer to kindred offences of:

- Fraud
- Theft
- Money Laundering
- Bribery
- Corruption
- Conspiracy
- Embezzlement

The Council, through the Policy, outlines its zero tolerance of fraud and its determination to deal equally with perpetrators from inside (members and employees) and outside the Council.

The Policy outlines measures designed to frustrate attempted fraud, theft, bribery or corruption and the steps that will be taken if such action occurs. It is separated into four areas:

- Culture
- Prevention/Deterrence
- Reporting, Detection and Investigation
- Training/Development

The Council also welcomes the high degree of external scrutiny of its affairs by a variety of external bodies. These bodies are important as they provide independent external challenge and highlight any areas where improvements to anti-fraud activities can be made.

2. Culture

The Council's co-operative values include openness, honesty, fairness and respect which support the Council's commitment to zero tolerance in respect to fraud and dishonesty offences. Our Customer Contract also sets out our expectations in terms of our relationship with our customers.

The Customer Contract can be found here:

<https://www.telford.gov.uk/customerstrategyandcustomercontract>

The prevention and detection of fraudulent activity and the protection of the public purse are responsibilities of everyone, both internal and external to the organisation. The anti-fraud culture works alongside associated procedures to assist the Council in its management of the risk of fraud and is an integral part of its governance framework.

The Council has a wide range of interrelated policies and procedures (listed in section 3) that provide an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraudulent activity. These have been formulated in line with appropriate legislative requirements

Residents of the borough, and any individual or organisation, are encouraged to report any concerns of suspected fraudulent activity against the Council through various reporting channels, safe in the knowledge that these concerns will be acted upon wherever possible.

The Council's members, employees, partners, volunteers and governors play an important role in creating and maintaining the Council's anti-fraud culture. They are positively encouraged to raise concerns regardless of seniority, rank or status; confident in the knowledge that such concerns will be investigated and, where possible, be treated in confidence.

Suppliers/contractors to the Council also have roles to play in this process and should inform the Council if they feel that fraud, theft, bribery or corruption may have occurred.

The Council will take appropriate action against those who commit offences against the Council. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees / members raising malicious allegations) will also be dealt with appropriately.

When fraud or kindred offences have occurred due to a breakdown in the Council's systems or procedures, senior managers will ensure that appropriate improvements in systems of control are implemented within a reasonable timeframe to prevent any re-occurrence.

3. Prevention & Deterrence

Telford & Wrekin Council recognises that fraud and other dishonest behavior (including bribery) can occur in any service in the authority and can be committed by numerous different sources such as (but not limited to):

- ☑ Members of the public
- ☑ Outside organisations, including cyber fraud risks
- ☑ Employees of the council
- ☑ Organised crime groups

Telford & Wrekin Council has policies in place that help prevent and protect the authority against these risks and outline how the authority responds when an incident is identified. These policies include (but are not limited to):

- ☑ Fraud Response Plan
- ☑ Speak Up (Whistleblowing) Policy
- ☑ Information Security Policy
- ☑ Cyber Response Policy
- ☑ Disciplinary Policy
- ☑ Anti-Money Laundering Policy
- ☑ Conflicts of Interests Policy
- ☑ Employee Code of Conduct
- ☑ Councillor Code of Conduct
- ☑ Gifts and Hospitality Guidance

Employees

The Chief Financial Officer (Director: Finance, People & IDT also known as the s151 Officer (a post required under the Local Government Act 1972) is responsible for:

- ☑ Ensuring that proper arrangements are in place to administer the Council's financial affairs.
- ☑ Ensuring the Council implements appropriate measures to prevent and detect fraudulent activity and protect the Council's assets from fraud and loss.
- ☑ Ensuring there are appropriate arrangements and support in place for internal audit
Prevention is an essential aspect of ensuring that these obligations are met.

The responsibilities of the Chief Financial Officer are also shared corporately across Directors and Senior Management of the authority to ensure that these responsibilities are built into the culture of the Council.

The Monitoring Officer (Director: Policy & Governance) is another post required under the Local Government Act 1972. Their role is to ensure the Council, its officers and its Elected Members, maintain the highest standards of conduct while undertaking their role within the authority.

Employees and their managers are responsible for ensuring that effective systems of internal controls exist within their areas of responsibility that help prevent and detect fraudulent activity including . It is important that they test these controls regularly to confirm they operate effectively. They should also implement appropriate controls into new/developed systems and new controls into existing systems to reduce the risk of fraud and theft occurring or recurring.

