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14 August 2024

## AUDIT SCRUTINY COMMITTEE

A meeting of the **Audit Scrutiny Committee** will be held on **Tuesday, 27th August, 2024** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS  
Managing Director

### **Membership:**

Councillors Morgan (Chair), Radford (Vice-Chair), Jackman, Purser, Thorne, Jeffries, Ryan and Steemson

**Please Note:** Filming is permitted during Committee meeting with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public. By entering the Council Chamber you are consenting to being filmed.

## **A G E N D A**

### **Part I**

#### **13. Internal Audit Plan and Charter 2024-2025**

(Pages 3 - 10)

If you would like this information in another format, please telephone 01626 361101 or e-mail [info@teignbridge.gov.uk](mailto:info@teignbridge.gov.uk)

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## TEIGNBRIDGE DISTRICT COUNCIL

## APPENDIX A

### INTERNAL AUDIT - ANNUAL AUDIT PLAN 2024-2025

"Internal auditing is an independent, objective, assurance activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes." *Public Sector Internal Audit Standards.*

*NB: Audit Plans should be considered flexible and adjustable, to address emerging risks, organisational changes, and revised priorities during the year.*

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2024-25 Days
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#### Ω Financial Systems / Functions Assurance

(Core systems are those areas that are fundamental to providing controls assurance for internal financial control)

MAIN ACCOUNTING & BUDGETARY CONTROL	ST02 ST14 ST24	All	Accounts for the Council's activities and ensures budgetary requirements are met. Verification of approved budget to the Financial Management System. Good Financial Management and Budgetary control are essential as financial pressures continue.	10
CREDITOR PAYMENTS	ST02 ST14 ST24	All	Pays the authority's creditors and internal payments promptly and accurately. Counter-fraud work to guard against bank mandate fraud and duplicate payments is included in this audit.	10
DEBTORS	ST02 ST14 ST24 CP07	All	Invoices, accounts for, and recovers debts due to the authority.	10
PAYROLL	ST02 ST14 ST24	All	Ensures prompt and accurate payment of employees.	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2024-25 Days
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### Other Systems Assurance

HOUSING - TEMPORARY ACCOMMODATION	ST02 CP07	4	This is currently a high risk area incurring significant spend. The audit will assess the extent to which correct processes are followed, ensuring the payments to providers are accurate according to length of stay.	10
HOUSING - FINANCE	ST02 CP07	4	Review and test collection of income and debt recovery for all housing related finance (emergency accommodation, deposit/rental guarantees, leases etc.).	10
PROCUREMENT	ST02 CP05 ST24	All	New regulations are coming into force, which the Council's Procurement Officer is working to adopt into Council procedures. This audit will focus on contract management to assess the extent to which proper processes are followed for contract renewal and retendering in line with legislation and ensuring that best value is achieved.	10
OMBUDSMAN - COMPLAINT CODE SELF ASSESSMENT	ST06 ST25	All	The Local Government and Social Care Ombudsman launched an updated Complaint Handling Codes, applicable from 1 April 2024, with the aim of making good practice in complaint handling clearer. Internal audit will assist with a self assessment of compliance against the Code.	10
DEMOCRATIC SERVICES REVIEW	-	All	Requested audit to review the systems and procedures in operation by the Democratic Services function.	10
DATA PROTECTION	CP14	All	To provide assurance of the extent to which the Council is complying with data protection legislation. A self assessment will be undertaken for independent validation by a third party.	10
CLIMATE CHANGE	ST31	3	To independently assess the extent to which the Council is meeting the targets within the Council's Carbon Action Plan, adaption and mitigation.	10
BUSINESS CONTINUITY	ST19	All	Review of arrangements in place for ensuring risks are managed.	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2024-25 Days
EMERGENCY PLANNING	ST09 ST44 ST45	3	Review of arrangements in place for ensuring risks are managed.	10
PARTNERSHIPS & FUNDING ARRANGEMENTS	CP05 ST02	2	To assess assurance on the key partnership risks: that expected outcomes are achieved; effective governance arrangements are in place; and there is appropriate monitoring of performance and financial management.	10
COMMUNICATIONS - SOCIAL MEDIA	ST26	1	Review of Social Media Policy, compliance and security.	10
5 WASTE & RECYCLING	ST06	3	Review of controls and governance for the waste management and recycling operations.	10
GRANT AUDITS	ST02 CP07	All	Allowance of time to deal with ad hoc government grant certifications.	5
<b>Risk Based Auditing</b>				
RISK MANAGEMENT	CP16	All	<p>This project covers risk management and sample testing the mitigations within the Council's Risk Registers.</p> <p>The processes in place (mitigations) to manage high scoring risks will be verified to ensure that they are operating in practice and provide assurance that key risks are being managed.</p>	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2024-25 Days
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### ICT Systems

ICT / CYBER SECURITY	ST46 ST37	All	<p>Teignbridge's ICT services are delivered by Strata and audited by the Devon Audit Partnership (DAP). The Strata DAP Audit Plan for 2024-2025 is focussed on Cyber Security and Service Standards. We place reliance on this work undertaken by DAP's specialists in this area.</p> <p>Strata are also working towards Cyber Assessment Framework (CAF) readiness, as it is likely to become the default IT security standard for local government and has already been mandated for central government by 2030.</p> <p>This allocation of time has been included to pick up any risks we may need assurance on outside the Srata audit plan.</p>	10
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### Fraud / Special Investigations / Other Requested Work

