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9 December 2025

AUDIT COMMITTEE

A meeting of the **Audit Committee** will be held on **Wednesday, 17th December, 2025** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS
Managing Director

Membership:

Councillors Morgan (Chair), Jackman, Purser, Radford, Ryan, Steemson (Vice-Chair), Swain and Smith

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

Terms of Reference

1. **Apologies for Absence**

2. **Minutes of the previous meeting** (Pages 5 - 8)

To approve and sign the minutes of the meeting held on 2 September 2025.

3. **Declarations of Interest.**

Information pertaining to the Members' Code of Conduct and guidance relating to declaring interests can be found on the following webpage:

<https://www.teignbridge.gov.uk/council-and-democracy/district-councillors/councillor-conduct/>

4. **Public Questions (If any)**

5. **Members Questions (if any)**

Members of the Council may ask questions of the Chairman subject to procedural rules.

The deadline for questions is no later than three clear working days before the meeting.

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|---|-------------------|
| 6. External Auditor's Audit Findings 2024/25 | (Pages 9 - 36) |
| 7. External Auditor's Annual Auditor's Report 2024/25 | (Pages 37 - 78) |
| 8. Council Tax Base 2026/27 | (Pages 79 - 84) |
| 9. Treasury Management Mid Year Review | (Pages 85 - 90) |
| 10. Strategic and Corporate Risk Report | (Pages 91 - 104) |
| 11. RIPA (Regulation of Investigatory Powers) Report | (Pages 105 - 108) |
| 12. Governance Improvement Plan Monitoring Report | (Pages 109 - 126) |
| 13. Internal Audit Update Report | (Pages 127 - 140) |
| 14. Financial Instructions and Contract Rules Waivers and Exemptions | (Pages 141 - 146) |
| 15. Audit Committee Forward Plan | |

Details of the Audit Committee Forward Plan can be found here:

<https://democracy.teignbridge.gov.uk/mgListPlans.aspx?RPId=167&RD=0>

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

3.6 Audit Committee: Specific Terms of Reference

3.6.1 Membership: All Councillors except Members of the Executive may be Members of the Audit Committee. The Committee has eight members who are elected councillors and who are appointed at the Annual Meeting of Full Council. The Committee will also appoint up to two Independent Members, who are non-voting.

3.6.2 Areas of Work: Its role is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. In this regard, the Audit Committee will be attended by Chief Finance Officer and the Head of Internal Audit or their nominated deputies.

Its responsibilities include:

(a) Financial Management of the Council:

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To review and approve the authority's financial statements and annual accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To approve the Council Tax Base.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- To consider a report from the Chief Finance Officer (or relevant responsible officer) on agreed recommendations which have not been implemented within a reasonable timescale.
- To maintain an overview of the Council's Constitution in respect of contract procedure rules or financial regulations and maintain oversight of any exemptions or waivers.

(b) Internal Audit:

- To review and approve the internal audit charter and internal audit plan, including the scope of internal audit work and its resourcing requirements.
- To consider The Head of Internal Audit's annual report and opinion, including a summary of internal audit activity; a statement on the level of conformance with audit standards; and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider reports from the Head of Internal Audit on internal audit performance during the year, to include key findings; acceptance of recommendations; and the results of follow-up audits relating to previously agreed audit recommendations.
- To consider summaries of specific internal audit reports as requested;
- To consider reports dealing with the management and performance of the providers of internal audit services.

- To facilitate private meetings with the Head of Internal Audit, as may be required

(c) External Audit:

- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider any statutory recommendations or public interest reports issued by the external auditor.
- To monitor the scope and depth of external audit work and to ensure it gives value for money.
- To facilitate opportunities for private meetings with the external auditor as may be required.

(d) Other corporate governance matters:

- To monitor the effective development and operation of risk management and corporate governance in the Council.
- To monitor progress addressing risk related issues.
- To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To review and approve the Annual Governance Statement and consider whether it is commensurate with the assurances received by the committee during the reporting period.
- To consider the arrangements to secure value for money and review the effectiveness of these arrangements.
- To review the assessment of fraud risk and to monitor policies on 'Raising Concerns at Work', anti-fraud and anti-corruption.
- To receive reports on the Council's use of investigatory powers under the Regulation of Investigatory Powers Act 2000.

AUDIT COMMITTEE**2 SEPTEMBER 2025****Present:**

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

Members in Attendance:

Councillors Nuttall and Parrott

Apologies:

None

Officers in Attendance:

Charlie Fisher, Democratic Services Manager

Martin Flitcroft, Director of Corporate Services

Sue Heath, Audit Manager

Gordon Bryant, Head of Financial Services and Audit

Christopher Morgan, Trainee Democratic Services Officer

Robin Barlow, Strata Security Manager

Paul Dodd, Independent Person

Beth Bowers, External Auditor from Grant Thornton

34. MINUTES OF THE PREVIOUS MEETING

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

Cllr Radford raised concerns that some reports had been submitted as supplementary. He acknowledged that the Audit Manager was dealing with reduced staffing but asked that a solution be sought.

35. DECLARATIONS OF INTEREST.

None.

36. PUBLIC QUESTIONS (IF ANY)

None.

37. MEMBERS QUESTIONS (IF ANY)

None.

38. EXTERNAL AUDIT SECTOR UPDATE REPORT

The Representative from Grant Thornton introduced the item to the Committee.

The Committee discussed the backstop on past audits and the need to regain assurances as a result, especially before the Local Government Reorganisation. The Audit work would need to be completed in good time in order to achieve this. Once the audit work was completed the External Auditors could then focus on receiving the reassurances. Grant Thornton were aware that there were backstops all over the country and so resources would be needed to achieve reassurances for all of them, including Teignbridge.

The Committee noted that the old financial system was still in use but that it had its positives and that officers were trained to use it.

The External Auditors did not currently have enough information to reach the required assurances. This was a result of 4 years without assurances for the reserves but the work was still ongoing. The Committee noted the need to provide resources and officer time to ensure the audit was successful.

The Committee noted the report.

39. 2025 DRAFT FINAL ACCOUNTS AND TREASURY MANAGEMENT

The Chief Financial Officer presented the item to the Committee.

There was a 4 day delay in publishing relevant information because of staffing issues. Valuations were done both by the estates team and an external team. Teignbridge was underbudget in terms of staffing. It was considered that the variations may need to come back to the next Committee to ensure they are correct.

The Chief Financial Officer explained the Debt Management Office. The Committee considered the list of over and under spent budgets.

There had been better investments in recent years. The Committee considered that there had been various banking scandals in recent years. It was noted that Councillors approved the treasury management list.

In response to a question on staff taking their annual leave, it was considered that if this failed to happen and then the authority shut down, paying back those leave days would incur a cost to the council.

The Committee noted that draft statement of accounts for 2024/25 have been published, the current authorised lending list at appendix 1 and the draft treasury management results for 2024/25 at appendix 2.

40. INTERNAL AUDIT ANNUAL REPORT

The Audit Manager introduced the item to the Committee.

The Committee were reminded that Audits were scored based on risks. The CIPFA code would come into effect this year. Strata's audit was carried out separately and they were given a reasonable assurance rating.

There were no issues carrying out the audits as the Senior Management Team were supportive and the Auditees were content in feedback.

It was noted that the Data Protection Audit would be carried out by an external team and that the Audit Manager would prioritise it for January or February. This was not an audit of data security which was well monitored but rather how people utilise their data protection rights.

The Independent Person asked to see the 'fair' ranked audits. It was separately noted that the score from feedback for Pre-Audit Planning was 8 out of 10.

The Committee noted the report.

41. ANNUAL GOVERNANCE STATEMENT

The Audit Manager introduced the item to the Committee.

The Committee considered the biggest issues and their planned actions as per the agenda report.

It was proposed by Cllr Morgan and seconded by Cllr Jackman that the Annual Governance Statement be approved.

A vote was taken. All were in favour.

