Shropshire
Fire and Rescue Service

Revised Appendix to report on
Internal Audit Progress Report
Shropshire and Wrekin Fire and Rescue Authority
Audit and Standards Committee
28 October 2026

providing assurance, adding value
WORCESTERSHIRE
Internal Audit Shared Service

INTERNAL AUDIT PROGRESS REPORT

APPENDIX 1

Date: September 2026

1. Background

1.1 The Service is responsible for maintaining or procuring an adequate and effective internal audit function under the Accounts and Audit (England) Regulations 2024.

1.2 The Global Internal Audit Standards (the Standards) require the Audit & Standards Committee to scrutinise the performance of Internal Audit and to satisfy itself that it is receiving appropriate assurance that the controls put in place by management address the identified risks to the Service. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting, updates on the implementation of actions arising from audit reports and an overview of the performance of the team.

2. Performance

2.1 ***Will the Internal Audit Plan be delivered?***

The position at the time of writing this report is as follows:

- The work brought forward from 2025/26 has been completed.
- 1 assignment has been issued as a final report.
- 1 assignment is in progress and at draft report stage.
- 2 assignments are at the planning stage.
- 4 assignments have not yet been started, although work has been allocated and diarised.

2.2 The service is fully resourced, and satisfactory progress is being made on delivery of the 2026/27 internal audit plan. Adequate resources are in place to deliver the Plan and the Annual Internal Audit Opinion for 2026/27. Progress on individual assignments is set out at page 7.

2.3 ***Performance Indicators***

The service is implementing a suite of indicators which aim to demonstrate and enhance performance. Each individual member of staff has an agreed target to deliver 90% of their own work plan by the end of March each year. In addition, the following performance indicators have been established, and the results will be included in the annual report for 2026/27:

Description	Narrative	Target
Delivery	% of audit days delivered by Year End	90% Actual YTD: 52%
Productivity	% of available time spent on productive audit work	85% Actual YTD: 86%
Effectiveness	% of agreed recommendations implemented by the target date	85% Actual YTD: 86%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as “Very Good” or “Good”	80% Actual: 92% based on the results of a stakeholder survey in July 2026

2.4 ***Based upon recent Internal Audit work, are there any emerging issues that impact upon the Internal Audit opinion of the Service’s Control Framework?***

At this stage there are no emerging issues arising from the work of Internal Audit which significantly impact upon the Internal Audit opinion of the Service’s Control, Governance and Risk Management framework for 2026/27.

2.5 ***Are clients progressing audit recommendations with appropriate urgency?***

At the time of writing there is 1 outstanding internal audit recommendation with 6 completed to date; additionally, 3 are due in September 2026 and 17 are due to be covered within audits of the 2026/27 plan.

3. Internal audit opinions and prioritisation of recommendations

3.1 The Auditor’s Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

Table 1 – Assurance Categories

Opinion	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor's Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be prioritised according to the potential severity of the risk, a traffic light system is used as follows:

Table 2 - Definition of Priority of Recommendations

Risk Matrix Descriptors	
Low	**Passively Accept.** These risks should be managed through normal service, people and safety management arrangements. They may cause limited local disruption, minor workforce pressures or low-level health and safety issues, but are not expected to affect wider service resilience. They require routine monitoring and proportionate controls to ensure that the score does not increase.
Medium	**Actively Manage.** These risks require active management because they may disrupt service delivery, create sustained people or recruitment pressures, or expose the Service to material health and safety concerns if not addressed. They should be monitored regularly, supported by clear controls and contingency arrangements, and escalated if performance, staffing or safety indicators deteriorate.
High	**Escalate immediately to senior accountable person.** These are significant risks that require senior attention. They may have major implications for operational delivery, workforce capacity or wellbeing, and health and safety assurance, whether the trigger is immediate or developing. Specific treatment plans, strong oversight, exercising or training, and regular review are required to reduce the likelihood or impact.
Very High	**Escalate to CFO.** These are critical risks requiring immediate action and executive oversight. They have the potential to cause severe operational disruption, major people or leadership impacts, or serious health and safety consequences, and must be treated as a priority regardless of how quickly they may materialise. Urgent control measures, specific planning, clear ownership and frequent monitoring are required, with escalation where existing arrangements are insufficient.

4. Internal Audit delivery

4.1 At the time of report writing 53 productive days had been delivered against the full year plan of 96 days. Adequate resources are in place to deliver the plan, which will be accelerated in the coming months. All assignments have been allocated.

Table 3 - Summary of Days Delivered for 2025/26

Summary of Audit Areas	Plan Budget	Days Delivered as at 15/10/2026
Core Financial Systems	28	19
Corporate Work	22	13
Other Systems Audits including Follow Up Reviews	39	16
Sub total	**89**	**48**
Support Budgets including any audit management meetings, annual plan development, reports and Audit Committee support.	7	5
Total Audit Days	**96**	**53**

The following table shows the status of each assignment in the annual plan, the budget in days, and the anticipated reporting date. This table will also summarise the findings of each of the audits as they are completed. The table is designed to assist members in building up a picture of the assurance being provided.

Shropshire
Fire and Rescue Service

Table 4 – Summary of Internal Audit progress and findings, year to date

Audit Area	Budget (Days)	Status	Anticipated Reporting Date	Assurance Rating	Summary of Findings/ Comments
Procurement	10	**Not yet Started**	February 2027		
Main Ledger	8	**Completed**	October 2026	**Substantial**	The review found the following areas of the system were working well: • Journal posting, with supporting evidence in place were accurate, reasonable and logical. Authorisations were evidenced and working effectively, with duties segregated between those posting and approving. • Reconciliations were regular, accurate and any variations were rationale. • User access & permissions within the Agresso Finance System were well managed and appropriate. The audit highlighted that the service lacks process, training or guidance documentation for bank, payroll & VAT reconciliations. This could result in a resilience issue in the event of a staff member leaving. Management has agreed to address this issue by the end of the current financial year.
Data Protection	12	**Draft Report issued**	September 2026	**TBC**	
Corporate Governance Arrangements	10	**Planning**	December 2026		

Shropshire
Fire and Rescue Service

Audit Area	Budget (Days)	Status	Anticipated Reporting Date	Assurance Rating	Summary of Findings/ Comments
Project Management	8	**Planning**	November 2026		
Organisational Assurance	10	**Not yet Started**	March 2027		
Cyber Security	8	**Not yet Started**	March 2027		
Completion & Finalisation of brought forward audits	18	**Completed**	The results were reflected in the Annual Report of Internal Audit for 2025/26, reported to the Committee in July 2026.		
Follow up of Recommendations	5	**Fieldwork in Progress**	March 2027	TBC	

5. Limitations inherent in the work of internal audit

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

Opinion
Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

Internal Control
Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

Future Periods
The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors
It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.