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19 October 2021

## AUDIT SCRUTINY COMMITTEE

A meeting of the **Audit Scrutiny Committee** will be held on **Wednesday, 27th October, 2021** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS  
Managing Director

### Membership:

Councillors Morgan (Chair), Rollason (Vice-Chair), Clarence, Colclough, H Cox, Goodman-Bradbury, Mullone and Thorne

**Please Note:** The public can view the live streaming of the meeting at [Teignbridge District Council Webcasting \(public-i.tv\)](#) with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

## A G E N D A

### Part I

1. **Apologies for Absence**
2. **Minutes of the previous meeting** (Pages 3 - 6)  
To approve and sign the minutes of the meeting held on
3. **Declarations of Interest.**
4. **Procurement Thresholds Report** (Pages 7 - 14)

5. **External Audit Findings Report**

Report to follow.

6. **External Audit - Appointment Process Report** (Pages 15 - 20)

7. **Final Accounts Report** (Pages 21 - 30)

8. **Financial Instructions and Contract Rules Waivers** (Pages 31 - 34)

9. **Regulation of Investigatory Powers Act Report** (Pages 35 - 38)

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**AUDIT SCRUTINY COMMITTEE****24 AUGUST 2021**Present:

Councillors Colclough, H Cox, Goodman-Bradbury, Morgan (Chair) and Rollason (Vice-Chair)

Apologies:

Councillors Clarence, Mullone and Thorne

Officers in Attendance:

Martin Flitcroft, Chief Finance Officer & Head of Corporate Services

Sue Heath, Audit Manager

Christopher Morgan, Trainee Democratic Services Officer

Sarah Selway, Democratic Services Team Leader & Deputy Monitoring Officer

Jack Williams, Performance Data Analyst

**67. ELECTION OF CHAIR**

It was proposed by Councillor Rollason and seconded by Councillor Colclough that Councillor Morgan be elected as Chair of the Audit Scrutiny Committee 2021-2022

Resolved

That Councillor Morgan be elected Chair of Audit Scrutiny Committee.

**68. ELECTION OF DEPUTY CHAIR**

It was proposed by Councillor Morgan and seconded by Councillor H Cox that Councillor Rollason be elected as Deputy Chair of the Audit Scrutiny Committee 2021-2022.

Resolved

That Councillor Rollason be elected as Deputy Chair of Audit Scrutiny Committee.

**69. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were agreed as a correct record and signed by the Chair.

## **70. EXTERNAL AUDIT PLAN**

The representative from Grant Thornton presented the report. She discussed how the way the audit was conducted had changed as well as the impact of Covid-19.

In response to a question, the representative explained that audit fees had increased as a result of the auditing changes.

Resolved

That the External Audit Plan be noted.

## **71. STRATEGIC AND CORPORATE RISK REPORT**

The Performance and Data Analyst presented the report. He informed the councillors about risks and risk litigation.

Comments from Councillors included

- Councillors are grouped together as a risk rather than being separate
- Some officers have a considerable amount of projects to work on simultaneously
- Large number of high risks, including struggles to recruit staff

In response, the Chief Financial Officer commented on officer projects being monitored, Councillor risk being based on number of complaints received, and the smaller staff turnover.

It was proposed by Councillor Morgan and seconded by Councillor Rollason that the report be noted.

Resolved

That the Committee note the actions being taken to reduce risks to the achievement of the council's objectives.

## **72. INTERNAL AUDIT ANNUAL REPORT 2021-2022**

The Audit Manager presented the report. She informed the committee on the Auditing work that had been carried out internally. She also discussed DEFRA, the fraud risk analysis, and told the committee that the risk report had been satisfactory.

It was proposed by Councillor Morgan and seconded by Councillor Rollason that the report be noted.

Resolved

That the Internal Audit Annual Report 2021-2022 be noted.

### **73. OMBUDSMAN ANNUAL REPORT**

The Audit Manager presented the report. 17 complaints had been made and 3 had been upheld. This was similar to neighbouring authorities. She also stated that satisfaction with working during Covid had been acceptable.

In response to a question on if the number of complaints had risen, the Audit Manager responded that she would respond later with more information.

Resolved

That the Ombudsman Annual Report be noted.

### **74. ANNUAL GOVERNANCE STATEMENT**

The Audit Manager presented the report to the committee. She noted that legal cases, assurance statements and reports had all contributed to the statement. She also discussed the move to digital working during the Covid-19 pandemic. She also stated that governance is fit for purpose and outlined challenges.

It was proposed by Councillor Morgan and seconded by Councillor Rollason that the Committee recommends to Full Council that the Annual Governance Statement be approved.

Resolved

The Audit Scrutiny Committee recommends to Council that the Annual Governance Statement is approved.

### **75. DRAFT FINAL ACCOUNTS AND TREASURY MANAGEMENT**

The Chief Financial Officer presented the Draft Final Accounts and Treasury Management. He informed the committee that the accounts had been posted on 30 July.

It was proposed by Councillor Morgan and seconded by Councillor Rollason that the three recommendations be noted.

Resolved

The the Committee note:

- (1) That the draft statement of accounts for 2020/21 have been published
- (2) The current authorised lending list at appendix 1
- (3) The draft treasury management results for 2020/21 at appendix 2

### **76. INTERNAL AUDIT PLAN AND CHARTER 2021-2022**

The Audit Manager updated the Committee on the internal audit plan and charter. This included data equality and performance monitoring.