RESOLVED THAT

the Annual Governance Statement is approved.

42. FINANCIAL INSTRUCTIONS AND CONTRACT RULES WAIVERS

The Audit Manager introduced the item to the Committee.

The Independent Person suggested that there be an element to future reports that covers the 'bigger picture'. It was noted that the work of the Constitution Review Group required the CFGS representative to progress and that waivers were already agreed before this Committee meeting.

The Committee noted the report.

43. GOVERNANCE IMPROVEMENT PLAN

The Audit Manager introduced the item to the Committee.

The Committee noted the Plan.

**44. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 -
EXCLUSION OF PRESS AND PUBLIC**

It was proposed by Councillor Morgan and seconded by Councillor Steemson that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the next item on the grounds that it involves the likely disclosure of exempt information as defined in the relevant paragraph of Part 1 of Schedule 12A of the Act.

45. CYBER ASSESSMENT FRAMEWORK

The Strata Security Manager introduced the item to the Committee.

A new Cybersecurity assessment had been carried out with Central Government. The Council was successfully passing the ongoing assessment. There had been 4 recommendations from this assessment.

There had also been phishing tests undertaken on the 3 Councils that Strata covered. The Committee discussed AI as both a help and hinderance to cybersecurity and the types of threats and tactics used by bad actors. Questions could be sent to the cybersecurity team if needed.

The meeting commenced at 10.00 am and finished at 12.00 pm.

Cllr Sally Morgan
Chair

Teignbridge District Council

Audit progress report and sector updates

November 2025

Agenda

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Audit Progress Report

Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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Progress at November 2025

Financial Statements Audit

We presented our audit plan for 2024/25 to the Council's Audit Committee on 10 June 2025.

The expectation was that all Local Authorities would publish their unaudited accounts for 2024/25 by 30 June 2025. The council published their accounts on 4th July and started their inspection period on 7th July prior to detailed work commencing in October.

This update includes an indicative timetable for the 2024/25 audit, and we will keep this under review as our work progresses. The 2021/22, 2022/23, and 2023/24 audits were subject to a disclaimer of opinion on both opening and closing balances due to the backstop. Our work in 2024/25 aims to focus on rebuilding assurance over in year transactions and closing balances.

The backstop publication date for the audited 2024/25 financial statements is Friday 27 February 2026.

This report therefore sets out our progress against the significant risk areas of the audit. As at the 19th November 2025.

Value for Money

Under the 2020 Code of Audit Practice, we are required to undertake sufficient work to satisfy ourselves that the Council “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.”

The NAO's Code of Audit Practice sets out the framework for this work as follows:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We will report findings to the Audit Committee in our interim Auditor's Annual Report which is included in the December committee papers alongside this report.

Progress at November 2025 (cont.)

In the table below we have set out the status of our audit work undertaken in the significant risk areas which we set out in our audit plan.

Significant Risk Area	Commentary
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p> <p>We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>We have started:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of management controls over journals; • analysing the journals listing and determined the criteria for selecting high risk unusual journals; • identifying unusual journals made during the year and the accounts production stage for appropriateness and corroboration; • gaining an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness <p>The audit strategy has been determined, and initial evidence has been obtained. Detailed testing will be undertaken in accordance with our planned audit timeline.</p>
<p>Valuation of land and buildings</p> <p>The Authority revalues its land and buildings on a rolling five-yearly basis.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date.</p> <p>In the 2020/21 audit opinion we disclaimed the valuation of land and buildings valuations due to little evidence being provided to support the valuation calculations.</p>	<p>We have started:</p> <ul style="list-style-type: none"> • evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluating the competence, capabilities and objectivity of the valuation expert • writing to the valuer to confirm the basis on which the valuation was carried out • challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • testing revaluations made during the year to see if they had been input correctly into the Authority's asset register; and • evaluating the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value (fair value for surplus assets) at year-end. <p>The audit strategy has been determined, we are awaiting audit evidence on the revalued assets selection.</p>

Progress at November 2025 (cont.)

Significant Risk Area

Valuation of pension liability

The Authority's share of the pension fund net liability, as reflected in its Balance Sheet as the pension liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£17.3m in the Authority's Balance Sheet at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions.

Commentary

We have started:

- updating our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluating the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessing the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation;
- assessing the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;
- testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;
- undertaking procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtaining assurances from the auditor of the Worcestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our audit review in this area is still in progress.

Progress at November 2025 (cont.)

As part of our work at the respond to risks stage we have reassessed our risk assessment and have identified two further significant risks to those identified in our Audit Plan.

Significant Risk Area

SANGS

The council purchased land to use as Suitable Alternative Natural Green Space (SANGS). This transaction was entered into in 21/22 and treated as capital, in our 21/22 Audit Findings Report we reported that we believed SANGS did not meet the definition of capital expenditure. In 24/25 the council have agreed this should have been treated as a revenue transaction. The council is therefore doing a prior period adjustment to ensure SANGS is appropriately recorded in the accounts. There is a risk that the adjustment is not appropriately accounted for.

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Commentary

We have:

- evaluated the design and implementation of the SANGS adjustments;
- analysed the rationale for the adjustment;
- reviewed the adjustments in the prior year figures to ensure that all adjustments have been made appropriately;
- reviewed the third balance sheet to ensure this is appropriately presented.

From our work performed, we identified that the Prior Period Adjustment (PPA) note was not disclosed in line with the CIPFA Code and IAS 8 requirements. Initially, management prepared workings for a third balance sheet following discussions with us, as they understood this might be required. However, due to a misunderstanding of our earlier communication, management concluded that a third balance sheet was not necessary and reverted to presenting two balance sheets. The necessary adjustments have since been made.

Cash and cash equivalents

While officers have invested significant time into the bank reconciliation work, the council was not able to fully reconcile the bank reconciliations from October to February; this is primarily due to personnel shortages and the introduction of the new IMS system. We have therefore determined this as a significant risk due to the nature of cash and cash equivalents being fundamental to an organisations financial position.

We have started:

- obtaining an understanding of the bank reconciliation process;
- reviewing reconciling items on the bank reconciliation;
- agreeing year end cash balance back to third party bank letters and
- reviewing the third balance sheet to ensure this is appropriately presented.

Our audit review in this area is still in progress.

Audit Fees

Audit Fees

PSAA have published their scale fees for 2024/25 [2024/25 audit fee scale – PSAA](#)

For Teignbridge District Council these fees are £159,588 for the Council audit. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Audit Deliverables

Below are some of the audit deliverables planned for 2024/25

2024/25 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Audit and Standards Committee setting out our proposed approach in order to give an opinion on the Council's 2024/25 financial statements.	June 2025	Issued
Audit Findings Report The Audit Findings Report will be reported to the Audit and Standards Committee.	February 2026	In Progress
Auditors Report This includes the opinion on your financial statements.	February 2026	In Progress
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	December 2025	In Progress

Sector Updates

Lessons from 2023/24 auditors' annual reports

Recommended reading for Audit Committees:

In August 2025, we published a review of 100 Auditors' Annual Reports (AARs) produced by Grant Thornton for our local government audited bodies across England. This represents about a third of all councils in the country. The AARs offer a wealth of insights on what works, and what doesn't, when it comes to value for money and governance.

The reports in our sample showed that financial sustainability remains the major challenge for the majority of councils. Poor governance has led to some councils depleting their reserves and others incurring excessive borrowing, which current government policies around exceptional financial support and statutory override for dedicated schools grant deficits are not helping.

Common challenges for councils include gaps in risk management; high vacancy rates in internal audit; de-centralised contract management; under-supported project management; and the need for stronger, timelier data on performance. For Councils with Housing Revenue Accounts, there are also significant challenges with identifying, costing and managing high volumes of backlog repairs and maintenance work needed to meet regulatory standards.

