



Auditor's Annual Report for Telford & Wrekin Council

Year ended 31 March 2024

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February 2025

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This report is addressed to Telford & Wrekin Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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01

Executive Summary

Executive Summary

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2023/24 audit of Telford & Wrekin Council. This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by Telford & Wrekin Council alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



Accounts - We provide an opinion as to whether the accounts give a true and fair view of the financial position of Telford & Wrekin Council and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting ('the Code').



Narrative report - We assess whether the narrative report is consistent with our knowledge of Telford & Wrekin Council.



Value for money - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in Telford & Wrekin Council's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



Other powers - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Accounts	<p>We issued an unqualified opinion on the Telford & Wrekin Council accounts on 24 February 2025. This means that we believe the accounts give a true and fair view of the financial performance and position of Telford & Wrekin Council.</p> <p>We have provided further details of the key risks we identified and our response on page 8 to 11.</p>
Narrative report	<p>We did not identify any significant inconsistencies between the content of the narrative report and our knowledge of Telford & Wrekin Council.</p>
Value for money	<p>We are required to give an opinion as to whether Telford & Wrekin Council has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>Our opinion is that Telford & Wrekin Council does have appropriate arrangements in place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 13.</p>
Other powers	<p>See page 5.</p>

Executive Summary

There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

We have not applied to the courts this year.

Recommendations

We can make recommendations to Telford & Wrekin Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, Telford & Wrekin Council does not need to take any action, however, should Telford & Wrekin Council provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to Telford & Wrekin Council. Where we raise observations, we report these to management and the Audit Committee. The Council is not required to take any action to these; however, it is good practice to do so, and we have included any responses that Telford & Wrekin Council has given us.

02

Audit of the financial statements

Audit of the financial statements

KPMG provides an independent opinion on whether Telford & Wrekin Council's financial statements:

- Give a true and fair view of the financial position of Telford & Wrekin Council as at 31 March 2024 and of Telford & Wrekin Council's income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Council in accordance with UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our audit opinion on the financial statements

We issued an **unqualified opinion on Telford & Wrekin Council's 2023/24 financial statements** on 24 February 2025.

The full audit report is included in Telford & Wrekin Council's Annual Report and Accounts for 2023/24 which can be obtained from the Council's website.

Further information on our audit of the financial statements is set out on pages 8 to 11.

Audit of the financial statements

The tables below summarises the key financial statement audit risks that we identified to our 2023/24 audit opinion as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
<p>Valuation of land and buildings</p> <p>The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Code also requires all land and buildings to be formally revalued at least every five years. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle. As a result of this, however, individual assets may not be revalued.</p> <p>This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.</p> <p>A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.</p> <p>We consider that the significant risk lies with the assets within the other land and buildings category that were re-categorised from investment property in the prior year. We do not consider there to be a significant risk over specialised buildings that are valued using the Depreciation Replacement Cost (DRC) or EUV (existing use value) methodology. Specifically, we have linked the significant risk to the yield rate assumption in the calculation of the property investment portfolio valuations, and also the accounting treatment of the assets re-categorised from investment property in the prior year.</p>	<p>We performed the following procedures designed to specifically address the significant risk associated with the valuation:</p> <ul style="list-style-type: none"> • We critically assessed the independence, objectivity and expertise of the Council's internal valuers used in developing the valuation of the Council's properties as at 31 March 2024. • We inspected 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 compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information. • We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used; We note a control deficiency in this control. • We challenged the appropriateness of the valuation of land and buildings, including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement. • We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code. • We considered the need to use our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised, including the reclassification of investment property in 2022/23; • Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation. 	<p>We did not identify any material misstatements relating to this risk</p> <p>Overall, we found the valuations to be appropriate and the overall assumptions to be balanced.</p>