It was proposed by Councillor Morgan and seconded by Councillor Colclough that the Internal Audit Plan and Charter 2021-2022 be noted.

Resolved

That the Internal Audit Plan and Charter 2021-2022 be noted.

The meeting commenced at 10:00am and finished at 11:00am.

Chair  
Cllr Sally Morgan

**Teignbridge District Council**  
**Audit Scrutiny**  
**27 October 2021**  
**Part i**

**Review of the Financial Thresholds - Contract Procedure Rules**

**Purpose of Report**

To seek approval for the proposed changes to the financial thresholds within the Contract Procedure Rules.

**Recommendation(s)**

**The Committee RECOMMENDS to Council that the revision of the financial thresholds within the Contract Procedure Rules be approved as stated in table 2 of 3.7 of the report.**

**Financial Implications**

See section 6

Martin Flitcroft – Chief Finance Officer

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**Legal Implications**

There are no specific legal implications arising out of this report.

Paul Woodhead, Interim Legal Services Manager and Monitoring Officer

[Paul.woodhead@teignbridge.gov.uk](mailto:Paul.woodhead@teignbridge.gov.uk)

**Risk Assessment**

See section 5

Rosanna Wilson – Corporate Procurement Officer

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**Environmental/ Climate Change Implications**

See section 8

Rosanna Wilson – Corporate Procurement Officer

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**Report Author**

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**Executive Member**

Councillor Richard Keeling – Executive Member for Resources

## **Appendices/Background Papers**

### **Appendix I – Council Thresholds Benchmarking**

#### **1. PURPOSE**

- 1.1 To seek approval for the proposed changes to the financial thresholds within the Contract Procedure Rules.

#### **2 BACKGROUND**

- 2.1 The Contract Procedure Rules were previously updated in 2020. A review of the financial thresholds within the Contract Procedure Rules has been conducted by The Corporate Procurement Officer.
- 2.2 This review has been undertaken as part of the annual review requirements. Moreover, the external review of our financial operations by Chris West (external consultant appointed by the LGA) suggested reappraising these and our general financial limits.
- 2.3 The 2 main changes relate to:
- The financial thresholds
  - Incorporation of the new procurement portal Supply Devon into the Contract Procedure Rules
- 2.4 Since 1st January 2021, all procurements that are above £189,330 (for goods and services) and £4,733,252 (for works) have been advertised via the Find a Tender (FTS) service <https://www.gov.uk/find-tender>. Prior to 1st January 2021, these procurements were advertised via the EU market entitled Tender Electronic Daily <https://ted.europa.eu/TED/>. Within the thresholds table, all EU references will be replaced with FTS.

#### **3 CHANGES TO FINANCIAL THRESHOLDS**

- 3.1 The Corporate Procurement Officer has benchmarked financial thresholds across 7 Devon councils and 7 randomly selected district councils outside of Devon. Please see Appendix I.
- 3.2 It is recommended that the goods and services threshold be raised to £100,000
- 3.3 It is recommended that the works threshold be lowered to £10,000
- 3.4 It is recommended that the thresholds should no longer be split into goods/services and works. Table 1 shows the current 2020 thresholds and Table 2 are the new proposed 2021 thresholds.
- 3.5 The reasons for raising the goods and services tender threshold to £100k are:
- to bring the value in line with other authorities with regards to benchmarking, and;
  - in response to the early observations by Chris West.
  - more efficient tendering



- ability to complete projects within a shorter timescale.

- 3.6 The reason for lowering the Request for Quotation for works is to threshold is:
- to bring the thresholds back into line with goods and services.
  - to have more policing of spend via a Request for Quotation.
  - to have more traffic through the potential new portal 'Supply Devon'

### 3.7 **Table 1: 2020 Thresholds**

<b>Good and Services</b>	
<b>Total Value (excl. VAT)</b>	<b>Award Procedure</b>
Up to £10,000	A minimum of one written Quotation e.g. via email, but good practice to seek most favourable prices and terms, having regard to the Council's Procurement Strategy.
£10,001 - £50,000	A minimum of three written Quotations via the Procurement Portal
£50,001 – EU Threshold	Invitation to Tender by advertisement.

<b>Works</b>	
<b>Total Value (excl. VAT)</b>	<b>Award Procedure</b>
Up to £15,000	A minimum of one written Quotation e.g. via email, but good practice to seek most favourable prices and terms, having regard to the Council's Procurement Strategy.
£15,001 - £100,000	A minimum of three written Quotations via the Procurement Portal
£100,001 – EU Threshold	Invitation to Tender by advertisement.

