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
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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	
Good (Green) There is a sound system of control designed to address relevant risks with controls being consistently applied.	**Reasonable (Yellow)** There is a sound system of control but there is evidence of non-compliance with some of the controls.
Limited (Amber) Whilst there is a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.	**Poor (Red)** The system of control is weak and there is evidence of non-compliance with the controls that do exist.

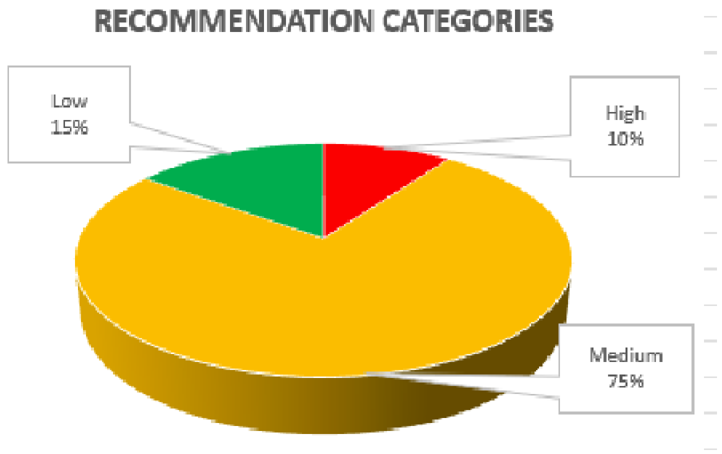
3.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

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

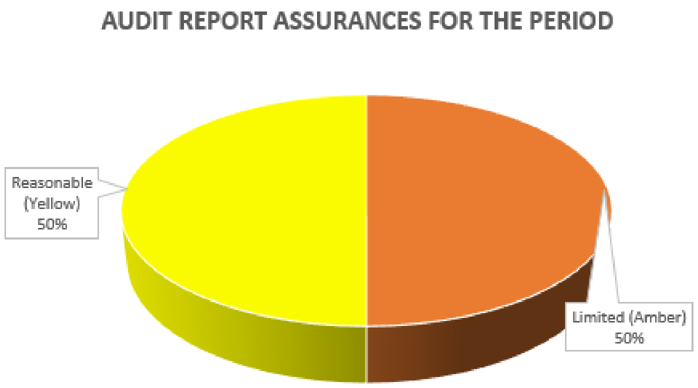
Medium risk = A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.

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 3.3 above) for audit reports issued in this period is detailed below.



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	1st follow up complete. 2nd 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. 2nd follow up due March 26	Reasonable	2nd follow up in progress.

Coalbrookdale & Ironbridge CE Primary School	25/07/2025	Limited	Follow up undertaken November 25. 2nd follow up due 20/2/2026	Good	2nd 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.

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