Managers at all levels are also responsible for managing fraud risks through:

- ☑ Recruitment – following the Council’s recruitment policies and procedures and understanding that fraud can occur through the recruitment process – which can then become a gateway to further deception
- ☑ Their adherence to, and promotion of, the Council’s Values and the Employee Code of Conduct
- ☑ Providing awareness of the Council’s constitution, appropriate policies and procedures
- ☑ Being aware of the risks in their area and issuing regular reminders, updates and vigilance
- ☑ Encouraging staff to raise concerns as directed by the Speak Up (Whistleblowing) Policy and Fraud Response Plan
- ☑ Implement actions recommended by Internal Audit
- ☑ Implement recommendations detailed by the Investigation Team following an investigation conducted in their area
- ☑ Ensuring that the correct procurement procedures are adhered to when contracting services or purchasing goods and services
- ☑ Ensuring that there is effective role separation within relevant processes in their area
- ☑ Ensuring that any concerns of fraud, theft, bribery and corruption made by a member of the public, other outside individual or organisation or member of staff are passed to the Investigation Team.

Code of Conduct

The Code of Conduct for employees outlines the standards of behaviour that Telford & Wrekin Council expects from employees and these standards contribute to the prevention of fraudulent and dishonest conduct.

All employees are expected to adhere to the Code of Conduct during their employment with Telford & Wrekin Council. Failure to adhere to the Code of Conduct can result in disciplinary action being taken against an employee.

All members and officers are expected to fully co-operate with whoever is conducting investigations, proactive checks or data matching exercises.

Conflicts of Interests

Both members and employees must ensure that they avoid situations where there is a potential for a conflict of interest to arise or where there could be a public perception that a conflict of interest exists. Such situations can arise in any area, particularly with planning and land issues, procurement (especially tendering) and recruitment. Effective role separation is essential to ensure decisions made are based upon impartial advice to maintain public confidence in the Council’s decision-making processes and avoid questions about improper disclosure of confidential information.

The Conflict of Interest Policy outlines employee’s responsibilities in declaring any conflict between their personal life and their role with the Council. This responsibility to declare any conflict of interest is outlined for elected members in the Councillor Code of Conduct

It is important to note that the Local Government Act 1972 (Section 117) requires officers to disclose any personal interest in contracts, with failure to do so being a criminal offense.

Members

All elected members of the Council have a duty to the citizens of the borough to protect the Council and public money from any acts of fraud, bribery or corruption. This is achieved through conformity with the Anti-Fraud and Corruption Policy, compliance with the Member's Code of Conduct, following the Council's Constitution, relevant legislation and any other protocols and procedures adopted by the Council.

The Member's code of conduct outlines the standards of behaviour that Telford & Wrekin Council expects from members, and this contributes to the prevention of fraud, theft, bribery and corruption.

The policies and procedures detailed above not only help prevent the Council from being exposed to fraud and other dishonest offences but also demonstrates the Council's zero tolerance to bribery.

Investigation Team

The Investigation Team is responsible for putting additional measures in place to help prevent the risk of fraud and kindred offences and to guard against the risks that organised crime poses to the Council. It is also responsible for operating the fraud and whistleblowing hotline and reporting facilities which allow any concerns to be reported through a variety of channels. The team works closely with Internal Audit to mitigate the risks to the Council as well as providing support, advice and assistance to service areas on fraud, theft, irregularity, bribery and corruption prevention matters. This includes:

- ☑ Developing the fraud risk register
- ☑ Staff training - including induction training for all new starters
- ☑ Producing fraud alerts which are distributed to relevant services based on national and local intelligence
- ☑ Making recommendations to service areas to help guard against risks
- ☑ Attending team meetings to provide guidance and help service areas understand risks in their area and across the Council as a whole
- ☑ Speaking to service areas during implementation of policies and procedures to provide anti-fraud guidance
- ☑ Offering help and advice to staff on all matters of fraud and kindred offences.

The 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 Investigation Team works with Council's Infrastructure Security Specialist from the Information Data Technology (IDT) Team to help identify and tackle the risks from cyber fraud.

Internal Audit

Internal Audit plays a vital preventative role in ensuring that systems and procedures are in place to prevent and deter fraudulent activity and has specific powers within the constitution. Internal Audit liaises with management to recommend changes in procedures to improve controls, reduce risks and prevent losses to the Authority.

Data Matching

The Council participates in a number of data-matching exercises to help identify matters of fraud, theft, irregularity, bribery and corruption; most notably the National Fraud Initiative (NFI). In respect to both Revenues and Benefits services there are also regular external exercises undertaken and the use of real time information to enable data matches from the HRMC to be investigated. In addition, internal data matching exercises are undertaken at various times, for example matching council tax single person discount records with Electoral Role data. All exercises adhere to and are compliant with all relevant data protection legislation.

External Audit

External Audit is an essential safeguard of the stewardship of public money. External Auditors will continue to operate through a Code of Practice that is designed to test (amongst other things) the adequacy of the Council's financial systems, the arrangements for preventing/limiting the opportunity for fraud and the arrangements for the detection of fraud, theft, bribery and corruption. It is not the External Auditors' function to prevent fraud and irregularities, but the integrity of public funds is, at all times, a matter of general concern and the auditors will consider the effectiveness of the Council's arrangements to prevent and detect fraud. External Auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice. Where External Audit is required to undertake an investigation, they will operate within legislation and their codes of conduct.