### **Table 2: Proposed 2021 Thresholds**

<b>Good, Services and Works</b>	
<b>Total Value (excl. VAT)</b>	<b>Award Procedure</b>
£0 - £10,000	<p>A minimum of 1 written quotation however, preferably 3 quotes demonstrating best value for money. Quotes must be sought from suppliers with a Teignbridge postcode.</p> <p>If there are no suppliers based in Teignbridge who can fulfil the requirement; Officers are asked to look at suppliers based in the Devon District.</p> <p>If there are no suppliers based in the Devon district, Officers are asked to look at national suppliers.</p>

	<p>If using national suppliers, please use their geographical location as part of your best value for money evidence e.g. a supplier closer to the Devon district is a more environmentally sustainable solution if delivering goods, or if travelling is needed for services and works.</p> <p>Please use the supplier database in the first instance. If there are no suppliers within the database who can fulfil your requirement, please use internet searches via a search engine.</p>
£10,001 - £100,000	<p>A minimum of three formal written Quotations (Request for Quotation) demonstrating best value for money.</p> <p><i>Please use the Supply Devon portal in the first instance to conduct your Request for Quotation.</i></p> <p><i>If there are no suppliers on the Supply Devon portal who can fulfil your requirement, please use the procurement portal (<a href="http://www.supplyingthesouthwest.org.uk">www.supplyingthesouthwest.org.uk</a>) to conduct your Request for Quotation.</i></p> <p>If not using Supply Devon, Officers have the option to either directly invite specific suppliers to the opportunity via the procurement portal (ideally a minimum of 5 to guarantee 3 responses) or advertise this requirement nationally via Contracts Finder.</p> <p>Once awarded, all awarded contracts must be awarded via Contracts Finder.</p>
£100,000 – FTS Threshold	<p>Invitation to Tender by advertisement via the Find a Tender service and Contracts Finder.</p>

#### 4. INTRODUCING SUPPLY DEVON

- 4.1 Supply Devon is a portal that contains just over 5,000 suppliers based in Devon.
- 4.2 It is a procurement portal that Officers can use for procurements from £10k to £100k. Our standard request for quotation documents can be attached to each opportunity on Supply Devon.
- 4.3 The Supply Devon portal will give Teignbridge District Council access to a wider range of local suppliers in the hope of achieving our objective boosting local spend.

#### 5. RISKS

- 5.1 There are no specific risks foreseen. A formal procurement process will still take place in the form of a Request for Quotations via Supply Devon or the

Proactis procurement portal for projects from £10k to £100k. Therefore, due diligence is still being undertaken. Moreover, Officers will still conduct a financial check for procurements over £50k.

- 5.2 Raising the tender threshold to £100k will mean that less procurements are being advertised nationally. Contracts Finder notices will still be posted once awarded in order to remain transparent. Even though less procurements will be advertised nationally, the benefit will mean that Teignbridge will be directing more spend towards Teignbridge and the Devon district.
- 5.3 There will be extra training needed for procurement champions regarding how to use the Supply Devon portal, however, this can be done within 1 session as the system is very user friendly.

## **6. MAIN IMPLICATIONS**

### **6.1 Financial Implications**

The financial implications may result in additional costs if submissions from smaller local suppliers are higher. The impact will ultimately be defined by relative weightings for price/quality. If quality is important within the award criteria, the value for money aspect will remain i.e. the cheapest price doesn't necessarily mean the best value for money.

## **7. GROUPS CONSULTED**

- 7.1 The financial thresholds within the Contract Procedure Rules have been benchmarked against 7 authorities within Devon and 7 authorities outside of Devon.
- 7.2 Feedback from Chris West has led to this review and report.
- 7.3 Procurement Champions were consulted last year regarding the thresholds and there was agreement that these need to be raised.

## **8. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

- 8.1 If we can procure more goods, services and works via Supply Devon it will mean that supplies and suppliers will be travelling at the maximum distance of the Devon District which will mean less of an environmental impact compared to national suppliers.

## **9. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on 3 November 2021

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## Appendix I - Benchmarking Thresholds Across Councils

### Teignbridge District Council (current):

Goods and Services		
Value	Requirement	Advertising
Less than 10k	1 written quotation via email but 1	Direct Approach
£10k - £50k	Request for Quotation	Contracts Finder
£50k - FTS	Formal Tender	Contract Finder
FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS

Works		
Value	Requirement	Advertising
Less than 15k	1 written quotation via email but 1	Direct Approach
£15k - £100k	Request for Quotation	Contracts Finder
£100k - FTS	Formal Tender	Contract Finder
FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS

### Other Devon Councils:

Council	Value	Requirement	Advertising
Exeter City Council	Less than £10k	Minimum 1 quotation (preference 3)	Direct approach
Exeter City Council	£10k - £50k	Minimum 3 quotations	Direct Approach and/or request for quotation
Exeter City Council	£50k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Exeter City Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
Torbay Council	Less than £4,999	Obtain at least 1 written quotation	Direct Approach
Torbay Council	£5,000 - £25,000	Obtain quotes from Supply Devon or use a direct approach to suppliers in Devon	Direct Approach
Torbay Council	£25,000 - £50,000	Request for quotation via Supply Devon or request for quotation run via Proactis if no Torbay based operators on Supply Devon	Request for Quotation
Torbay Council	£50,000 - FTS Threshold	Formal Tender	Advertising via Contract Finder
Torbay Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
Plymouth City Council	Less than £4,999	Minimum 1 quotation from a PL postcode if possible	Direct Approach
Plymouth City Council	£5k - £25k	3 quotations - 2 from PL postcodes where possible	Direct Approach
Plymouth City Council	£25k - FTS Threshold	3 quotations - 2 from PL postcodes where possible	Request for Quotation - Contracts Finder
Plymouth City Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
Mid Devon District Council	Less than £4,999	Purchase order - best value through best endeavours	Direct Approach
Mid Devon District Council	£5k - £25k	3 quotations	Direct Approach
Mid Devon District Council	£25k - £50k	3 request for quotations	Request for Quotation via Contracts Finder
Mid Devon District Council	£50k - FTS Threshold	Formal Tender	Advertising via Contract Finder
Mid Devon District Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
East Devon District Council	Less than £4,999	Quotation from minimum 1 supplier	Direct Approach
East Devon District Council	£5k - £100k	3 written quotations. Electronic procurement portal to be used for over £10k	Direct Approach or Contracts Finder
East Devon District Council	£100k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
East Devon District Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
Torridge District Council	Less than £7,500	Minimum of 1 quotation but best practice to seek more for best value	Direct Approach
Torridge District Council	£7.5k - £50k	Minimum 3 written quotations	Direct Approach
Torridge District Council	£50k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Torridge District Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
North Devon District Council	Less than £5k	Written quote optional	Direct Approach
North Devon District Council	£5k - £39,999	3 written quotations	Direct Approach
North Devon District Council	£40k - FTS threshold	Formal Tender	Advertising via Contracts Finder
North Devon District Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS
Devon County Council	£1k - £2.5k (£5k for works)	2 verbal quotations	Direct Approach
Devon County Council	£2.5k (£5k for works) - £10k	3 written quotations	Direct Approach
Devon County Council	£10k - £100k	3 formal quotations	Direct Approach
Devon County Council	£100k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Devon County Council	FTS Threshold and over	Formal Tender	Advertising via Contracts Finder and FTS