However, with this being the second year of reporting on lessons from AARs, we also charted notable examples of cases where arrangements have been strengthened since 2022/23, yielding benefits. As well as good practice questions and reminders, the report includes case studies showing better: Control over transformation planning; approach to internal audit; project management; key performance indicator reporting; and rightsized workforce.

AAR findings in August 2025 can be compared to those from one year earlier by accessing the two years of full reporting here:

[Lessons from 2023/24 auditors' annual reports](#)

[Lessons from recent auditor's annual reports](#)



Financial Instruments in Local Government Accounts (1)

Recommended reading for Audit Committees:

Financial instruments are contracts that give rise to a financial asset for one party and a financial liability or equity instrument for another. In local government, these include a wide range of arrangements such as cash, loans, trade receivables and payables, pooled investments, financial guarantees, and more complex instruments like derivatives or loans with embedded features.

These instruments are governed by accounting standards and can significantly influence how a council's financial position and performance are presented in the accounts. Proper identification and treatment of these instruments are essential to ensure that financial statements reflect the true nature of the authority's financial commitments and exposures.

The accounting for financial instruments is not just a technical exercise. It has real implications for financial planning, risk management, and public accountability. Misclassification or incorrect measurement can lead to material misstatements, unexpected financial impacts, or audit challenges. Financial instruments can affect key areas such as the General Fund, usable reserves, and statutory reporting.

Ensuring that these instruments are correctly accounted for supports transparency, compliance with professional and statutory requirements, and the safeguarding of public resources.

We have recently released a thought leadership report, "Local authority accounting: Avoiding pitfalls in financial instruments" which covers financial instruments in detail.

Our full report includes insight about some of the potential pitfalls relating to financial instruments that can occur in local authority accounts. In addition, each section includes a range of challenge questions for authorities to consider.

The table on the next page highlights key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions that Audit Committee members may wish to raise with management.

The full report is available here:

[Local authority accounting: Avoiding pitfalls in financial instruments | Grant Thornton](#)



Financial Instruments in Local Government Accounts (2)

Key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions for Audit Committees to ask:

Area of Focus	Description	Challenge Questions
Identification	Proper identification ensures that all relevant instruments are captured in the financial statements and assessed for risk and impact. While some items like loans and investments are obvious, others may be less visible.	<ul style="list-style-type: none"> How have you ensured that all financial instruments, including less obvious or complex arrangements, have been identified? What controls are in place? Have any new or unusual arrangements been reviewed for potential financial instrument implications?
Classification	Financial instruments must be classified based on how they are managed and the nature of their cash flows. Classification determines how movements are reported in the financial statements and can influence the volatility of reported results.	<ul style="list-style-type: none"> What process is followed to determine the classification of financial instruments, and how do you ensure that the classification reflects the nature of the financial instrument, including both business purpose and characteristics? Have any instruments been classified differently this year, and if so, why?
Measurement	Once identified and classified, financial instruments must be measured appropriately. Measurement affects reported balances and income, and errors can lead to misstatements.	<ul style="list-style-type: none"> What valuation methods are used for financial instruments, and how are they validated? Were any experts required during this process? Do changes in assumptions or market conditions require remeasurement?
Disclosure	Disclosures help users of the financial statements understand the nature, significance, and risks of financial instruments. Disclosures should be tailored to your specific circumstances, avoiding unnecessary complexity or boilerplate language.	<ul style="list-style-type: none"> How do you ensure that disclosures are tailored to reflect the authority's specific financial instruments and risks, and are any additional disclosures required for unusual or complex financial instruments, or for particular risks? Are disclosures complete, clear, and free from unnecessary detail?
Other Considerations	Other considerations include soft loans, capital treatment of financial assets, statutory overrides, and the requirement to make prudent revenue provisions (MRP) for certain losses. These adjustments can have a direct impact on financial planning and budget setting.	<ul style="list-style-type: none"> Have all relevant statutory overrides and adjustments been correctly applied and disclosed, and what impact have these adjustments had on the General Fund or other usable reserves? Are expected credit losses / impairments reflected in the financial strategy?

The Local Authority Backstop

Key information for Audit Committees to be aware of:

On 5th June 2025, the National Audit Office published [Local Audit Reset and Recovery Implementation Guidance \(LARRIG 06I\)](#). This followed on from the fact that on 28 February 2025, approximately 40% of local authorities received an unqualified opinion on their financial statements for 2023/24; and the remaining 60% of audits were disclaimed as auditors had not been able to conclude work by the deadline.

We are pleased to report that Grant Thornton issued unqualified opinions on 65% of our local authority audits, well ahead of the national average. Nevertheless, all Audit Committees need to be aware of work currently ongoing across the sector to help rebuild assurance for stakeholders.

How you can support us

Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance. In addition, agreeing timescales for build back work will also be key.

An audit approach to build back assurance on financial statements

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- ❖ Assess risk at an entity wide level
- ❖ Assess risk at a line-item level including in respect of specific balances and reserves
- ❖ Determine a response to risk, including appropriate testing of prior year transactions.

This will enable auditors to undertake audit work in respect of old year transactions (e.g. years which were not subject to an audit). Without that work, there would be uncertainty as whether reserves are properly accounted for.

Grant Funding for build back

The first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in year transactions and closing balances for the current audit year. This is the approach which we will adopt over the coming months for your audit for 2024/25.

The Council has received grant funding of £42,388 under a Section 31 Grant Determination to support build-back. The government has set out its expectation that local authorities and audit firms work closely together to enable this build back to happen. We are currently piloting an approach at other local authorities which is intended to remove the disclaimer from future audit reports. We have begun discussion with the Chief Finance Officer about how re-assurance can be best achieved at your authority, including the appropriate timing of further audit work.

Reorganisation update



Key reorganisation dates for Audit Committees to be aware of:

Key dates that Audit Committees need to be aware of for Councils other than Surrey (whose deadline was 9th May 2025) are listed below. :

26th September 2025: Deadline for areas in the Devolution Priority Programme to submit final proposals for reorganisation.

28th November 2025: Deadline for all other areas to submit final proposals for reorganisation.



Comments from Unison for Audit Committees be aware of, June 2025:

Reorganisation “poses a risk for thousands of local government jobs. Crucial services on which some of society’s most vulnerable people rely could also be disrupted”. The union called for workers to be protected and for the support of residents and staff to be engaged.



August 2025: [Lessons from 2023/24 auditors annual reports](#)

Among the 100 AARs we reviewed in August 2025, were eight AARs for relatively new unitary authorities formed during or since the local government reorganisation of 2019. Our report analyses recommendations made to these councils in 2023/24 for insights that will be useful to others as they embark on their reorganisation journey.



Other recommended materials to support Audit Committees:

September 2024: [Learning from the new unitary councils](#)

March 2025: [Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

June 2025: [Audit committee webinar](#)

May 2025: We also directly shared a technical briefing on reorganisation with statutory officers in May 2025. Audit Committees can obtain a copy of the briefing note now from their Section 151 officer, or from their Audit Engagement Lead or Audit Manager.

Other structural changes

Key information for Audit Committees to be aware of:



Multi-year allocations – 11th June 2025

The Spending Review on 11th June 2025 committed to multi-year allocations through the upcoming 2026/27 Local Government Finance Settlement. An assessment of each council's needs and resources was also committed to.

[Spending Review 2025 \(HTML\) - GOV.UK](#)

Additional information on the Spending Review and Fair Funding Review can be seen on pages 19 and 20 of this update.



Simplified local structures – 24th June 2025

The Minister of State for Housing, Communities and Local Government announced on 24th June 2025 that Councils with a committee system will be required to transition to a leader and cabinet model. He also announced a ban on creating new directly elected council mayors.

[Written statements - Written questions, answers and statements - UK Parliament](#)



Pensions pooling – 11th August 2025

Seven Council pension funds announced plans to join the Border to Coast pool on 11th August 2025. The government has committed to allow some “limited flexibility” to other administering authorities looking for new asset pools (moving away from Access and Brunel) but does expect all to conform as closely as possible to the 31 March 2026 deadline for meeting new minimum standards set for asset pooling.