Other Agencies

Appropriate Council services have arranged (in compliance with the UK Data Protection Act 2018) the exchange of information on national and local fraud activity with appropriate external agencies. These agencies include the Police and the Department for Work and Pensions.

4. Reporting, Detection & Investigation

The Investigation Team, within Audit & Governance, investigates all cases of suspected, fraud and kindred offences against Telford & Wrekin Council, in accordance with agreed procedures. However, there are occasions where certain matters can be referred to the Police (this is detailed in the Fraud Response Plan).

The Fraud Response Plan details how any suspected matter can be reported, who it is reported to and how the authority responds to these referrals. However, for reference the details are provided here:

If you wish to report any potential fraud or irregularity, then please contact the Investigation Team.

- **Online by using the Fraud and Whistleblowing [Reporting Form](#)**
- **Telephone the Fraud and Whistleblowing hotline on 01952 383839.**
- **Email investigations@telford.gov.uk.**

The Council's website provides information to the public on how they can report concerns and also provides information on how the authority can be subjected to acts of fraud across the broad range of services it provides.

The Speak Up (Whistleblowing) Policy outlines what constitutes a whistleblowing referral, how such matters can be raised and how the authority will respond to whistleblowing referrals that are received.

Staff can also raise issues directly with their manager or director. This includes whether they believe that they have been offered a bribe.

Internal Audit plays an important role in the detection of fraud. Included in their annual audit plan are specific fraud tests, spot checks and unannounced visits. However, it is often the vigilance of employees, partners, volunteers, members, governors, suppliers/contractors and the public that aids detection.

Prosecution and Recompense

The Fraud Response Plan details how the authority will seek to take further action against perpetrators of fraud and kindred offences. This can include the Council deciding to use its power to prosecute in appropriate cases and/or the use of other available sanctions.

Within the Revenues Service, the Council Tax Reduction Schemes (Detection of Fraud & Enforcement) (England) Regulations 2013 and Schedule 3 of the Local Government Finance Act 1992 outlines civil penalties that the Council can apply in cases where false or incorrect information is provided or there is a failure to provide information which leads to incorrect claims to Council Tax Support or an incorrect liability for council tax.

The Council will seek to recover any money or assets fraudulently/corruptly/incorrectly obtained from the Council. This is further detailed in the Fraud Response Plan, which outlines the use of Accredited Financial Investigators and the pursuance of compensation under the Proceeds of Crime Act 2002.

Disciplinary and Other Action

Employees who commit fraud offences or are involved in any other criminal offences against the authority, such as bribery will face disciplinary action. This not only includes committing offences against the Council in their role as an employee but also in circumstances where they have committed fraud as an external customer; for example, a deception of obtaining a council tax discount and/or exemption. Disciplinary action will be

taken in addition to any criminal proceedings where the circumstances merit such activity in each individual case.

Members will face appropriate action if there is evidence that they have been involved in fraudulent activity against the authority. Action will be taken in addition to any criminal proceedings, depending on the circumstances of each individual case. If the matter is a potential breach of the Code of Conduct for Members, then it will also be referred to the Council's Monitoring Officer.

Publicity

The Council's Corporate Communications Team will optimise the publicity opportunities associated with anti-fraud activity within the Council. Information will be publicised in respect of prosecutions and other appropriate cases as a deterrent.

Internally, where the Council can learn from incidents, the relevant points will be communicated to members and employees.

All anti-fraud activities, including the update of this Policy will be publicised in order to make employees, members and the public aware of the Council's commitment to taking action on fraud, bribery and corruption, when it occurs.

5. Awareness & Training

The Council recognises that the continuing success of this Policy and other supporting policies and its general credibility will depend, in part, on the effectiveness of training and awareness for employees, members and affected external parties. The principles of this policy are integrated into the officer and member's induction programme and incorporated into the Member Development programme. The Council also undertakes the following actions to fulfil the principles of this policy:

- New starters receive a face-to-face induction program which includes training from the Investigation Team.
- Online training courses are available for all staff on fraud, cyber security/fraud and money laundering developed by the Investigation Team and IDT.
- The Investigation Team attend service area team meetings when a need is identified or when requested, to discuss prevention and detection
- The Investigation Team also provide specific training to services areas when the need arises.
- Regular fraud-awareness activity through corporate communication and staff news is provided by the Investigation Team.
- Regular fraud alerts are sent to affected service areas which helps increase staff awareness.
- Copies of the Anti-Fraud and Corruption Policy, the Fraud Response Plan the Whistleblowing Policy, and any other relevant policy are available on the intranet.
- Specialist training for certain employees is provided by their service area due to their specific roles.