### Other Non-Devon Authorities

East Suffolk District Council	less than £5k	One quotation demonstrating value for money in writing	Direct Approach
East Suffolk District Council	£5k - £75k	3 written quotations	Direct Approach
East Suffolk District Council	£75k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
East Suffolk District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
Mendip District Council	less than £5k	3 quotations verbal or written	Direct Approach
Mendip District Council	£5k - £50k	Request for Quotation	Advertising via Contracts Finder for over £10k
Mendip District Council	£50k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Mendip District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
Eden District Council	£60k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Eden District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
Dover District Council	less than £9,999	1 quotation	Direct Approach
Dover District Council	£10k - £99,999	3 written quotations	Direct approach
Dover District Council	£100k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Dover District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
New Forest District Council	Less than £15,000	Check for best value	Direct Approach
New Forest District Council	£15k - £50k	Request for Quotation	Direct Approach
New Forest District Council	£50k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
New Forest District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
Tunbridge Wells Borough Council	Less than £15,000	2 quotations - at least 1 from a local supplier	Direct Approach
Tunbridge Wells Borough Council	£15k - £99,999	3 quotations - at least 1 from a local supplier	Direct Approach
Tunbridge Wells Borough Council	£100,000 - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Tunbridge Wells Borough Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS
Tandridge District Council	Less than £5k	1 written quotation - multiple for best value for money	Direct Approach or Portal
Tandridge District Council	£5k - £24,999k	3 quotations	Direct Approach or Portal
Tandridge District Council	£25k - £99,999	3 quotes or tender based on complexity	Advertising via Contracts Finder
Tandridge District Council	£100k - FTS Threshold	Formal Tender	Advertising via Contracts Finder
Tandridge District Council	FTS Threshold and Over	Formal Tender	Advertising via Contracts Finder and FTS

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**Teignbridge District Council**  
**Audit Scrutiny**  
**27 October 2021**  
**Part i**

**APPOINTMENT PROCESS – EXTERNAL AUDIT**

**Purpose of Report**

To advise Members as to the preferred option for the appointment of an external auditor for the next five year period.

**Recommendation**

**That the Audit and Scrutiny Committee recommend that acceptance of the invitation to opt in to the national scheme for auditor appointments from April 2023 be approved by Council.**

**Financial Implications**

There are no significant financial implications. The main implication is that the external auditors currently cost £59,000 per annum to carry out the main external audit of the financial statements. See section 5.1.

Martin Flitcroft – Chief Finance Officer

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**Legal Implications**

There are no specific legal implications arising from this report save that there is a requirement to appoint an external auditor and to follow the appropriate procurement and contract procedure rules.

Paul Woodhead Interim Legal Services Manager and Monitoring Officer

Tel: 01626 215139 Email: [paul.woodhead@teignbridge.gov.uk](mailto:paul.woodhead@teignbridge.gov.uk)

**Risk Assessment**

Major risks are summarised in section 4. The most significant of these is the administration required to appoint our own auditor and the potential of no take up from the tender exercise.

Martin Flitcroft – Chief Finance Officer

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## **Environmental/Climate Change Implications**

There are no environmental/climate change implications – see section 7.

David Eaton – Environmental Protection Manager  
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## **Report Author**

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## **Executive Member**

Councillor Richard Keeling – Executive Member for Resources

## **Appendices/Background Papers**

None

### **1. PURPOSE**

To update Members on the options and procedure for appointing an external auditor for the next five years and to seek approval of the preferred option for Council approval.

### **2 BACKGROUND**

- 2.1** In July 2016, the Secretary of State specified PSAA (Public Sector Audit Appointments Limited) as an appointing person for principal local government and police bodies for audits from 2018/19 under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme. 98% of eligible bodies made the choice to opt-in for the five year period commencing in April 2018.
- 2.2** The Secretary of State has re-confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. If the Council choose to opt in to the national scheme (as recommended) it must advise PSAA by 11 March 2022. The relevant regulations require that (except for a body that is a corporation sole (e.g. a police and crime commissioner) the decision to accept the invitation to PSAA must be made by the members of the authority meeting as a whole e.g. Full Council or equivalent.