[Pension Investment Review Final Report](#)



English Devolution and Community Empowerment

The English Devolution and Community Empowerment Bill was presented to the House of Commons and given its first reading on 10th July 2025; and its second reading on 2nd September 2025. With ayes of 365 and noes of 164 on 2nd September, the Bill now moves to Committee stage.

[English Devolution and Community Empowerment Bill](#)

Local government financial sustainability

Key information for Audit Committees to be aware of:

On 18th June 2025, the Committee of Public Accounts reported that “MHCLG has implemented short-term and unsustainable approaches to keep local government afloat”.

As evidence, the Committee reported that :

- ❖ Forty-two local authorities had to receive exceptional financial support;
- ❖ Spending on special educational needs and disabilities has outstripped the money available from the Department for Education to pay for it.

Adding to concern, the Committee also reported:

- ❖ MHCLG does not know if the billions spent delivering services locally results in better outcomes for people;
- ❖ Neither MHCLG nor HM Treasury have assessed the impact that increases in national insurance contributions will have; and
- ❖ There is significant uncertainty around how the proposed local government finance reforms and reorganisation will be implemented.

Two days later, on 20th June 2025, the government announced that the statutory override for dedicated schools grant deficits will be extended by another two years, until 31 March 2028. There is no clarity yet about how the debt associated with the grant will be managed once this new period of statutory override ends.

For wider debt burdens, the [LocalGov daily bulletin 19th August 2025](#), reported that Freedom of Information request responses from 254 councils found that:

- ❖ There has been a 60% increase in Council debt over the last sixty years; and
- ❖ Roughly a fifth of council tax revenue is being spent on payments for debt interest.

For a full copy of the Committee of Public Accounts report see [Local Government Financial Sustainability](#).



The Spending Review

Key questions for Audit Committees to ask officers:

- ❖ Have we calculated what impact the Spending Review will have on the assumptions in our medium-term financial plan?
- ❖ If the impact is negative, what mitigation is planned?

Background:

27 The Spending Review on 12th February 2025 did not directly address local government debt (other than that in some cases exceptional financial support increases the debt). However, the Spending Review did provide an additional £3.3 billion of grant funding in real terms for local authorities in 2028/29 compared with 2023/24. This included:

- ❖ Over £4 billion of funding available for adult social care in 2028-29 compared to 2025/26.
- ❖ £555 million to help more children stay with their families; and £560 million, between 2026/27 and 2029/30, to refurbish and expand children's homes and foster care placements.
- ❖ £39 billion for a successor to the Affordable Homes Programme over 10 years from 2026/27 to 2035/36.

- ❖ £100 million for a new community partnership approach to spending on adults with complex needs.

The Spending Review also announced a new £3.25 billion Transformation Fund to support the reform of public services so that they are focused on prevention, including for special educational needs and disability and homelessness.

The intention is that investment in digital technology and artificial intelligence transformation programmes will drive productivity improvements and help to deliver the government's missions.

[Spending Review 2025 \(HTML\) - GOV.UK](#)



Fair Funding Review 2.0

Key questions for Audit Committee to ask officers:

- ❖ What impact do we expect the Fair Funding Review to have on our medium-term financial plan?
- ❖ Have we calculated what level of support we will need from transitional arrangements?
- ❖ What mitigations are we planning if we don't receive transitional support?

Background:

Between June and August 2025, the government ran a [public Fair Funding Review consultation](#) on how it should implement Fair Funding Review 2, including on how the local government grant system should be made fairer and how transitional arrangements should work.

Under the Fair Funding Review, significant changes to the grant funding system for English local government are now expected to take effect on 1st April 2026, for the 2026/27 financial year. It is expected that grant funding will be allocated to English local authorities using a three-part system, consisting of an assessment of relative need, based on socio-economic indicators; an area costs adjustment; and a resource assessment, measuring the capacity of each council to raise council tax.

It is expected that:

- ❖ There will be no further retained business rates revenue;
- ❖ Recent spending on social care and deprivation will influence the formula; and
- ❖ There will be reduced funding for Councils with higher capacity to raise council tax.

The new methodology will apply to the Revenue Support Grant, which will also swallow up several other smaller grants that Councils currently receive.

Because the existing system has been untouched for many years, and because no new money will accompany the review, there are likely to be some very large changes to some councils' funding allocations.

The [Local Government Information Unit](#) recently argued that “in many ways (the changes) will start to put England back onto its pre-2013 footing”; and a three-year transitional period has been proposed.

Nevertheless, the changes are going to be difficult for some Councils to absorb, especially those that already have other issues with their financial sustainability.



Public procurement

Key questions for Audit Committee to ask officers:

- ❖ How much do we currently spend per annum on contracts with small and medium-sized enterprises and voluntary, community and social enterprises?
- ❖ Do we test whether our suppliers pay their creditors within appropriate timescales?
- ❖ Which outsourced services, if any, have we assessed to test whether outsourcing is still the best solution?

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Background:

Between June and September 2025, the government consulted on public procurement. With an estimated £385 billion spent through public procurement every year, the consultation is intended to support implementation of the new National Procurement Policy Statement.



Cabinet Office

Proposals that are being consulted on include:

- ❖ Mandating large contracting authorities with procurement spend over £100 million per annum to publish their own 3-year target for direct spend with small and medium-sized enterprises and voluntary, community and social enterprises; and report against it annually;
- ❖ excluding suppliers from bidding for major contracts (over £5 million per annum) if they cannot demonstrate they pay their invoices within an average of 60 days;
- ❖ requiring contracting authorities to make a standard assessment before procuring a major contract to test whether service delivery should be inhouse or outsourced;
- ❖ mandating contracting authorities to carry out a public interest test prior to making a sourcing decision on major service contracts; and
- ❖ requiring contracting authorities to publish the results of the public interest test in the tender notice.

The government states that the proposals will “open up more opportunities for small and medium-sized enterprises (SMEs) and voluntary, community, and social enterprises (VCSEs), which are vital for driving the UK economy”.

For a full understanding of the proposals that were put forward, follow this link: [Public Procurement: Growing British industry, jobs and skills](#)

Keeping fit for the future



Key question for Audit Committees to ask officers:

- ❖ What changes to governance structures do we expect the new ten-year health plan to have on us?
- ❖ How are we preparing?

Background:

On 3rd July 2025, the government outlined the new ten-year NHS plan [Fit for the future](#). The plan points to a closer working partnership between local government and Integrated Care Board (ICBs), stating that:

- ❖ The number of ICBs will be reduced from 42 and the remaining ICBs will then be encouraged to adjust their boundaries to match those of new combined authorities;
- ❖ the government's aim over ten years is that ICBs will be coterminous with strategic authorities wherever feasibly possible;
- ❖ Integrated Care Partnerships will be abolished but in future, a neighbourhood health plan will be drawn up by local government, the NHS and its partners at single or upper tier authority level under the leadership of the Health and Wellbeing Board, incorporating public health, social care, and the Better Care Fund;
- ❖ mayors are going to replace local government representatives on ICB Boards;
- ❖ local authorities are going to take up Local HealthWatch social care functions; and
- ❖ from 2026, every single or upper tier local authority will be required to participate in an external public health peer review exercise, on a 5-year cycle, with the results directly informing local plans.

Keeping the leisure estate fit for the future

Key question for Audit Committees to ask officers:

- ❖ How are repairs and maintenance and replacement costs for our leisure estate reflected in our medium-term financial plan?
- ❖ Are we on track to cover replacement costs for the leisure estate?

Background:

Some £400 million was announced in [Fit for the future](#) for grassroots sports facilities, but it is not yet clear how much of that will be directed to local authorities. On 2nd August 2025, the [Local Government Association](#) reported that:

- ❖ Since 2010, 500 swimming pools have closed, representing a loss of over 34,000 square metres of water space. Nearly half of the closures occurred in the last five years.
- ❖ 63 per cent of main sports halls and 60 per cent of swimming pools are beyond their expected lifespans or in need of refurbishment.
- ❖ 24 per cent of council areas face the risk of reducing or closing leisure services due to rising energy and operational costs.