6. Reporting and reviewing

This Policy and the Anti-Fraud and Corruption Annual Report will be presented to the Audit Committee annually.

This Policy will be reviewed as and when is necessary but as a minimum will be formally reviewed once every 2 years.

Version Control

Version	Date	Author	Sent to	Comments
2023 1.0	29/03/23	A. Hollis	Rob Montgomery	Changes made
2023 2.0	4/04/23	A. Hollis	Debbie Brown (HR)	Changes made
2023 3.0	24/04/23	A. Hollis	Sarah Harding (Legal Services)	Changes made
2025 V 4.0	17/03/23	A Hollis	Rob Montgomery	No changes
2025 V 4.1	31/03/25	A. Hollis	Anthea Lowe	Changes made
2025 V 4.2	25/04/25	A. Hollis		Final
2026 V 5.0	17/03/26	A Hollis	Rob Montgomery	No changes
2026 V 5.1	24 April 2026	A.Hollis		Final



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 27 May 2026

Internal Audit Annual Report and The Audit Committee Work Programme Review for 2025/26 & 2026/27 & The 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:	Rob Montgomery - Head of Governance, Audit & Procurement
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:	SMT – 12 May 2026 Audit Committee – 27 May 2026

1.0 Recommendations for decision/noting:

It is recommended that the Audit Committee:

- 1.1 Note the Internal Audit Annual Report for 2025/26;
- 1.2 Approve the Internal Audit Plan 2026/27; and
- 1.3 Note the information provided regarding the work of the Audit Committee for 2025/26.

2.0 Purpose of Report

2.1 To present the 2025/26 Internal Audit Annual Report, update on the 2025/26 work of the Audit Committee and the 2026/27 Annual Audit Plan.

3.0 Background

3.1 The terms of reference of the Audit Committee include the requirement to monitor progress against the Internal Audit Plan and to consider the effectiveness of the Council's governance processes and the extent to which the Council complies with legislation and best practice.

3.2 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).

3.3 The Global Internal Audit Standards – UK Public Sector (GIAS-UKPS) require the Chief Audit Executive to report annually to the Audit Committee where an internal audit function exists on:

- The purpose of internal audit
- Conformity with the Internal Audit Charter and standards

This Annual Report is written to support the Audit Committee oversight of the effectiveness, independence, quality and resourcing of the internal audit function.

3.4 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.

4 2025/26 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

Internal Audit Annual Report and The Audit Committee Work Programme Review for 2025/26 & 2026/27 Annual Audit Plan

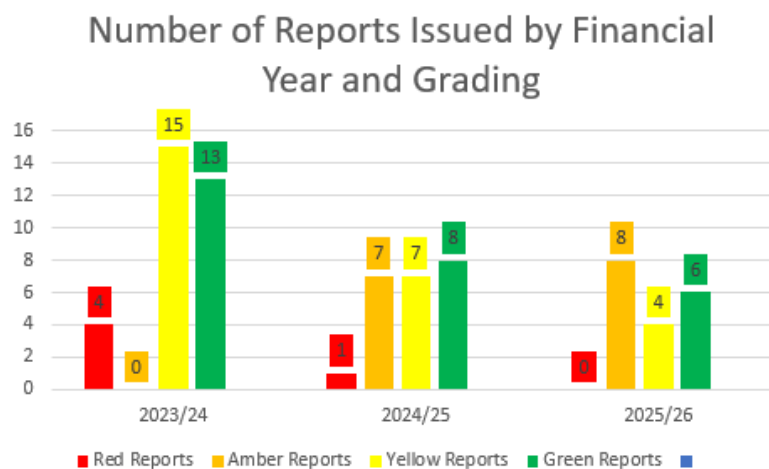
eliminate them completely. Internal Audit and the other assurance processes therefore provide reasonable and not absolute assurance of the adequacy and effectiveness of the Council’s framework of governance, risk management and internal control which is included within the Annual Governance Statement.

4.1.3 The planned Internal Audit resources for 2025/26 were 628 days, this includes days needed for external contracts. The team achieved 97% of the planned work, with some items being rescheduled and included in the 2026/2027 plan.

4.1.4 Based on internal audit work undertaken during the year, 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 (also on the agenda for this meeting) for the explanation of how this opinion has been arrived at.

4.1.5 As in previous years senior management have provided information or updates to the Audit Committee were requested to provide explanations as to why progress on the implementation of recommendations was not as agreed.

