



Report to	Wem Town Council
Date of meeting	15 th October 2026
Subject	Review of Internal Audit and Controls
Report author	A Roberts (RFO)
Decisions required	No

1. Executive Summary

The report confirms that the Council's internal audit arrangements for 2025/26 were considered effective, with no changes proposed for 2026/27. Detailed audit action plans were produced and considered by the Finance Committee and Full Council, and the matters identified by the internal auditor were noted and addressed.

2. Recommendations

The audit process for 2025-26 was effective and no changes are required for 2026-27.

3. Background

The Governance and Accountability for Smaller Authorities in England – Practitioners' Guide 2026/27 makes it clear that the responsibility for ensuring effective internal audit arrangements rests with the Council being audited, not solely with the internal auditor.

At least annually, the Council must review the effectiveness of its overall internal audit arrangements and satisfy itself that appropriate standards are being met and that internal audit is providing effective assurance.

Internal audit identifies and reports on weaknesses; the Council is responsible for considering those findings, agreeing and monitoring remedial actions, and satisfying itself that its internal controls and internal audit arrangements are effective.

4. Review of the 2025-26 Process

Internal Auditor

JDH Business

Internal Audits undertaken 2025-26

Detailed action plans were produced following each audit and considered by the Finance Committee and at Full Council. Items raised were as follows:

Auditors Comment	<i>Auditors' Note</i>	WTC Response
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<u>2025/2026 Year end audit – review of final accounts</u>		
We are pleased to note no issues arising from the year end audit.		
<u>2025/26 interim audit recommendations</u>		
A contract for floral planters has been awarded in 2025/26. The minutes record that the financial regulations were suspended in order to permit one quote to be received but do not state why only one quote was received. The financial regulations require that the reason for suspension of the regulations should be recorded.	<i>The minutes should record reasons as to why only one quote was received (e.g. three quotes were requested but only one received) when recording the decision to suspend the financial regulations.</i>	This has been noted and will be actioned.
Compliance with data protection laws is a new category (Assertion 10) within the Annual Governance Statement for 2025/26.	<i>The council needs to ensure that all the systems, procedures, and policies to demonstrate compliance with data protection laws as required by the new Assertion 10 are in place.</i>	Systems, procedures and policies demonstrate compliance.

Other reports from internal audit, including internal audit plan, monitoring reports, and the results of any investigations

No other reports were produced, but advice has been sought from the internal auditor throughout the year on a number of issues .

Any reports by the external auditor

The external audit report (AGAR S3) noted that the question relating to Trust Funds had been ticked incorrectly by the RFO. This has been noted.

Results of any other external reviews of internal control

No other external reviews carried out.

Recommendation

It is the RFO's opinion that the Town Council's internal audit process for 2025-26 was effective, and no changes are required for 2026-27.

5. Financial Implications

There are no direct financial implications arising from this review. Effective internal audit and internal controls provide assurance that financial risks are being appropriately identified and managed.

6. Legal, Risk and Governance Implications

The Council has a statutory responsibility to review the effectiveness of its internal audit arrangements at least annually.

To strengthen governance, the Council should continue to monitor internal audit recommendations through to completion and confirm that agreed actions have addressed the identified control weaknesses.

7. Consultation and Engagement

Not applicable. The review covers the Council's internal arrangements and does not require external consultation or engagement.

8. Next Steps

Engage an internal auditor for the period 2026-7 to 2030-31.