



# Borough of Telford and Wrekin

## Audit Committee

Wednesday 16 July 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 – 1 July 2025 Audit Committee – 16 July 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 April 2025 and 30 June 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 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 April 2025 to 30 June 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

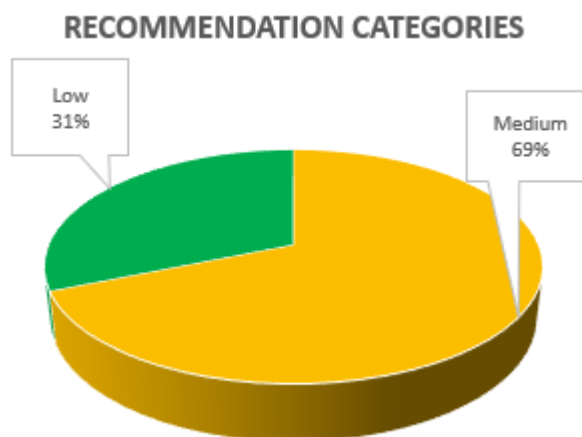
- 3.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

**High risk =** A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.

**Medium risk =** A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.

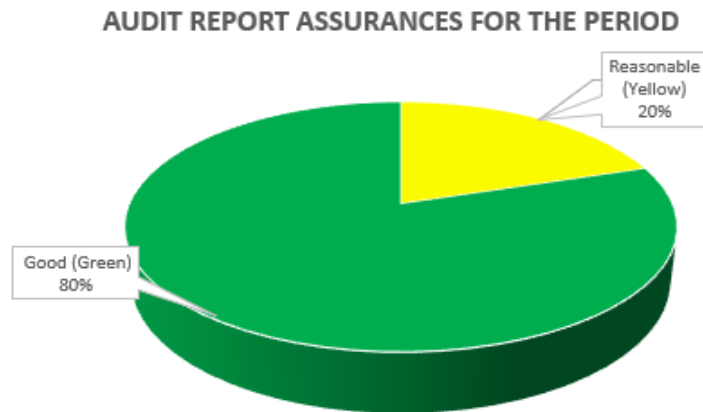
**Low risk =** A recommendation aimed at improving the existing control environment or improving efficiency, these are normally best practice recommendations

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



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

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

AUDIT REPORTS ISSUED BETWEEN 01/04/25– 30/06/2025 AND CURRENT STATUS						
Area	Date of Report	Level of risk on plan	Original Audit Grade	Follow up Due	Revised Grade	Comments
Treasury Management	24/04/2025	M	Good	n/a – green report	N/a	
Supplementary Substance Misuse Treatment & Recovery Grant	28/05/2025	M	Good	n/a – green report	N/a	
Family Hub Grant	12/06/2025	M	Good	n/a – green report	N/a	
The Home Upgrade Grant Phase 2 (HUG2)	25/06/2025	M	Good	n/a – green report	N/a	
Randlay Primary School	14/05/2025	M	Reasonable	14/11/2025	N/a	

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- 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
Holmer Lake Primary	12/03/2025	Poor	Follow up due 12/07/2025	N/a	Follow up in progress
Ski Centre	07/02/2025	Limited	Follow up due 07/05/2025	N/a	Follow up in progress
PSP Register	17/02/2025	Reasonable	Follow up due 18/08/2025	N/a	
Homelessness Reduction	21/01/2025	Reasonable	Follow up due 17/08/2025	N/a	
MIS Headway Planning System	12/03/2025	Reasonable	Follow up due 12/09/2025	N/a	
Ladygrove Primary School	27/03/2025	Reasonable	Follow up due 29/09/2025	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, 5 audits are in progress, 3 have been completed.

## **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**

- 7.1 That the Audt Committee note the information provided in this report.

## **8.0 Alternative Options**

- 8.1 No alternative options

## **9.0 Key Risks**

- 9.1 The risks and opportunities in respect to 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 way that the Council can demonstrate it is operating transparently and in accordance with good governance.

## **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 2025/26
- 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      2025/26 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	30/06/2025	01/07/2025	AEM
Legal	30/06/2025	02/07/2025	ELH