4.1.6 The information below details the number of reports issued and their grading. This information is shown below for 2025/26 with comparisons with 2024/25 and 2023/24

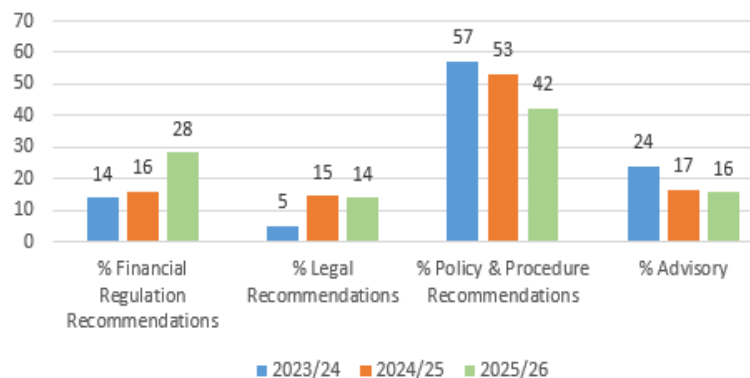


(Grading’s - Green = good; Yellow = reasonable; Amber = limited; Red = poor)

The above graph shows that the number of reports issued during 2025/26 and their gradings are comparable with 2024/25, with a slight decrease in the number of yellow graded reports. The overall distribution of gradings has changed over the three-year period, as detailed further in paragraph 4.1.6.

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

% of Recommendations made by Category and Financial Year



In 2025/26 the % of Financial Regulation recommendations increased to 28% from 16% in 2024/25 and 14% in 2023/24. There was no thematic reason for this increase. As part of good governance, Internal Audit will continue to remind services of the requirements to comply with these regulations. The % of policy and procedure recommendations decreased in 2025/26, yet the % of legal recommendations remain comparable to 2024/25.

- 4.1.8 Internal Audit reports also raise advisory points, these are low risk findings which managers may find useful to consider but are not of any significant risk so as to necessitate making a recommendation.
- 4.1.9 The Internal Audit Team has faced some resource challenges during the year as a result of the team having a new member of staff but has still managed to complete 97% 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.
- 4.1.10 The Head of Governance, Audit & Procurement has previously undertaken benchmarking exercises to assess the level of resource of the Internal Audit Team. The output from this exercise highlighted that current resource levels in the Internal Audit Team were adequate.

The Internal Audit Team continually strives to develop and each Auditor maintains their own record of continuous professional development. Skills particularly relevant to information technology and associated themes such as artificial intelligence are reviewed on an ongoing basis and will continue be developed in 2026/27.

- 4.1.11 It can be confirmed that in 2025/26, there has been no impairment to the independence and objectivity of the Head of Governance, Audit & Procurement and/or the Internal Audit Service.

4.2 Global Internal Audit Standards – UK Public Sector (GIAS-UKPS) and External Assessment

- 4.2.1 The Public Sector Internal Audit Standards (PSIAS) (which defined proper practice under the Accounts and Audit Regulations 2015) were effective from 1st April 2013. The PSIAS were subsequently replaced by the GIAS-UKPS from April 2025. 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 Internal Audit Team has undertaken an initial internal assessment of its operations against the requirements of the GIAS-UKPS. This assessment indicates that operations are broadly compliant but there is some minor development requirement needed. The output from this exercise and associated action plan will be presented at the next Audit Committee. Internal Audit has conducted its work in accordance with the GIAS-UKPS and the CIPFA Code of Practice.
- 4.2.3 The Quality Assurance & Improvement Programme (QA&IP) was followed during the year. As part of this programme the Head of Governance, Audit & Procurement undertakes monthly spot checks of completed internal audit work against GIAS-UKPS requirements. Any actions/areas for development have been fed back to the Internal Audit team in year and lessons learnt from the QA&IP are fed into regular reviews of Internal Audit processes and procedures.
- 4.2.4 Audit processes and procedures remain under continuous review to ensure lessons learnt are implemented and to ensure that the team is operating within best practice to ensure compliance with the standards.

4.3 Performance reviewed by External Audit

- 4.3.1 KPMG were 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. This includes consideration of the activity of the Internal Audit Team.

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 has looked to make changes to improve the team's adherence to the GIAS-UKPS and has implemented new/alternative ways of service delivery. The team regularly shares best practice with other local authorities and attends local network groups as part of its continuous improvement.
- 4.4.2 The Head of Governance, Audit & Procurement 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 internally set key performance indicators detailed in the table below. Results for 2025/26, shown below, demonstrates that team performance exceeded the targets set, except for the % of draft reports issued within 15 working days. This was due to training a new member of staff and delays arising from the audited service area answering additional questions raised at the review stage. Internal Audit will look to address any future delays by reviewing its escalation processes and is confident this target will be met in 2026/27.

KPI Definition	Proposed Target	2025/26 Results
% completion of the annual audit plan	90%	97%
% of draft audit reports issued within 15 working days from completion of audit fieldwork	90%	72%
% of auditees either satisfied or very satisfied with audit work undertaken	90%	100%
% of recommendations accepted at draft stage	95%	97%

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 questionnaire

4.5.2 Customer surveys are issued 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', 'good'. Responses were compared to 2024/25 results:

2024/25	2025/26
Pre-audit arrangements	
100%	100%
Audit Visit	
100%	100%
Communication	
100%	100%
Reporting	
100%	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. Responses received for all categories included in the customer feedback form remain extremely high.