### **3 OPTIONS TO APPOINT**

- 3.1** There are two options available to the Council – join the national scheme or appoint an auditor via its own procurement process. The Council is currently under the umbrella of the national scheme as overseen by PSAA until 2023.
- 3.2** The option to opt in to the national scheme provides transparent and independent appointment via a third party, on-going management of any independence issues which may arise, access to a specialist team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, setting and determining fees and managing any disputes over work etc. Collective efficiencies arise through undertaking one major procurement as opposed to a number of smaller procurements. This option also avoids the need to establish an auditor panel and to undertake an auditor procurement.
- 3.2** The self-appointment option would potentially provide more control over the auditors e.g. timing of audit etc. The biggest risk is whether an authority managing its own procurement will be able to secure competitive bids. Auditors can only be appointed from a short list maintained by the ICAEW. Apart from planning the procurement process and drawing up a contract, the substantial additional burden of self-appointment is having to establish an auditor panel.

The key features of the appointing requirements are:

- appointments have to be made by the 31 December of the preceding financial year – i.e. by 31 December 2022
- appointments can be for a period of one to five years
- the appointed auditor must be an eligible local auditor – i.e. on the ICAEW list of key audit partners (KPAs)
- two or more auditors can be appointed to act jointly or separately in relation to different parts of the accounts
- an appointment must be made in consultation with an auditor panel and taking into account their advice – the authority does not need to follow that advice, but if it does not, then the reasons will need to be set out in a public notice
- auditor panels do not need to be specific to an individual authority – authorities can arrange panels collectively or seek the agreement of the panel of another authority to act for them
- auditor panels must have a majority of independent members and be chaired by one of them
- panels must have at least three members, and independent members can only be appointed if they have submitted an application for an advertised vacancy
- regulations determine how the general requirements for public access to meetings and political balance apply to auditor panels

- auditor panel advice will cover the selection and appointment of an auditor, proposals to enter into a liability limitation agreement and the maintenance of an independent relationship with the appointed auditor (particularly proposals to purchase non-audit services)
- auditor panels have the right to access documents and information necessary for the exercise of their functions and to require members or officers to attend their meetings to answer questions
- detailed regulations cover the scope for limitations of liability and the procedures to be followed for resignation or removal of the auditor

### **3.4 Way forward**

A choice has to be made by the Council as to whether to join the national scheme or carry out its own procurement and selection. There is no apparent appetite to look at a local procurement exercise in Devon from initial discussions and this is mainly due to the burden and risks identified above. Potentially any such exercise could lead to an appointment which would have arisen through the national route anyway. The Local Government Association supports joining the national scheme.

## **4. RISKS**

The major risks to be aware of are mainly in relation to the Council carrying out its own procurement and potential lack of bids or securing an appropriate auditor.

## **5. MAIN IMPLICATIONS**

The implications members need to be aware of are as follows:

### **5.1 Resources**

The current audit fees of £59,000 are covered by existing budgets. Any procurement exercise would be managed by utilising existing resources. Future tender outcomes would need to be facilitated in the medium term financial plan. The Council would also need to explore any costs that may be incurred in setting up an auditor panel with independent members.

## **6. GROUPS CONSULTED**

None.

## **7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

There are no environmental/climate change impacts. External audits are currently carried out remotely so no travel is incurred.

**8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on 3 November 2021

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**Teignbridge District Council  
Audit Scrutiny  
27 October 2021  
Part i**

**2020/21 FINAL ACCOUNTS**

**Purpose of Report**

To bring an update on the statement of accounts for 2020/21 for Members to review and recommend to Council for approval.

**Recommendation(s)**

**The Audit Scrutiny Committee recommend the statement of accounts 2020/21 and letter of representation for approval to Council subject to any final adjustments agreed with the external auditors which will be reported to Council.**

**Financial Implications**

The financial implications are contained throughout the report. The main implication is that the accounts have been closed and audited and general reserves are slightly above the budgeted level anticipated at 31 March 2021 - £2.060 million. See section 3.

Martin Flitcroft – Chief Finance Officer  
Tel: 01626 215246 Email: [martin.flitcroft@teignbridge.gov.uk](mailto:martin.flitcroft@teignbridge.gov.uk)

**Legal Implications**

See section 5 – the Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts.

Martin Flitcroft – Chief Finance Officer  
Tel: 01626 215246 Email: [martin.flitcroft@teignbridge.gov.uk](mailto:martin.flitcroft@teignbridge.gov.uk)

**Risk Assessment**

Major risks are summarised in section 4. The most significant of these is the level of future funding from Central Government and the level of reserves held to meet future unexpected variations in income.

Martin Flitcroft – Chief Finance Officer  
Tel: 01626 215246 Email: [martin.flitcroft@teignbridge.gov.uk](mailto:martin.flitcroft@teignbridge.gov.uk)

## **Environmental/Climate Change Implications**

The revenue budget supports the funding of a Climate Change Officer and associated budget – see section 7.