Audit of the financial statements

Significant financial statement audit risk	Procedures undertaken	Findings
Management override of controls <ul style="list-style-type: none"> 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. 	<p>Our audit methodology incorporates the risk of management override as a default significant risk. We performed the following procedures designed to specifically address the significant risk associated with management override of controls:</p> <ul style="list-style-type: none"> Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias. Evaluated the selection and application of accounting policies. In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates. Assessed the business rationale and the appropriateness of the accounting for significant transactions that were outside the component's normal course of business or were otherwise unusual. We analysed all journals through the year and focused our testing on those that met our high-risk criteria. We evaluated the controls in place for the identification of related party relationships and tested the completeness of the related parties identified. We verified that these had been appropriately disclosed within the financial statements. 	<p>We did not identify any material misstatements relating to this risk</p>

Audit of the financial statements

Significant financial statement audit risk	Procedures undertaken	Findings
Valuation of post retirement benefit obligations <ul style="list-style-type: none"> 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 could have a significant impact on the Council's pension liability. The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements. We have identified this in relation to the Local Government Pension Scheme participation. 	<p>We performed the following procedures :</p> <ul style="list-style-type: none"> Understood the processes the Council has in place to set the assumptions used in the valuation; Evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations; Performed 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; Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation; Evaluated 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; Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, pension increase, inflation rate and mortality/life expectancy against externally derived data; Confirmed that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice; Considered the adequacy of the Council's disclosures in respect of the sensitivity of the deficit to these assumptions; and Assessed the impact of special events, if any. 	<p>We did not identify any material misstatements relating to this risk.</p> <p>We found the overall assumptions to be optimistic but within our acceptable range.</p>

Audit of the financial statements

Other audit risk	Procedures undertaken	Findings
<p>Expenditure recognition</p> <ul style="list-style-type: none"> Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise 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 there is a potential significant risk relating to expenditure recognition, in relation to manual accruals. After completion of our detailed risk assessment procedure, we do not deem there to be a significant risk of fraud, nor error, in relation to the Council's expenditure. Given the size and volume of the expenditure streams, we have assigned an 'elevated' inherent risk to the balance which will result in larger samples for our post year-end cut-off testing over expenditure transactions and cash payments, and accruals sample testing. However, this is relative to an 'elevated' risk and not a significant risk 	<p>We performed the following procedures in order to respond to the risk identified:</p> <ul style="list-style-type: none"> We inspected a sample of expenditure invoices posted in the period after 31 March 2024 to determine whether expenditure has been recognised in the correct accounting period and whether accruals are complete; We inspected a sample of cash payments made in the period after 31 March 2024 to determine whether expenditure has been recognised in the correct accounting period and whether accruals are complete; and We selected a sample of year end accruals which meet our risk criteria and inspect supporting evidence in order to assess whether the accruals are accurately recorded. 	<p>We did not identify any material misstatements relating to this risk.</p>

03

Value for Money

Value for Money

Introduction

We are required to consider whether Telford & Wrekin Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for Telford & Wrekin Council for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



Financial sustainability: How Telford & Wrekin Council plans and manages its resources to ensure it can continue to deliver its services.



Governance: How Telford & Wrekin Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How Telford & Wrekin Council uses information about its costs and performance to improve the way it manages and delivers its services

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from Telford & Wrekin Council. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	15	18	21
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	No	No	No
2022/23 Findings	No significant weakness identified	No significant weakness identified	No significant weakness identified
Direction of travel	↔	↔	↔

Value for Money

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused councils to cut services and change the way that services are delivered in order to remain financially viable. Some Councils have initiated innovative plans to raise new funds, such as through increasing commercial activity. Some have questioned whether commercialisation activities open councils to excessive risk or could be a poor use of taxpayer monies.

Some councils have issued what are known as “section 114” notices, in this instance a declaration that they cannot generate sufficient resources to meet the costs they need to incur. In some instances, this has resulted in a need for exceptional financial support from central government (such as approval to sell council buildings to meet costs) and severe cutbacks to services.

Education

Many schools are now the responsibility of academy trusts, however, some schools are still controlled and overseen by the local council. Dedicated funding is provided by central government to run schools, however due to cost pressures many councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). In response to this, the Department for Education has created the “safety valve” arrangement, where Councils are given additional funding whilst education costs are brought under control, with an expectation that schools reserves are brought back to break-even over time. When the safety valve arrangements end, some councils are concerned that structural sustainability issues will not be resolved, and Councils will be financially unviable.

