



# Borough of Telford and Wrekin

## Audit Committee

Wednesday 28 May 2025

### Internal Audit Activity Report

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<b>Cabinet Member:</b>	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
<b>Lead Director:</b>	Anthea Lowe - Director: Policy & Governance
<b>Service Area:</b>	Policy & Governance
<b>Report Author</b>	Tracey Drummond - Principal Auditor Rob Montgomery - Audit, Governance & Procurement Lead Manager
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<b>Wards Affected:</b>	All Wards
<b>Key Decision:</b>	Not Key Decision
<b>Forward Plan:</b>	Not Applicable
<b>Report considered by:</b>	Senior Management Team – 13 May 2025 Audit Committee - 28 May 2025

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#### 1.0 Recommendations for decision/noting:

Audit Committee are asked to:

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

## 2.0 Purpose of Report

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

## 3.0 Background

### Internal Audit Activity Report

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

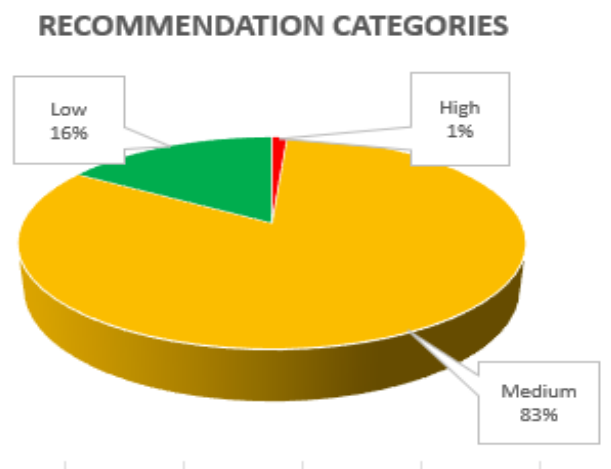
Level of Assurance/Audit Opinion & Definition	
<b>Good (Green)</b> There is a sound system of control designed to address relevant risks with controls being consistently applied.	<b>Reasonable (Yellow)</b> There is a sound system of control but there is evidence of non-compliance with some of the controls.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

## Internal Audit Activity Report

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

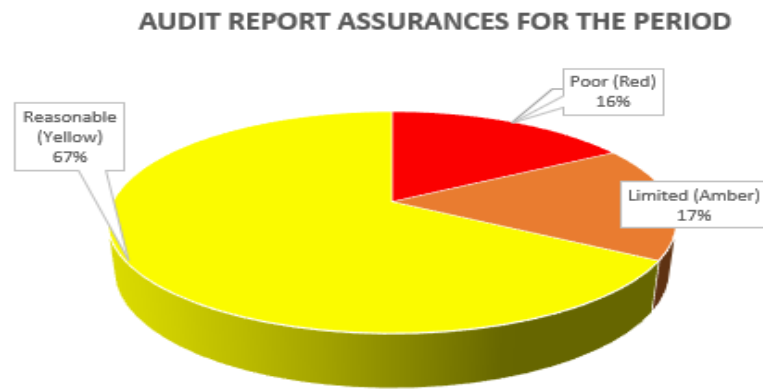
<b>High risk =</b>	A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.
<b>Medium risk =</b>	A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that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

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



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

## Internal Audit Activity Report



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

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

## Internal Audit Activity Report

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

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

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

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

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

### **5.0 Unplanned work**

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

### **6.0 Quality Assurance and Improvement Programme**

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

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

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

## **7.0 Summary of main proposals**

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

## **8.0 Alternative Options**

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

## **9.0 Key Risks**

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

## **10.0 Council Priorities**

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

## **11.0 Financial Implications**

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

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

## **12.0 Legal and HR Implications**

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

## **13.0 Ward Implications**

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

## **14.0 Health, Social and Economic Implications**

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

## **15.0 Equality and Diversity Implications**

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

## **16.0 Climate Change, Biodiversity and Environmental Implications**

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

## **17.0 Background Papers**

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

## **18.0 Appendices**

- A 2024/25 Annual Internal Audit Plan

## **19.0 Report Sign Off**

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