David Eaton – Environmental Protection Manager  
Tel: 01626 215064 Email: david.eaton@teignbridge.gov.uk

## **Report Author**

Martin Flitcroft – Chief Finance Officer  
Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk

## **Executive Member**

Councillor Richard Keeling – Executive Member for Resources

## **Appendices/Background Papers**

Letter of Representation  
Accounts – see link to statement of accounts below

### **1. PURPOSE**

To bring an update on the statement of accounts 2020/21 for Members to review and recommend to Council for approval

### **2 BACKGROUND**

- 2.1** The accounts and audit regulations 2015 set out the requirements for the production and publication of the annual statement of accounts. The statement usually has to be produced and certified by the chief finance officer by 31 May however the Covid 19 pandemic has triggered amendments to this deadline by extending this to the end of July. Ordinarily the accounts have to be brought for full council approval after external audit and by 31 July however again this has been amended to the end of September.
- 2.2** At the Audit Scrutiny meeting of 24 August 2021 the committee was introduced to the draft accounts and the results for the year 2020/21 including those for treasury management. The draft accounts were published at the end of July in line with the statutory deadline.
- 2.3** The statement of accounts and financial records have been audited by our external auditors Grant Thornton during August, September and October. Their signed audit opinion will be provided by the end of November. Their annual governance report on the accounts has been provided separately on

this agenda for consideration. Any final adjustments will be reported to Council on 30 November. Any likely adjustments will be discussed at today's meeting when Grant Thornton submit their findings.

- 2.4** The conclusion of the audit will be published by advertisement on the Teignbridge website as required by legislation. After approval the final accounts will be available on the website or a hard copy can be obtained. Members can access the accounts via this link: [Teignbridge website](#) and a hard copy is available in the Finance department.
- 2.5** The Chartered Institute of Public Finance and Accountancy (CIPFA) Toolkit for Local Authority Audit Committees published in 2006 recommends the following focus in relation to the committee's review of the financial statements:
- the suitability of accounting policies and treatments
  - any changes in, and compliance with, accounting policies and treatments
  - major judgemental arrears such as provisions
  - significant adjustments and material weaknesses in internal control reported by the external auditor

This report will concentrate on those areas.

### **3 DRAFT STATEMENT OF ACCOUNTS 2020/21**

- 3.1** The audit of the statement of accounts is currently being finalised and there are no known major adjustments to date. Grant Thornton will discuss any findings separately in their report when the audit is completed. There are no adjustments required to the Strata figures consolidated into the accounts of the Council. The draft closing general reserves at 31 March 2021 of £2.060 million are an improvement on the original budget of £80,000.
- 3.2** The draft balance sheet shows a net worth of £14.6 million at 31 March 2021 compared to a net worth of £17.4 million at 31 March 2020. This is due mainly to an increase in the pension fund deficit mainly offset by an increase in the value of our property, plant and equipment, increase in earmarked reserves, capital receipts reserve and capital grants unapplied.
- 3.3** The regulations require the formal approval of the accounts and this will be signified by the Chairman of the Council signing and dating the accounts on the page entitled the Statement of Responsibilities for the Statement of Accounts at the Council meeting. This statement is from the Chief Finance Officer and will be signed by him before presentation of the accounts to the council meeting.
- 3.4 Accounting Policies and Treatments**

Note 1 of the notes to the financial statements identifies the accounting policies which follow CIPFA recommendations in the latest Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. The most significant policies relate to property, plant and equipment, charges to revenue, accruals, pensions, reserves and provisions as follows:

- All expenditure over £10,000 on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis in the accounts. These are valued on the basis recommended by CIPFA and in accordance with The Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors. The majority of assets are valued at fair value with some at depreciated historical cost. Property, plant and equipment excluding land are depreciated over their remaining useful life on a straight line basis.
- Charges for depreciation and impairment are made to the comprehensive income and expenditure account by direct allocation to the relevant service and then reversed out in the movement in reserves statement. Capital charges therefore help show the true cost of services but have a neutral impact on the amount required to be raised from council tax.
- The accounts are maintained on an accruals basis in accordance with the Code of Practice on Local Authority Accounting. That is all sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year.
- Accounting for the council's defined benefit pension scheme is prepared under the requirements of International Accounting Standard 19. Thus entries are made in the accounts and the valuation of liabilities is shown in the balance sheet. The notes explain that the cost of benefits is charged as they are earned but this cost is reversed out so that the charge against council tax is based on the cash payable in the year.
- Reserves are maintained to meet general rather than specific future expenditure although some can be earmarked for specific purposes. Provisions are only recognised when there is a liability that is of uncertain timing or amount. Provisions are required where Teignbridge has a present obligation as a result of a past event.

### **3.5 Provisions**

The main provisions are those for bad debts (now described as an impairment allowance for bad debts) and the most significant of these are for sundry debtors, council tax, and national non domestic rates. An appeals provision is also held for potential appeals against business rates valuations charged. These are as follows:

- A provision of £1,129,000 or 35% has been made against a year end balance of £3,250,000 for sundry debts including rents. The majority of the debt relates



to housing benefit overpayments where arrangement for regular affordable payments has been made. 30% is provided for small older debts still outstanding with specific appropriate provision for individual large debts. Write offs in the year were £45,000 or 0.4% of debt raised in year (2019/20 £149,000 or 1.2% of debt raised in year).