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

4.6 CONCLUSIONS FOR 2025/26

- 4.6.1 Internal Audit has continued to perform well and continues to make a positive contribution to the governance arrangements within the Council. During 2025/26, completion of the audit plan increased from the previous year.
- 4.6.2 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.
- 4.6.3 The Internal Audit Team have also continued to provide adhoc advice and guidance on governance, procedures, controls and risk management.
- 4.6.4 However, there are changes occurring both within and outside the Council during 2026/27 and beyond which could affect the team's future activities including:
- a) The continued pressure on the Council's budget strategy and seen nationally across the sector
 - b) Reduced staffing levels across the Council and the potential impact through revised governance arrangements and reduced supervisory levels
 - c) Multiple changes to the statutory and legislative framework across a wide range of service areas within the local government sector.

5 THE AUDIT COMMITTEE WORK PLAN REVIEW

5.1 Internal Audit

- 5.1.1 The Internal Audit team has continued to provide the Committee with reports on work undertaken as outlined in the GIAS-UKPS and the Constitution, highlighting any areas requiring attention by Members.
- 5.1.1 The Internal Audit Plan for 2025/26 was approved by the Committee at the May 2025 meeting and the Internal Audit Charter for 2026/27 was approved by the Committee at the January 2026 meeting.

5.2 External Audit

5.2.1 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.

5.3 Governance

5.3.1 The Annual Governance Statement 2024/25 was approved at the May 2025 Audit Committee meeting. An update on the Annual Governance Statement action plan was presented to the committee in January 2026.

5.3.2 The July 2025 and January 2026 meeting reviewed the Council's Strategic Risk Register.

5.3.3 The 2024/25 Information Governance Annual Report was presented to the Committee in May 2025.

5.4 Treasury Management

5.4.1 The Committee received the 2024/25 outturn and in year updates for 2025/26. The Treasury Management Strategy 2025/26 was reviewed prior to approval by Cabinet. They also received Treasury Management training from the Council's Treasury Advisors (MUFG) in January 2025.

5.5 Statement of Accounts 2024/25

5.5.1 The Statement of Accounts was approved by the Committee at the January 2026 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.

5.5.2 The Committee will be aware that there has been pressure across the local government sector in terms of publication of final accounts within the required timescales and that the government introduced a longstop date to enable external auditors some flexibility in completing the necessary work. Within Telford & Wrekin, the Statement of Accounts was finalised and published in accordance with the original timescales and, once again, the External Auditors were happy to issue an unqualified opinion.

5.6 Anti-Fraud & Corruption

5.6.1 The 2024/25 Anti-Fraud & Corruption Annual Report was received in May 2025.

5.7 General

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

5.8 Conclusions for 2025/26 and the future 2026/27

- 5.8.1 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.
- 5.8.2 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 2026/27. Most notable are the impact of organisational changes, the impact of increasing demand across some services and the impact of statutory and legislative change across the sector.

6 Internal Audit Annual Plan for 2026/27

- 6.1 Internal audit provides independent assurance to senior management and the Audit Committee on how well the Council manages risk, governance and internal controls. It reviews controls on a planned basis, supports (but does not replace) management responsibility, and works in line with the Global Internal Audit Standards in the UK Public Sector (GIAS-UKPS) and the approved Internal Audit Charter.
- 6.2 The information below sets out a risk-based audit plan, focusing resources on the areas that pose the greatest risk to the Council's objectives.
- 6.3 Assessment of the effectiveness of risk management, governance and system of control.**
- 6.3.1 Internal audit reviews risk management and governance each year to support its assurance opinion to senior management and the Audit Committee. This work also contributes to the Council's Annual Governance Statement.
- 6.3.2 Effective management is crucial for setting objectives, managing risks, using resources properly, complying with laws and policies, protecting assets, and ensuring reliable information. The audit plan focuses on reviewing how well these arrangements and controls are working.
- 6.4 Summary guide to planning process.**
- 6.4.1 The Internal Audit planning process covers a number of different activities which feed into the production of the Internal Audit Annual Plan (IAAP).



GIAS-UKPS – relevant standards are incorporated in this process.

Corporate priorities – internal audit work supports the Council achieving its priorities.

Strategic risks – the Councils strategic risks are considered.

Service level risk – service area risks in service plans are considered.

Management meetings – the Chief Internal Auditor/Principal Auditor attends management meetings to identify potential areas to audit.

Audit intelligence – the Internal Audit Team uses their own knowledge through research, networking, etc. to inform planning.

External compliance – work undertaken by external compliance bodies such as CQC, OFSTED, etc. is factored into the process to avoid duplication.