An early understanding of the condition of the estate will help to maximise the effectiveness of any funding that does become available to Councils.



Asylum seekers update

Key questions for Audit Committees to ask their officers:

- ❖ How do we capture and report accommodation costs?
- ❖ Have we calculated whether costs are matched by grant income received?
How are we managing any difference?
- ❖ What are our safeguarding responsibilities? What assurance do we have that we are meeting them?
- ❖ What assurance do we have that we are meeting our duty of care to children and vulnerable adults?

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Background:

On 29th August 2025, the Court of Appeal ruled that The Bell Hotel in Epping Forest can continue to house asylum seekers, overturning an interim injunction that Epping Forest District Council had secured ten days previously to restrain the use of the hotel for such a purpose unless planning permission was granted. The Council was then denied the opportunity to appeal to the Supreme Court.

[Home Office data](#) published on 21st August 2025 shows that 115 other Councils currently have hotels within their areas that are housing asylum seekers. Those Councils may have been watching the outcome of The Bell Hotel case closely.

[The National Audit Office](#) recently estimated that it costs £15.3 billion per annum to house asylum seekers in hotels; and that hotel accommodation accounts for 76% of the annual cost of asylum contracts but houses only 35% of people in asylum accommodation system.

The [Spending Review 2025](#) committed to ending government use of asylum hotels during the current Parliament. The expectation is that these will be replaced by central government owned accommodation, probably delivered by purchasing tower blocks and former student accommodation. However, no timeline has been set for this initiative yet. Without a timeline, hotel costs are likely to be incurred and need managing for some time yet.



Future Webinars for Audit Committee members

We plan to hold a webinar for members of Audit Committees on 27th January 2026. Invitations will be available shortly on our website or can be obtained from your Engagement Lead or Audit Manager.

Areas our webinar will help with include:

Managing debt:

Understanding the true level of debt across all sources;

Assessing the viability of plans for debt repayment;

Understanding and assessing current and future exposure to risk; and

Best practice for Councils managing debt.

Local government reorganisation:

Understanding and anticipating outcomes from the latest submissions;

Managing change whilst waiting for decision announcements; and

Preparing for next steps after decision announcements.



Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.



Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crossectoral-guidance-notes-2021-edition>



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Teignbridge District Council

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Interim Auditor's Annual Report
Year ending 31 March 2025

8th December 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Teignbridge District Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024/25

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.

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Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Local

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Teignbridge District Council (the Council) is a district in South Devon, located between Exeter and Torbay and the south-eastern area of Dartmoor. The district was first formed on 1 April 1974 under the Local Government Act 1972. There are twenty-four wards in Teignbridge. The Council is based in the town of Newton Abbot. At the time of writing this report (December 2025), the Council has forty-seven councillors. Twenty-five councillors disclose that they are members of the Liberal Democrat party; ten disclose that they are members of The Independent Group; nine disclose that they are members of the Conservative party; two disclose that they are independent (with no group); and one discloses that they are a member of Reform UK.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

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Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
43 Governance	R Significant weakness in arrangements for standards, behaviour and decision-making. One statutory and three key recommendations raised. See pages 8 to 11 for current progress.	One risk of significant weakness identified in relation to standards, behaviour and decision-making.	R Although there is some evidence of progress, our statutory and key recommendations from 2023/24 are retained. In addition, we raise two new improvement recommendations on pages 20 and 21. Our first improvement recommendation concerns stewardship (and savings plans). Our second improvement recommendation concerns budget monitoring.
Financial sustainability	R Significant weakness identified in relation to a cinema project which was abandoned after the decision to proceed with the project had been made. One key recommendation. See page 11.	One risk of significant weakness identified in relation to medium-term financial planning.	A No significant weakness identified in arrangements for financial sustainability in 2024/25. However, our first new governance improvement recommendation above concerning stewardship (and savings plans) is relevant to financial sustainability as well as governance.
Improving economy, efficiency and effectiveness	R Significant weakness identified in relation to a cinema project which was abandoned after the decision to proceed with the project had been made. One key recommendation. See page 11.	No risks of significant weakness identified	A No significant weakness identified in arrangements for economy, efficiency and effectiveness in 2024/25. However, we raise one new improvement recommendation on page 29 in relation to partnerships and procurement.

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendation(s) made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary – follow up of 2023/24 statutory recommendation

Our Auditors Annual Report for 2023/24 raised one statutory recommendation, in six parts. At the time of writing this report, the statutory recommendation is retained for 2024/25, although we recognise that work is in progress.

Prior Recommendation		Raised	Progress	Current status
SR1	<p>The Council should:</p> <p>1. Commission a suitably qualified expert to investigate the underlying causes of member behaviours which contravene the standards set out in the Council’s constitution under the members’ code of conduct and the member/officer protocol; and which have impacted the Council’s reputation and working culture. The Council should then develop an action plan to enable members and officers to address those issues.</p> <p>2. Adopt a consistent zero-tolerance approach to any swearing; lack of respect for other people attending meetings; or other abusive behaviour towards other members or officers in meetings. This should be done by making full use of the procedural rules set out in the Council’s constitution by: Immediately adjourning the meeting; moving a motion that the member concerned be not heard; or moving a motion that the member concerned should leave the meeting.</p> <p>3. Consider amendments to its constitution to extend those procedural rules to all meetings of committees of the Council and amend the Member Code of Conduct to</p> <p>Continued on next page</p>	2023/24	<p>The Council is in the process of procuring a suitably qualified expert to assist with analysing and addressing causes of bad behaviour.</p> <p>Amendments to the Constitution were approved in May 2025, surrounding meetings and motions. This was the culmination of work by a cross-party working group facilitated by the Centre for Governance Scrutiny.</p> <p>The Standards Committee met in July 2025, and is now called the Governance Committee. New members have been appointed to the Standards Committee (now Governance Committee) - including four Liberal Democrats, one Conservative member and one member from the Independent Group.</p>	Retained, although we recognise that work is in progress

Executive Summary – follow up of 2023/24 statutory recommendation

	Prior Recommendation	Raised	Progress	Current status
SR1 Cont'd	include an obligation for all members to reinforce standards of behaviour and to support the Chair of the Council and chairs of committees of the Council in their use of procedural rules to ensure proper conduct. Group Leaders should model good behaviour and discipline members of their groups whose behaviour breaches the Code of Conduct and the member/officer protocol.			
45	<p>4. Continue to provide information and support to ensure that members and officers who are subjected to aggressive and abusive behaviour from individual members can, if they wish, submit a written complaint to the Monitoring Officer immediately, so that it can be dealt with under the Council's Standards procedures.</p> <p>5. Ensure that Group Leaders take responsibility for their members working collaboratively with officers and for their members improving behaviours and relationships.</p> <p>6. Review membership of the Standards Committee, with only members who have an excellent behavioural track record being eligible to join it. Meetings should then resume. A Governance Committee should be introduced to reinforce the work of the Standards Committee. As with the Standards Committee, members on the Governance Committee must have an unblemished behavioural track record.</p> <p>Securing good standards and behaviour amongst members will help to strengthen corporate governance and working culture. This in turn should help to create a positive environment from which the Council can build better relationships and address the other issues it faces, such as transacting business as usual and maintaining respect and co-operation around decisions once they have been taken.</p>	2023/24	<p>The Member Conduct Review has commenced.</p> <p>A Governance Action Plan is in place and monitoring by the Audit Committee has commenced.</p> <p>Our prior year statutory recommendation remains in place but we recognise that progress is being made. Root causes of issues and complaints, and ability of Group Leaders to take responsibility for their groups, now need to be addressed.</p>	Retained, although we recognise that work is in progress

Executive Summary – follow up of 2023/24 key recommendations

Our Auditors Annual Report for 2023/24 raised three key recommendations. At the time of writing this report, the three key recommendations are retained for 2024/25, although we recognise that work is in progress or planned to strengthen arrangements for decision-making and interests.