Infrastructure assets

Councils make use of their infrastructure assets data to support decisions in relation to roads, parks, and pavements they are responsible for. Some councils have experienced issues with the quality of their records for infrastructure. From a financial reporting perspective, temporary arrangements have been put in place to ensure financial statements can be prepared whilst infrastructure records are improved. However, if records are not up to date, councils will struggle to identify assets they are responsible for and when assets are life-expired and require replacement. That may result in a worsening quality of infrastructure that everyone depends on.

Local context

- Completing recommendations around planned internal audit work.
- For 2023/24, the Council set a net revenue budget of £146.774m, and reported a spend of £146.759m with a small underspend of £15k.
- Capital spend ended the year at £83.49m against an approved budget of £90.05m.
- Overall, a net benefit of £1.336m was made against budget for the year. The sound overall position has resulted from a mix of cash flow benefits plus the reprofiling of capital spend into future years.
- Budget monitoring is produced inline with the corporate monitoring timetable.
- The Council have introduced a new Risk Management Framework, Strategy and Policy in 2023/24.
- The Council undertake a number of measures to prevent and detect fraud. The Council has an Anti-Fraud & Corruption Policy, supported by the Whistleblowing (Speak Up) Policy, encouraging internal referrals.
- Matters arising from media review like the future implication of Child sexual exploitation case.
- The 2023/24 budget includes a general revenue contingency of £3.950m.
- Collection for Council Tax and NNDR-Business Rates figure for all financial years exceeds 99%.

Financial Sustainability

How Telford & Wrekin Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How Telford & Wrekin Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How Telford & Wrekin Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

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

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

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

The MTFS was presented to Business and Finance Scrutiny Committee in January 2024 and there was clear challenge on assumptions,. Further, the MTFS was approved by Cabinet in February 2024 for debate at Full Council, which approved the MTFS (including 4.99% increase in Council Tax).

Budget monitoring is produced inline with the corporate monitoring timetable. Monitoring is based on information held in the Councils Financial Management Systems. Should significant variations from budget be identified then Directors are asked to take mitigating action to offset areas of pressure. In 2023/24, an in-year savings exercise was undertaken to address additional investment required in Social Care.

Budget holders are actively engaged throughout the year when their monitoring is produced. Members of the Finance Team will meet with budget holders, Service Delivery Managers and Directors. For 2024/25, per the latest financial monitoring report presented to Cabinet in July 2024, there were a number of amendments to the MTFS (approved in February 2024) including virements to be approved, some slippages in budget but also some new allocations in relation to Capital, as well as detailed Revenue budget variations. Financial monitoring reports are received regularly throughout the year by Cabinet.

Financial Sustainability

How Telford & Wrekin Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How Telford & Wrekin Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

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

For 2023/24, the Council set a net revenue budget of £146.8m, and out turned with a small underspend of £15k. Per the comprehensive income and expenditure statement, there was a small surplus of £234k on provision of services. A small amount of general reserve was utilised in 23/24 (£152k), which was approved as part of the monitoring process for a specific purpose, but the budget strategy reserve of £21.7m was not applied. The general reserve use was planned and approved specifically for footway lighting investment.

For 2024/25, per the latest financial monitoring report presented to Cabinet in July 2024, there were a number of amendments to the MTFS including virements to be approved, some slippages in budget but also some new allocations in relation to Capital, as well as detailed Revenue budget variations. Specifically, there is need for £4.3m more investment in adult social care provision. At time of writing, there is a forecast to be £3.6m overspent at year-end, to be funded from a one-off contingency earmarked for social care, and general budget contingency. It is planned that the 2024/25 budget will continue to be refined as the year goes on. The budget strategy reserve remains at £21.7m.

Governance

How Telford & Wrekin Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- How Telford & Wrekin Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- How the Council approaches and carries out its annual budget setting process;
- How the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- How the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

The Council have introduced a new Risk Management Framework, Strategy and Policy in 2023/24 which has been reviewed by the Chief Financial Officer and Director of Policy and Governance, and approved by the Audit Committee. The Council maintains a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is reviewed by the Senior Management Team to manage risks and mitigate potential exposures to be as part of everyday business and as part of decision-making processes.