6.5 Assessing the risk of auditable areas within the assurance framework

6.5.1 Audits included in the annual plan are scored, using a risk scoring model of likelihood and impact (1 being low and 5 being high) and prioritised using selection criteria:

		LIKELIHOOD				
		1	2	3	4	5
IMPACT	1	L	L	L	L	L
	2	L	L	L	M	M
	3	L	L	M	M	H
	4	L	M	M	H	H
	5	L	M	H	H	H

Prioritisation Criteria for Audit Selection

- High-risk (15–25): Mandatory inclusion unless justified otherwise
- Medium-risk (8–14): Included based on capacity or assurance gaps
- Low-risk (1–7): Monitored but not routinely audited

6.5.2 The risks associated with each audit will be identified by Internal Audit using audit intelligence and professional judgment. The reasoning behind each risk assessment will be fully documented as part of the planning process. This will be overseen by the Chief Internal Auditor.

6.6 GIAS-UKPS: Topical Requirements

6.6.1 The Institute of Internal Auditors Topical Requirements are a mandatory extension of the GIAS-UKPS and International Professional Practices Framework. There are currently 3 topical requirements:

- Cyber security - effective from 5/2/26
- Third-party - effective from 15/9/26
- Organisational Behaviour – effective from 15/12/26

Cyber security – this has been a standing audit area on the annual internal audit plan for some years, and this will continue.

Third-party – assesses risk associated with vendors, suppliers and other external partners. Risks relating to this are included in all relevant audits on the annual plan.

Organisational behaviour – looks at behaviour and culture that influences organisational risk. All audits on the annual plan include ethics controls, these will be reviewed to incorporate organisational behaviour risks.

6.7 Plan resources

6.7.1 The Internal Audit Team currently comprises 3.4 full-time equivalents bringing a broad mix of skills across finance, governance and internal audit. The team has a mix of professional qualifications including IIA, CMIIA, AAT, master's degree and ACCA.

6.7.2 The GIAS-UKPS details resource requirements for an internal audit team. These resources can be broken down into financial, human and technological requirements. See below for how the Internal Audit Team complies with these standards:

Resource type and associated GIAS-PSUK requirement	T&WC Internal Audit Team
<p>Financial</p> <p>The Internal Audit service should have access to the necessary resources to deliver the internal audit strategy and audit plan.</p>	<p>The Internal Audit budget is set by Finance in consultation with the Chief Internal Auditor. Any financial constraints that the Chief Internal Auditor believes would reduce the effectiveness of internal audit are reported to Monitoring Officer, S151 Officer and Chair of Audit Committee where appropriate.</p>
<p>Human</p> <p>The Internal Audit service needs to have an appropriate range of knowledge, skills, qualifications and experience to deliver the audit plan. Internal Auditors should also have support from management to perform their duties effectively.</p>	<p>The Chief Internal Auditor and Principal Auditor are Chartered Internal Auditors (CMIIA). The rest of the Internal Audit Team offer a mix of audit, governance and financial experience and qualifications.</p>
<p>Technological</p> <p>Internal Auditors should have access to the necessary resources, including information technology to support the delivery of audit work and pursue opportunities to improve efficiency and effectiveness.</p>	<p>All of the Internal Audit Team have their own Microsoft 365 account and use applications with this extensively. The team also look to adopt new technologies to enhance their work including the use of emerging AI technologies.</p>

6.8 Development and approval of the internal audit plan

- 6.8.1 Once all of the above activity is completed, the Chief Internal Auditor finalises the annual internal audit plan. The plan is then shared with the S151 Officer, Monitoring Officer and the Senior Management Team.
- 6.8.2 The Audit Committee has the ultimate responsibility for approving the final plan.
- 6.8.3 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.

7 Summary of main proposals

- 7.1 Members note the 2025/26 Internal Audit Annual Report.

7.2 Members note the operations of the Audit Committee for 2025/26.

7.3 Members approve the 2026/27 Internal Audit Annual Plan.

8 Alternative Options

8.1 Members can reject the 2026/27 Internal Audit Annual Plan and request changes to be made. This is not recommended as the plan has been prepared to ensure compliance with the relevant legislation and guidance and is designed to give the Council, members and the management team assurance around the internal controls in place within the organisation.

9 Key Risks

9.1 All aspects of the Audit Team's work support managers and the Council to identify and manage their risks and opportunities.

10.0 Council Priorities

10.1 This report supports the Council's priority to be a community-focussed, innovative council providing efficient, effective and quality services.

11.0 Financial Implications

11.1 Whilst there are no direct financial implications arising from the recommendations within this report, there are a number of indirect financial considerations to note.

The report highlights continued pressure on the Council's budget strategy, alongside reductions in staffing levels and supervisory capacity, which may impact the effectiveness of financial controls and increase the risk of errors or non-compliance.