- The council tax gross debt at the year end was £4,665,000 (2019/20 £3,826,000) and write offs in the year were £125,000 (2019/20 £196,000). The write offs have remained low for each of the last five years at less than 0.3% of the debit raised. The debit raised in the year was £121 million. The bad debt provision for 2020/21 has been increased to £1,180,000 being 25% of the balance.
- For national non domestic rates the gross balance at the year end was £814,000 (2019/20 £474,000). Write offs were £16,000 (2019/20 £49,000). The value of the bad debt and appeals provision amounts to £2.0 million at 31 March 2021 to cover potential future bad debts and appeal adjustments on rating valuations. Write offs have remained low for each of the last five years at less than 0.5% of the debit raised. The debit raised in the year was £40 million.

**3.6** External audit reports - all reports from Grant Thornton regarding internal control and any other relevant matters and the officer responses for review are brought to this audit scrutiny committee. The specific comments on these accounts will be in the Annual Governance Report (AGR) which is on this agenda. The accounts adjustments suggested/noted in the AGR can be discussed by the committee at that item together with the draft management letter.

### **3.7 Letter of Representation**

Our external auditor requires assurances from us on various financial matters including statutory and contractual requirements, reasonableness of estimates and provisions, responsibility for internal controls, various disclosures and information provided. These are detailed in the attached letter which needs recommendation for approval at full Council.

## **4. RISKS**

The major risks to be aware of are around future funding and the adequacy of reserves going forward as further action may be required to address the continuing impacts of the Covid 19 pandemic and budget gaps. General reserves are maintained at a value higher than originally budgeted and earmarked reserves are held to help deal with future forecast funding changes and earmarked projects/schemes. Further clarity is required on the level of Government support. These risks may impact further on the performance of treasury management and borrowing levels moving forward. Preparation and approval of the accounts are required by the Accounts and Audit Regulations 2015 and if these regulations are not adhered to the auditors could qualify the accounts.

## **5. MAIN IMPLICATIONS**

The implications members need to be aware of are as follows:

### **5.1 Legal**

The Financial Accounts for 2020/21 need to be produced and audited in accordance with the Accounts & Audit Regulations 2015.

### **5.2 Resources**

The report notes that general reserves have been maintained at a level slightly higher than originally budgeted at 31 March 2021.

## **6. GROUPS CONSULTED**

The draft accounts are advertised as available for inspection and are available on the website. The external auditors have been auditing the financial records and accounts during August, September and October. As required by legislation these will be updated with the final version including the external audit opinion and Grant Thornton annual audit letter when available.

## **7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

The revenue budget supports the appointment of a climate change officer and associated budget.

## **8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on 3 November 2021

**Please Ask For:** Martin Flitcroft

**Tel:** 01626 215246

**Email:** martin.flitcroft@teignbridge.gov.uk



Grant Thornton UK LLP  
2, Glass Wharf  
Temple Quay  
Bristol  
BS2 0EL

Dear Sirs

30 November 2021

**Teignbridge District Council**  
**Financial Statements for the year ended 31 March 2021**

This representation letter is provided in connection with the audit of the financial statements of Teignbridge District Council for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the revaluation of land & buildings, accruals and the valuation of net pension liabilities. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Council has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

- xiv. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
- a. the nature of the Council means that, notwithstanding any intention to liquidate the Council or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
  - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements

### **Information Provided**

- xv. We have provided you with:
- a. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.
- xvii. All transactions, other than those where we have determined we act as an Agent, have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
- a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Governance Statement**

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

### **Narrative Report**

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

### **Approval**

The approval of this letter of representation was minuted by Full Council at its meeting on 30 November 2021.

Yours faithfully

Martin Flitcroft  
Chief Finance Officer  
30 November 2021

Councillor Colin Parker  
Chairman of the Council  
30 November 2021

**Teignbridge District Council**  
**Audit Scrutiny**  
**27 October 2021**  
**Part 1**

**Financial Instructions and Contract Rules Waivers**

**Purpose of Report**

To inform Members of the number of times the Financial Instructions and Contract Procedure Rules have been waived and the reasons for this.

**Recommendation(s)**

**The Audit Scrutiny Committee resolves to note the report.**

**Financial Implications**

None - advisory report only.

**Legal Implications**

There are no specific legal implications arising out of this report. The reporting of Waivers to the Audit Scrutiny Committee is a requirement of the Financial Instructions and Contract Procedure Rules within the Constitution.

**Risk Assessment**

Risks are evaluated when individual waiver approval is sought. Waivers would not be approved if they presented unacceptable risk.

**Environmental/ Climate Change Implications**

None.

**Report Author**

Sue Heath – Audit & Information Governance Manager

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**Executive Member**

Councillor Richard Keeling – Executive Member for Resources

**Appendices/Background Papers**

None

## 1. PURPOSE

- 1.1 To inform Members of the number of times the Financial Instructions and Contract Procedure Rules have been waived and the reasons for this.

## 2 BACKGROUND

- 2.1 The Financial Instructions and Contract Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf. Sometimes there are instances where the rules cannot be followed and requests are made to waive them. One of the following criteria must be met:

<b>1</b>	<b>LIFE OR DEATH</b> There is significant chance that the life or health of officers, members, or the public will be put at real risk.
<b>2</b>	<b>INCREASED COST / LOSS OF INCOME</b> The Council will incur significant avoidable costs or lose significant income.
<b>3</b>	<b>LIMITED MARKETS</b> The Council would be wasting its time tendering as supply of the product or service is demonstrably restricted to one or few businesses.
<b>4</b>	<b>URGENT ACTION REQUIRED</b> The Council would be criticised for failing to act promptly.