	Prior Recommendation	Raised	Progress	Current status
KR1 46	Matters were identified over the course of our audit that suggested members do not always understand which aspects of Council business they do or do not have access to by law. Members need to be clear about what they can and can not have access to. The Constitution outlines matters for meetings that members of the public are excluded from (“Part 2 meetings”). Where Part 2 meetings are used, all present should adhere to the legal confidentiality requirements of Part 2 meetings.	2023/24	<p>For 2024/25, we identified one instance of councillors using council information to stage a protest against the Council and its development of NA3 by the developer Vistry; this was a breach of confidentiality.</p> <p>Whilst councillors considered officers were slow to respond to their concerns when they were first raised, it must be acknowledged that the matters involved were complex and stop notices should not be used without complete understanding of the situation as they can result in financial consequences and reputational harm for the Council if they are improperly served. Councillors were kept informed of progress and all emails and queries received a reply in good time.</p>	Retained
KR2	The Council should review arrangements around declarations of interest and investigations. An internal audit of declarations of interest should be arranged.	2023/24	The declarations of interest audit has now taken place, and the report and recommendations were received in October 2025. The report provided Reasonable Assurance over arrangements for declarations. Management will work through Actions.	Closed

Executive Summary – follow up of 2023/24 key recommendations

	Prior Recommendation	Raised	Progress	Current status
KR3	Decision-making arrangements at Executive Committee and Full Council level should be reviewed and, where necessary, strengthened. The planned decision flowchart should be completed. If necessary, longer timescales for evaluation of the impact of decisions should be introduced.		We noted that in February 2025, LGA Peer Reviewers reported that decision making arrangements had improved given the lack of significant last-minute changes to recommendations in meetings. However, they also reported that there were still concerns around one meeting not being as easy as expected; and the way officer advice is given and challenged on the planning committee.	
47	<p>As we recommended in our Auditor's Annual Report for 2021/22 and 2022/23, the Council needs to ensure that once decisions are made, they are stuck to - in order to allow projects to proceed as required. Once decisions are made, they should be treated with trust and respect by members and officers, and they should be acted on in a spirit of mutual co-operation. This will require wider relationships to be working well.</p> <p>Over time, if there are reasons to revisit a decision, this should be done through main constitutional arrangements.</p> <p>The events of 2023/24 show that financial loss and delayed project progress can result when decisions are undermined from outside the main constitutional process. Lack of trust between members and officers may be one of the underlying causes of member behaviour contravening standards set out in the constitution. The lack of trust and the poor relationships and behaviours ensuing from it may be undermining business as usual processes.</p> <p>The Council wrote off £522,000 when it abandoned the cinema project. The Council has other high profile capital projects, and it will be important that decision-making is applied carefully around them.</p>	2023/24	<p>The decision-making flowchart was delayed. The Council reported to the Audit Scrutiny Committee on 16th April 2025 that this will now be allocated to the newly recruited Democratic Services Team Leader and taken forward along with the review of the Constitution. The flowchart is now available on the Council's website, and a draft decision making guide was circulated to the Senior Management Team in November 2025.</p> <p>Retained as a Governance issue only for 2024/25 while new arrangements are embedded.</p> <p>There were no specific issues from reversal of decisions that affected financial sustainability and economy, efficiency and effectiveness (EEE) in 2024/25. Therefore, not retained for these criteria.</p>	<p>Retained as a Governance issue only for 2024/25, although we recognise that work is in progress.</p> <p>Not retained for financial sustainability and EEE in 2024/25.</p>

Executive Summary – findings for 2024/25

We set out below the key findings for 2024/25 from our commentary on the Council’s arrangements in respect of value for money.



Governance

We have seen some evidence of progress since our prior year Auditor’s Annual Report (February 2025). For example, identification of an external consultant to help with behaviour; new member appointments to the Standards Committee; and the Audit Committee reviewing progress with a Governance Action Plan. However, there are still significant areas where our recommendations from 2023/24 have not yet been addressed. Complaints about members are increasing; one Group Leader has expressed difficulty in disciplining their group; a lack of trust means officers have expressed hesitance to share information with members; and some members have questioned the need to make savings when reorganisation is close at hand.

Our recommendations from 2023/24 are retained and we raise two new improvement recommendations in respect of 2024/25.



Financial sustainability

We raised a significant weakness for 2023/24 when an abandoned cinema project led to financial loss. However, this was not repeated in 2024/25.

We have seen evidence of good practice in 2024/25 arrangements for financial sustainability. There is a £2.6 million “Modern 25” savings and transformation plan in place. The Council has a new Workforce Strategy and a new Strategic Assets Management Plan. However, we have seen some areas of weakness in arrangements for stewardship. The £2.6 million transformation plan is relatively modest in value. Some members have expressed doubt about the need to make savings in the run up to reorganisation.

Our governance improvement recommendation on stewardship is relevant to arrangements for financial sustainability.



Improving economy, efficiency and effectiveness

We raised a significant weakness for 2023/24 around project management for the abandoned cinema project. However, this was not repeated in 2024/25.

The Council was successful in improving planning service performance in 2024/25. An Action Plan was successfully adopted by the Council, and the Council is currently exceeding the government’s target.

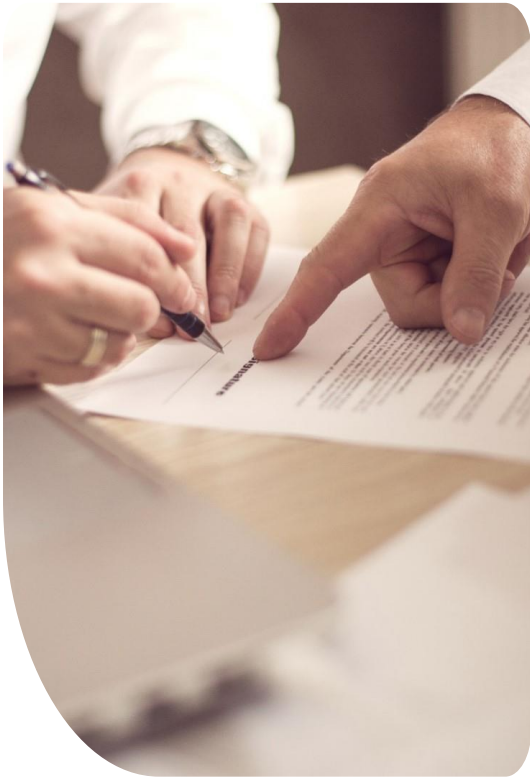
Looking at performance more widely, we note that there are six “red” RAG rated indicators for housing and homelessness, which is an increase from 2023/24 (5). There have also been vacancies in Principal Officer roles on some key projects, and a pause in the delivery of a new finance system project that the Council is working on with partners.

We raise one new improvement recommendation.

Executive Summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
Opinion on the Financial Statements	At the time of writing this report, our audit of your financial statements is ongoing.
Use of auditor’s powers	<p>In 2023/24, we made written statutory recommendation under Schedule 7 of the Local Audit and Accountability Act 2014. This recommendation is retained.</p> <p>We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>



03 Value for Money commentary on arrangements

50

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

51



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Governance – commentary on arrangements

We considered how
the Council:

Commentary on arrangements

Rating

monitors and ensures
appropriate standards,
such as meeting
legislative/regulatory
requirements and
standards in terms of
staff and board
member behaviour

To help address longstanding tensions between members and officers, a new member-officer protocol was agreed in July 2024. However, relationship issues persisted throughout 2024/25, at member-to-member level as well as between members and officers. Relationship issues were highlighted as something that needed to be addressed in the Annual Governance Statements for 2023/24 and 2024/25; and were highlighted in our statutory recommendation in February 2025.