The Strategic Risk Register current contains 8 risks, which are assessed based on likelihood and impact, with and without controls. The risks are mapped on a heat map; the highest scoring risks are staff retention and climate risk. Risks are generally high impact but low likelihood with controls in place. There is also a named lead Executive Director and Director who are responsible for managing each risk. The Strategic Risk Register was reported to Audit Committee three times in the year, which is in line with the risk management policy. It is also reviewed quarterly by SMT. Going forwards, there will also be service area risk registers with specific service area risks which are monitored by Service Delivery Managers. These will be reported to Service Directors twice per year.

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

We have referred to review and approval of the MTFs, and budget setting and monitoring processes on the previous two slides in reference to the financial sustainability risk.

The Council has a comprehensive in-house legal team which advise on the full extent of its statutory powers and responsibilities. The Monitoring Officer and Deputy Monitoring Officer are regularly updated with matters considered to be high risk. The Service Delivery Managers for each service area are responsible for ensuring compliance with relevant laws and regulations and, where this does not occur, for bringing it to the attention of the relevant Director and Monitoring Officer. The Council has a number of policies which includes provision for preventing maladministration, ensuring compliance with legislative requirements and preventing non-compliance / illegal acts.

Governance

How Telford & Wrekin Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- How Telford & Wrekin Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- How the Council approaches and carries out its annual budget setting process;
- How the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- How the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

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

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

Improving economy, efficiency and effectiveness

How Telford & Wrekin Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how Telford & Wrekin Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

The Council have a strong culture of evidence-based decision making, and performance and data are fundamental to understanding, challenging and improving the organisation. Non-financial performance is monitored by the Senior Management Team monthly through the Managing the Business Dashboard. Performance is aligned to the Council's Priority Plan, with one priority having a focussed discussion each month. These include local and national indicators reflective of the priority outcomes, alongside key national indicators such as those monitored by the Office for Local Government (OFLOG).

Power BI is used extensively to present all performance information, enabling drill down into data and interactivity to support discussion and evaluation of performance. All Indicators are presented with benchmarking data, including England average, relevant statistical neighbour averages and regional comparators, as well as the use of statistical significance to demonstrate difference from these averages and targets to set realistic improvements expected to performance.

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

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

Value for Money: Recommendations

No recommendations were raised as a result of our work in respect of significant value for money weaknesses in the 2023/24 year. Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified by the predecessor auditor in prior periods.

#	Grading	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of January 2025
1	Other	<p>Issue</p> <p>The predecessor auditor was satisfied that the Council had appropriate arrangements in place with regards to the quality and experience of its internal audit function but there were potential improvements to be made in the way in which progress in terms of time and resources was reported.</p> <p>Impact</p> <p>As risks emerge during the year there can be changes to the proposed plan. Whilst utilising internal audit to address risks is appropriate, the impact of this upon overall plan deliver, in terms of percentage complete, is currently not part of regular reporting to the audit committee. There are regular narrative and verbal updates but only at year end is overall delivery summarised. Regular quarterly reporting of progress against the planned days and forecasting the year end position as part of this aid in giving members assurance that sufficient planned internal audit work is still being undertaken.</p> <p>Consistent with many councils the Council has been struggling to complete planned internal audit work since the pandemic but can demonstrate improvement. The 82% delivery in 2022/23 is a significant improvement upon the 50% achieved in 2021/22 and close to 90% benchmark seen in the sector. There has also been an increase in the planned number of input days for 2023/24. Internal audit has been utilized to address emerging risks and undertake adhoc investigations. The full impact of this is not reported until the year end annual report and we believe more regular, quarterly reporting will provide additional assurance to members that sufficient planned work is still being undertaken.</p> <p>Recommendations</p> <p>We recommended that the Council review its approach to reporting progress against the annual internal audit plan to ensure the progress to date and forecast year end delivery is incorporated into quarterly reporting rather than the current arrangement of reporting at year end.</p>	<p>Recommendation accepted.</p> <p>The audit and governance lead manager has already met the team, and we will incorporate this into future planning processes and reporting.</p>	<p>No further actions.</p>



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