12.0 Legal and HR Implications

12.1 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. Under Regulation 3, the authority "must ensure" that it has (and reviews) a "sound system of internal control" whilst Regulation 5 states that it "must undertake an effective internal audit". There is a new requirement to prepare and publish a "narrative statement", commenting on the authority's financial performance and economy, efficiency and effectiveness in the use of resources over the year.

The information set out in this report illustrates the work that has been undertaken to meet the appropriate statutory requirements.

Internal Audit Annual Report and The Audit Committee Work Programme Review for 2025/26 & 2026/27 Annual Audit Plan

12.2 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.

13.0 Ward Implications

13.1 The work of the Audit team encompasses all the Council's activities across the Borough.

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 2025/26 and Audit Charter
- 2 Global Internal Audit Standards and CIPFA Application Note

18.0 Appendices

- A Internal Audit Annual Plan for 2026/27

19.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	06/05/2026	09/05/2026	ACL
Legal	07/05/2026	19/05/2026	SH
Finance	07/05/2026	07/05/2026	KP

Annual Internal Audit Plan for 2026/27 – Mapped Against T&WC Priorities

Every child, young person and adult lives well in their community.	Everyone feels the benefit from a thriving economy.	All neighbourhoods are a great place to live.	Our natural environment is protected - we take a leading role in addressing the climate emergency.	A community focused innovative council providing effective, efficient and quality services.
Together4children (H)	General Ledger (M)	Horsehay Golf (M)	Warm Home Local Grant (L)	Commissioning (Children) (M)
Children Direct Payments ¹ (H)	Management of ASC Debtors process (H)	Newport Pool (M)	UKSPF Grant ¹ (M)	Children Direct Payments ¹ (H)
Family Hubs (M)	Licensing Fees (L)	Councillor Pride Fund (L)		ModGov (L)
Transport Appeals (M)	Anti Money Laundering (M)	Volunteering (H)		Payroll (M)
School Place Appeals (M)	UKSPF Grant ¹ (M)			Noticed Served to Providers (M)
Disabled facilities Grant (M)				Quality assurance (Children)
Home to school transport (M)				Housing monitoring Data (M)
Adults Direct Payments ¹ (H)				Adults Direct Payments ¹ (H)
Schools (M)				BIT (H)
Future Focus (M)				Identity & Access Management (H)
SEND Provision (H)				Cyber Security (H)
				3rd Party & Supplier ICT Risk Management (M)
				Cloud Governance & SaaS Management (M)
				Gladstone (M)

KEY: H = High Risk, M = Medium Risk, L = Low Risk

¹ Audit covers more than 1 priority

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**TELFORD & WREKIN AUDIT COMMITTEE -
OUTLINE OF BUSINESS FOR FUTURE MEETINGS 2026/27**

DATE OF MEETING	ITEM	RESPONSIBLE OFFICER
27 May 2026 Page 135	1. Review of Terms of reference for the Committee	RM
	2. External Audit Fee Letter and Plan for 2026/27	KPMG
	3. Annual Governance Statement 2025/26	RM
	4. Draft Statement of Accounts 2025/26	MB/ER
	5. Joint Report on the Internal Audit Annual Report & The Audit Committee Report & The 2026/2025/26 Internal Audit Annual Update Report including the Audit Committee Annual Report and 2026/27 Internal Audit Plan	RM/TD
	6. Internal Audit Activity Report	RM/TD
	7. Information Governance & Caldicott guardian Annual Report	RM/TD
	8. Annual Corporate Anti-Fraud & Corruption Report	RM
	9. Outline of Audit Committee Business for 2026/27	AL/RM

15 July 2026	1. Treasury Management Outturn 2025/2026 and Update 2026/27	ER
	2. External Auditor update report	KPMG
	3. Publication of Information on Councillors who Traded with the Council during 2025/2026	ER/RM
	4. Strategic Risk Register Update	RM
	5. Internal Audit Activity Update Report	RM/TD
	6. Annual Customer Feedback Report and assurance on lessons learnt 2025/2026 (including LGO investigations)	LH

18 November 2026	1. Draft Statement of Accounts 2025/26	MB/ER
	2. Final Year End Report to those Charged with Governance	KPMG
	3. Internal Audit Activity Update Report	RM/TD
	4. Strategic Risk Register	RM
	5. The 2025/26 ISA260 External Audit Report	KPMG
	6. Annual Customer Feedback Repot	LH/RZ

Page 136 27 January 2027	1. Climate change management - Becoming carbon neutral report	IW
	2. Treasury Management Strategy 2026/2027 and update 2025/2026	ER
	3. Audited Statement of Accounts 2025/26	ER
	4. Internal Audit Activity Report and Update to Internal Audit Charter 2027/2028	RM/TD
	5. Updated position of the AGS Action Plan 2025/2026	RM
	6. Strategic Risk Register and Risk Strategy Update	RM/TD