Our statutory recommendation was endorsed by the Full Council on 25th February 2025. In the meeting, some members questioned the sufficiency of time allowed to speak at the Full Council meeting; and whether "bad behaviour" is really the exercise of free speech, exacerbated by lack of transparency. As pages 8 and 9 of this report show, our statutory recommendation from February 2025 has not yet had time to be fully addressed. It has therefore been retained.

Disagreements between councillors on 25th February over how the Auditor's Annual Report for 2023/24 was shared, the length of speaking time allowed, and transparency of information shared with members suggest that trust is low between some members and officers and between some members and fellow members. Between June 2024 and June 2025, 61 complaints were reported to the Standards Committee. 30 of these were from elected or co-opted members. We note that there were no Standards Committee meetings held during 2024/25. A Standards Committee meeting was held on 2nd July 2025, and the high number of complaints about members was a subject of the agenda at that meeting.

We note that after the year end, on 15th July 2025, the Council notified one Councillor that they were no longer qualified to act as Councillor, because of their meeting non-attendance. The Councillor challenged the disqualification and the Council dealt with the challenge before declaring a vacancy. A vacancy was declared on 20th August 2025 instead of being declared forthwith. The circumstances surrounding the delay have been clearly explained and there is no evidence of significant weakness in the Council's arrangements for the disqualification.

R

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>Local Government Association (LGA) Peer Reviewers reported in January 2024 that decision-making at the Council is not as easy as they would expect. Our Auditor’s Annual Report for 2023/24 highlighted, in February 2025, cases of decisions being made but not adhered to. The Council committed to produce a decision-making flowchart by March 2025. It was not in place during 2024/25, but is now available on the Council’s website. We are aware that a cross-party working group facilitated by the Centre for Governance and Scrutiny has been put in place for the review of the Constitution.</p> <p>The Council has a Governance Action Plan and progress against it is being monitored by the Audit Committee (formerly called the Audit Scrutiny Committee) on a six-monthly basis. Nevertheless, some poor behaviour in meetings has persisted since February 2025. At an Overview and Scrutiny meeting in May 2025, for example, there was a dispute between members over a point of order; and refusal by one member (who subsequently left the meeting) to vote on their own notice of motion. Behaviour of this nature can undermine the attention paid to business as usual and risks moving the focus of attention away the Council’s core objectives. Officers inform us that procurement of external consultants who can support behavioural improvement is underway. Furthermore, there were amendments made to the Constitution in May 2025, surrounding arrangements for future meetings and motions.</p> <p>Officers inform us that after our Auditor’s Annual Report for 2023/24 commented on behaviour, at least one Group Leader stated that they found it difficult to discipline their Group. The Executive is currently exploring appropriate options for supporting Group Leaders so that they can effectively take responsibility for their Groups. Pages 10 to 11 show that there are key recommendations as well as the statutory recommendation from February 2025 that have not yet been fully addressed and are retained.</p>	<p>R</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Strategic and Corporate Risk Register was shared twice with the Audit Committee in 2024/25. Internal Audit Progress reports were shared with the Audit Committee at every meeting in 2024/25. The Constitution includes an Anti-Fraud, Theft and Corruption Policy. There is also a Whistleblowing Policy which members have been briefed on. The Council recently ran a campaign to ensure staff could raise concerns through the Human Resources / Wellbeing channels if necessary.</p> <p>Our Auditor’s Annual Report for 2023/24 stated that "members are not always confident that interests have been declared by fellow members". We raised a key recommendation noting that an internal audit of declarations of interest, gifts and hospitality was required. The internal audit of declarations has been undertaken. The report concluded in October 2025 that there is Reasonable Assurance over arrangements for declarations. Management will work through actions recommended.</p>	R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>approaches and carries out its annual budget setting process</p> <p>55</p>	<p>In February 2025, although the budget for 2025/26 was approved by a majority of members, sixteen members had abstained from approving it. They abstained because of a collection of concerns, including debt levels, dependency on reserves, and affordability of capital projects entered into in the run up to reorganisation. We did not identify any specific evidence of inappropriate debt or capital spending in 2024/25. We also confirmed that a Medium-Term Financial Plan task and finish group now plans to review prioritisation for the capital programme budget going forward. However, the Council should work to reduce dependency on reserves for balancing future budgets; and should seek to replenish the reserves. In the run up to local government reorganisation, the Council is required to maintain effective financial stewardship. The Council should ensure that the budget for 2026/27 includes granular savings plans and is based on a sustainable approach to debt, capital and reserves. We raise an improvement recommendation on page 20 of this report.</p>	A
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Budget monitoring data was reported to the Executive Committee in September and November 2024. Budget and financial plan proposals were reported to the Executive and Overview and Scrutiny Committee in January and February 2025. However, no further in-year monitoring data was reported. Year end outturn data for 2024/25 was reported to Audit Committee and Executive Committee in September 2025 – the administration chose not to have any meetings in August – with the next reporting to take place in December 2025.</p> <p>The accounts for 2021/22 and 2022/23 received a disclaimed audit opinion in November 2024. The accounts for 2023/24 received a disclaimed audit opinion in February 2025. The Council missed the deadline for publishing unaudited accounts for 2024/25 by four days. We note that when the 2024/25 audit does complete, a modification of opinion is expected because of backstop implications from previous years. We raise an improvement recommendation on page 21 of this report.</p>	A

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding:

In February 2025, sixteen members abstained from approving the budget for 2025/26. Their concerns included planned future dependency on reserves for bridging budget gaps.

At a public Full Council meeting held on 29 July 2025, discussions indicated that some members feel making savings is no longer important in the run up to reorganisation. Proposed savings projects (eg for public conveniences) are being challenged on the grounds that there is no point in helping the new unitary council that will come after reorganisation takes place. We note that this is not a view held by all members. This sentiment runs contrary to the fact that the Ministry of Housing, Communities and Local Government (MHCLG) has advised Councils that in the run up to reorganisation they need to make “decisions that are in the best interests of the whole area”. The Minister of State for Local Government and English Devolution shared MHCLG’s advice on 24th July 2025 with the Leaders of all 21 of the Councils invited to submit proposals for unitary local government.

The present Council has a £2.6 million transformation plan that it is working through, but this is relatively modest in value. The Council should seek new transformation opportunities, supported by skilled staff and granular monitoring. Monitoring should be led by the finance team.

Evidence: Webcasts of Council meetings; budget papers; Modern 25 records; discussions with officers.

Impact: Increased risk of weakness in arrangements for stewardship, governance and financial sustainability.

New Improvement Recommendation 1

IR1:

The Council needs to maintain effective stewardship in the run up to reorganisation. This will mean taking a sustainable approach towards decision-making for assets, reserves and savings plans. The budget for 2026/27, and decisions made in the build-up to that budget, should reflect the ongoing requirement to balance the budget and maintain a sustainable position. All members will need to be committed to this aim.

The Council needs to explore options for more transformation-based savings in the medium term. The Council needs to invest in appropriate staff skills and capacity to deliver this; and needs to consider whether stronger financial reporting tools would help to identify and monitor savings. As savings programmes get underway, monitoring and reporting should be led from the finance team. Additional granular reporting should be introduced to enable sufficient monitoring of the progress on Modern 25 programme.

Governance (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: Budget monitoring reports were shared with the Executive Committee in September and November 2024. Budget planning documents were shared in January 2025 and budget outturn documents for 2024/25 were shared in September 2025.

5 Draft accounts for 2024/25 were published after their statutory deadline and the audit opinion is expected to include a disclaimer in connection with backstopped accounts from previous years.

Evidence: Budget monitoring reports shared with the Executive Committee; discussions with officers.

Impact: Increased risk of weakness in arrangements for governance. Reduced ability to make decisions based on up-to-date financial information.