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COUNTER FRAUD	ST14	All	Fraud risk assessment; Anti Fraud & Corruption Strategy; Whistleblowing Policy; Anti Money Laundering Policy.	10
CONTINGENCY	-	All	Contingency for fraud, irregularity and other investigative work or ad hoc requests for projects.	15

### Governance Work

CORPORATE GOVERNANCE	-	All	<p>Review and assessment of governance arrangements. Collating supporting evidence to support the Annual Governance Statement.</p> <p>Monitoring of the Council governance improvement action plan following recommendations from the LGA Peer Review, external auditors Grant Thornton, and the Council's own governance statement.</p>	20
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<b>Advice / Consultancy</b>				
ADVICE AND CONSULTANCY	-	All	Allowance for time spent on providing general advice to officers, management and members.	<b>20</b>
<b>Other (Non Audit) Work</b>				
ANNUAL GOVERNANCE STATEMENT (AGS)	-	All	Co-ordinate production of the AGS following Governance Review above.	<b>5</b>
FINANCIAL INSTRUCTIONS and CONTRACT PROCEDURE RULES	ST24	All	Ongoing review and updating. Provision of advice to officers and allowance of time for dealing with Waivers and monitoring reports to Audit Scrutiny.	<b>15</b>
NATIONAL FRAUD INITIATIVE (NFI) DATA MATCHING	ST14	All	The Audit and Information Governance Manager performs the NFI Key Contact Role and co-ordinates the investigation of matches.	<b>10</b>
<b>Audit Management &amp; Administration</b>				
✓ AUDIT ADMINISTRATION and KNOWLEDGE	-		General admin: team meetings / corporate meetings / training etc.	<b>10</b>
AUDIT FOLLOW UP	-		Involves ensuring previously agreed actions have been implemented.	<b>10</b>
<b>TOTAL RESOURCES REQUIRED 2024-2025</b>				<b>300</b>
<b>Resource Available (days):</b>				
<b>Internal: Auditor and Audit and Information Governance Manager:</b>				<b>200</b>
<b>External Resource:</b>				<b>100</b>
<b>TOTAL RESOURCES AVAILABLE 2024-2025</b>				<b>300</b>

## KEY TO THE COUNCIL'S PRIORITIES (Source: Emerging (Draft) Council Strategy - "One Teignbridge" - August 2024)

**Priority 1: COMMUNITIES** - Listening and responding to communities and local issues

**Project 2: ECONOMY** - Working with businesses and partners to support our local economy

**Project 3: ENVIRONMENT** - Protecting our environment and supporting communities and landscapes and responding to change

**Project 4: HOMES** - Take action to tackle the housing crisis and strive to give everyone the chance to live in a safe warm home

**Project 5: INFRASTRUCTURE** - Providing with partners, the services, facilities and travel networks that our residents and business need

**"All":** This encompasses elements that underpin all priorities such as: effective spending; increased income; being customer focussed; working in new / smarter ways; continuously improve efficiency; deliver services fairly.

## KEY TO THE COUNCIL'S RISKS (Source: Strategic and Corporate Risks Registers - Spar.net)

Ref	Risk Description	Score
<b>Strategic Risks</b>		
ST06	Statutory Requirements Not Met	9
ST11	Failure to Comply with Health & Safety Legislation	9
ST46	Failure of ICT security measures leading to a cyber attack	9
ST02	Failure to control and manage finance	6
ST08	Economic Uncertainty	6
ST09	Inadequately prepared to manage the impacts of a major emergency in the District	6
ST14	Fraud and Corruption	6
ST17	Inability to Recruit and Retain Staff	6
ST19	Poor or Ineffective Business Continuity Management	6
ST20	Poorly Managed Election	6
ST26	Poor Public Relations Management	6



ST29	Failure to maintain sufficient management capacity & capability	6
ST37	Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose	6
ST40	Local Plan - Infrastructure Delivery Delay	6
ST41	Local Plan - Planned Development Delayed or Not Happening	6
ST42	Failure to deliver the Council Strategy	6
ST43	Failure to adopt Teignbridge Local Plan	6
ST44	Flood risk management	6
ST45	Flood risk resilience	6
ST24	Finance - Breach of Financial Instructions & Contract Rules	4
ST25	High Levels of Customer Dissatisfaction	4
ST31	Climate Change - the impact of not reducing our energy use and contribution to CO2 emissions	4
ST32	Non Compliance with Section 106 Agreements and CIL notices	4

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## Corporate Risks

CP01	Attacks on Staff	6
CP05	Contractor Poor Performance/Failure	6
CP07	Failure to Collect or Loss of Income	6
CP09	Staff health and wellbeing (was Staff Absence/Stress/Morale)	6
CP11	Breach of Code of Conduct by Members	6
CP13	Safeguarding	6
CP15	Project management	6
CP16	Lack of Effective Risk Management	6
CP17	Health and Safety Compliance for Housing Stock	6
CP08	Future proofing the workforce (was Failure to Improve Staff Capability and Capacity)	4
CP12	Breach of Code of Conduct by Staff	4
CP14	Non-compliance with the Data Protection Act and General Data Protection Regulations	4

