

<b>Council/Committee:</b>	Audit and Risk Assurance Committee
<b>Report Title</b>	Internal Audit Report - Sandwell Children's Trust Financial Outturn 2024/25
<b>Date of Meeting</b>	2 April 2026
<b>Report Author</b>	Peter Farrow Head of Audit
<b>Lead Officer</b>	Alex Thompson Executive Director of Finance and Transformation
<b>Wards Affected</b>	All wards
<b>Appendices (if any)</b>	Internal Audit Report - Sandwell Children's Trust Financial Outturn 2024/25

## **1. Executive Summary**

- 1.1 This report provides the Committee with the recent internal audit report on Sandwell Children's Trust – Financial Outturn for 2024/25.

## **2. Recommendations**

- 2.1 The Committee is recommended to:-
- note the contents of the internal audit review of Sandwell Children's Trust – Financial Outturn for 2024/25.

## **3. Proposals – Reasons for the recommendations**

- 3.1 To inform the Committee of the internal audit report on Sandwell Children's Trust – Financial Outturn for 2024/25.

## **4 Alternative Options Considered**

- 4.1 The purpose of the report is to inform the Audit and Risk Assurance Committee on the internal audit report on Sandwell Children's Trust – Financial Outturn for 2024/25. As such, there is no alternative option.

## **5 Context and Key Issues**

- 5.1 Following the late notification to the Council of a significant increase in the Trust's outturn overspend position for 2024/25, an internal audit review was initiated in order to understand how the situation arose.
- 5.2 This matter was also included by the External Auditors in their Interim Auditor's Annual Report for the year ending 31 March 2025 as reported to the Audit and Risk Assurance Committee on 20 November 2025. As a key finding they noted that Sandwell Children's Trust had a cumulative deficit of £19.7m at the end of 2024/25. The outturn position at year end was significantly worse than forecasted by the Trust during the year, as the overspend included a late increase of £3m at year end when compared to the Quarter 3 forecast overspend.
- 5.3 They also noted that an Internal Audit review of financial controls within the Trust had been instigated and included an improvement recommendation to ensure that the Trust responds appropriately and timely to the outcome of the planned internal audit review.
- 5.4 The internal audit review has now been completed and the report issued. The Trust have provided their response to the findings and recommendations, and these are included in the Action Plan contained within the report.

## **6. Financial Implications**

- 6.1 There are no financial or resource implications directly arising as a result of this report.

## **7. Legal and Governance Implications**

- 7.1 Internal audit is a statutory service in the context of the Local Government Accounts and Audit Regulations (Amendment)(England) 2015. The Act states that: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance". The Global Internal Audit Standards in the UK Public Sector have been adopted by the Council's internal audit service.

## **8. Risks**

- 8.1 The agreed actions detailed in Internal Audit reports are designed to mitigate risks.

## **9. Equality and Diversity Implications (including the public sector equality duty)**

- 9.1 It was not necessary to undertake an Equality Impact Assessment

## **10. Background Documents**

10.1 None.

## **11. How does this deliver the objectives of the Strategic Themes?**

11.1 This report will support the delivery of the following Strategic Themes:-

- One Council One Team Approach.

Internal Audit operates across the Council and helps it accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.