## 3 WAIVERS

- 3.1 The following waivers have been processed since the March 2021 monitoring report:

Proposing Officer	Proposal / Reason	Approval
Programme Manager, South West Coastal Regional Monitoring Programme	<p><b>Purchase of ESRI software for the Plymouth Coastal Observatory team</b></p> <p>Continuation of using ESRI ArcGIS scientific software to provide geospatial data to fulfil coastal monitoring duties.</p> <p>Value: <b>£12,483 per annum</b> for the 6 year phase of the monitoring programme.</p>	<p>Neil Blaney</p> <p>Head of Place and Commercial Services</p>



	<b>Reason:</b> Urgent Action Required and Limited Market due to continuing use of existing software supplier.	
Play Area Project Officer – Environment & Leisure	<b>Decoy Water Play</b>  Supply and installation of new specialist water play features, along with a major overhaul of mechanical and electrical items.  Value: <b>Up to £44,800</b>  <b>Reason:</b> Urgent Action Required and Limited Market due to specialist area and wanting to install over the summer due to ground conditions and curing of the wet pour safety surfacing.	Lorraine Montgomery  Head of Operational Services
Audit & Information Governance Manager	<b>Provision of Internal Audit services</b>  Direct appointment of the Devon Audit Partnership (DAP) to assist with audits within the 2021-22 audit plan.  Value: <b>maximum £38k.</b>  <b>Reason: Limited Market, Continuity and Compatibility.</b> Two of the required audits include following up on the work DAP have previously undertaken.	Martin Flitcroft  Chief Finance Officer & Head of Corporate Resources

#### 4. IMPLICATIONS, RISK MANAGEMENT & CLIMATE CHANGE IMPACT

##### 4.1 Financial

There are no direct financial implications as this is an advisory report only. The financial impacts of the spending covered by the waivers were assessed at the time these procurements were carried out.

##### 4.2 Legal

The reporting of Waivers to the Audit Scrutiny Committee is a requirement of the Financial Instructions and Contract Procedure Rules within the Constitution.

##### 4.3 Risks

Risks are evaluated when individual waiver approval is sought. Waivers would not be approved if they presented unacceptable risk.

#### 5. CONCLUSION

That the report be noted.

**6. GROUPS CONSULTED**

Not applicable.

**7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

Not applicable.

**8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

Not applicable.

**Teignbridge District Council**  
**Audit Scrutiny**  
**27 October 2021**  
**Part 1**

**Regulation of Investigatory Powers Act 2000 (RIPA)**

**Purpose of Report**

To update members on the Council's use of RIPA, and advise the outcome of an inspection by the Investigatory Powers Commissioner's Office (IPCO)

**Recommendation(s)**

**The Audit Scrutiny Committee resolves to note the report.**

**Financial Implications**

None - advisory report only.

**Legal Implications**

There are no specific legal implications arising out of this report.

**Risk Assessment**

The risk of breaching the RIPA is very low as the Council is compliant with the legislation.

**Environmental/ Climate Change Implications**

None.

**Report Author**

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**Executive Member**

Councillor Richard Keeling – Executive Member for Resources

**Appendices/Background Papers**

None

**1. PURPOSE**

- 1.1 This report provides details of the use of covert surveillance under the RIPA, and includes details of an inspection of the Council's procedures undertaken by the Investigatory Powers Commissioner's Office (IPCO).

## **2 BACKGROUND**

- 2.1 The Regulation of Investigatory Powers Act was enacted in 2000 (and amended 2016) to regulate the use and methods of surveillance carried out by public bodies.
- 2.2 Local authorities, including Teignbridge, may only carry out covert surveillance where this is directed and not intrusive, and is in relation to an offence which is punishable with a custodial sentence of at least 6 months (or would be an offence under the Licensing Act i.e. sales of alcohol to underage children).
- 2.3 The Council is therefore very unlikely to make use of its RIPA powers, and consequently no RIPA applications have been made or authorised since our Housing Benefit investigation functions were transferred to the Department for Work and Pensions, pre-2014.
- 2.4 In accordance with the RIPA Code of Practice we must nevertheless, maintain procedures, should the situation change, and the need for surveillance arise. These processes are periodically subject to inspection by the Investigatory Powers Commissioner's Office (IPCO).
- 2.5 The most recent inspection was carried out in March 2021. The inspector noted that no use of covert powers had been undertaken since the last IPCO inspection in 2018.
- 2.6 The Inspector concluded that Teignbridge was in satisfactory place. The following observations were made to enhance procedures further, namely:
- updating of our policies to reflect both the IPCO's revised Covert Human Intelligence Source (CHIS) revised Code of Practice, and the revised Covert Surveillance and Property Interference Code of Practice 2018, and
  - review of training and regular meetings with those likely to utilise covert powers.

## **4. IMPLICATIONS, RISK MANAGEMENT & CLIMATE CHANGE IMPACT**

### **4.1 Financial**

There are no direct financial implications as this is an advisory report only.

### **4.2 Legal**

None. The Council is compliant with the RIPA legislation.

### **4.3 Risks**

None.

**5. CONCLUSION**

That the report be noted.

**6. GROUPS CONSULTED**

Not applicable.

**7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

Not applicable.

**8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

Not applicable.

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