New Improvement Recommendation 2

IR2: The Council should consider whether there is anything that can be done to reduce dependency on just a small number of people to produce budget monitoring data at year end.

Draft accounts should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion.

Grant Thornton insight

Budget monitoring

CIPFA's Financial Management Code states that to remain financially sustainable an authority must have timely information on its financial and operational performance. Quarterly reports to members on budget outturn to date and budget forecast for the year are common for many Councils. Some Councils facing financial pressure choose to share budget data more regularly with their Cabinet or Executive, for example on a monthly basis.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>The Council has forecasted budget gaps of £1.5 million in 2025/26; £3.8 million in 2026/27; £3.6 million in 2027/28; and £2.8 million in 2028/29. The gaps equate respectively to 7.5%, 21.8%, 21.5% and 15.1% of forecast net service cost each year. The Council had £11.7 million of earmarked reserves available (as at 31 March 2025) to cover these gaps, but should that balance be depleted beyond what is forecast, then the Council would quickly be in a position of needing to use the General Fund Balance. The Council has various planned mitigations to reduce pressure on reserves, such as reduced need for future pension contributions; new letting arrangements; charges for pest control; plans for increased leisure income; and the expectation of some staff vacancy savings. The Council uses internal borrowing to minimise finance costs. There is also a Modern 25 programme to deliver £2.6 million savings from transformation over the next two years. This is a relatively modest sum of planned savings. In the medium term, a higher value transformation programme may be needed to secure ongoing financial sustainability.</p> <p>To deliver a higher value savings programme, the Council will need the right skills and capacity. A recent report by LGA Peer Reviewers highlighted concerns around skills and capacity just for the current £2.6 million programme. LGA Reviewers referred to the need to "upskill" Council staff and noted that capacity at the Council's shared service IT provider was an issue for supporting transformation, as well as capacity at the Council itself. The Council has invested £500,000 in an invest to save reserve in the 2025/26 budget, however, stronger financial reporting systems and stronger staff skills and capacity may be needed to secure the benefits from this. Developing strong financial reporting skills and upskilling staff to support savings is part of good stewardship. We raise an improvement recommendation on page 20 of this report.</p>	A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<div> <div></div> <div>plans to bridge its funding gaps and identify achievable savings</div> </div>	<p>Some of the £2.6 million Modern 25 savings depend on planned asset disposals. Work has been ongoing to cleanse and restructure asset data records. Most of the savings are expected to occur from 2025/26 onwards, with only £89,685 targeted for 2024/25. Those elements that were targeted for 2024/25 were on track to be delivered at the time we completed our work - £207,815 was in fact forecast to be delivered in 2024/25. However, detailed monitoring of progress has been carried out by the Business Transformation Team in conjunction with the Finance team.</p> <p>If higher value savings and transformation is going to be achieved in future, detailed analysis of information to identify potential savings and monitor progress towards them will be needed. Officers inform us that at present, there are only limited arrangements for finance-led monitoring of progress with the Modern 25 scheme, and that tools such as Power BI could be explored. Oversight over Modern 25 should rest with the finance team. The finance team and finance business partners should work together to identify which reporting functions might help and whether there are training needs as well. This is important for good stewardship. We raise an improvement recommendation on page 21 of this report.</p>	A
<div> <div></div> <div>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</div> </div>	<p>In February 2025, the Council issued a new One Teignbridge corporate strategy for 2025-30. The Council's priorities are: Community, Economy, Environment, Homes and Infrastructure. The revenue and capital budgets for 2025/26 and later years align with the corporate priorities. The Council shows a clear awareness of the need to distinguish between statutory and discretionary activity. The Council's revenue and capital budget proposals for 2025/26 included an observation that 35% of residents agree with the Council reducing the discretionary services it provides.</p>	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>At the time we completed our work, we were informed that the Council had recently approved a new Workforce Strategy (October 2024) and a new Strategic Asset Management Plan (June 2024). We were also informed that the Digital Strategy was due to be updated shortly; that there are annual Capital and Treasury Strategy processes that support the annual budget; and that carbon action planning also takes place. In the first half of 2024/25, the capital programme increased in value from £53.3 million to £59.3 million due to projects that had been deferred being included in the programme now. However, we note that some of the capital projects in the programme are marked as provisional, because the Council recognises it will not be able to deliver everything aimed for in the run up to local government reorganisation. The Council recognises that prioritisation is going to be needed for the capital programme going forward. We were informed that the Medium-Term Financial Plan task and finish group met on 10th July, 23rd July and 5th August and will continue to meet in the coming months to review a range of capital and revenue options. The asset database has been completely restructured in year, which may help with capital prioritisation and planning.</p> <p>Significant areas of disposals to support the redesign of services include: sale of Old Forde House; review of options for Teignmouth lido; increased investment in a leisure centre where returns are high; and renegotiation sports facility leases. However, we note that there has been reluctance to pursue some potentially unpopular options such as disposal of public conveniences in the run up to local government reorganisation. We raise an improvement recommendation on page 20 of this report in relation to the importance of continuing effective stewardship.</p>	A
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>Financial risks are shown on the strategic and corporate risk register and in budget data shared with members. Budget proposals include data on sensitivity and risk and on the robustness of estimates and the adequacy of reserves. They include consideration of what the impact would be if council tax rates or inflation rates were to change. We note that the Council increased the minimum prudent level of reserves (general revenue reserve balance) from £2.4 million to £2.5 million in 2024/25.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of the capital programme, but could challenge itself to go further, based on the best arrangements we see across the sector

What the Council is already doing

The Council takes a proactive approach towards planning for the capital programme. It has:

- A five-year Capital Strategy covering 2025-30.
- A history of securing Future High Street Funds investment into the Teignbridge area.
- A new Strategic Asset Plan, adopted in 2024/25.
- New annual portfolio reviews for asset disposals and restructured the asset database, introduced in 2024/25.
- The Corporate Projects Board is reviewing the capital programme
- A Medium-Term Financial Plan task and finish group, tasked in 2025/26 with prioritising projects for the capital programme.

What others do well

- It is common for capital programmes to be kept under review; for there to be re-profiling; and for there to be dedicated groups challenging capital project timelines when projects are first proposed. In the past, some Councils elected to lengthen the number of years covered by their capital programme so that timelines can be staggered more accurately. We recognise that this is unlikely to be an option for many in the run up to reorganisation.

The Council could consider

- Assessment of timelines for delivery and assessment of likely priorities for the successor unitary council when decisions are made about what to include in the current capital programme.
- Continued good stewardship over assets and capital commitments in the run up to local government reorganisation.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>uses financial and performance information to assess performance to identify areas for improvement</p> <p>62</p>	<p>Quarterly reports on performance are shared with the Overview and Scrutiny Committee, which will continue to receive quarterly reports on the Teignbridge Council Strategy. Each service area has its own dashboard, and work is ongoing to move every service area dashboard over to Power BI and live reporting. New members of staff are being recruited to support this work. We make no specific recommendation for 2024/25 on key performance indicator reporting, but we note at page 30 that there may be scope for learning from others.</p> <p>As at Quarter 3 of 2024/25, the Council RAG rated its performance as “red” for six housing and homelessness indicators. This is a deterioration on the position at the end of 2023/24, when five key performance indicators were RAG rated “red” for housing and homelessness. To some extent, performance below target for housing has been driven by landlords leaving the residential rental market to set up holiday accommodation. However, there have also been issues around timing of the completion of building projects. New national legislation designed to speed up planning permission, and simplify arrangements at Council, level has been proposed.</p>	G
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>Our Auditor’s Annual Report for 2023/24 reported that the planning service was nearly placed in special measures because of non performance on non major planning applications timescales. An Action Plan was adopted by the Council in 2024/25, with around 112 actions in total. The Council is currently exceeding the government target for approval of non major planning applications and has performed at or above the required 70% compliance rate since Quarter 1 of 2024/25. The Ministry for Housing, Communities and Local Government has confirmed that the Council is no longer at threat of special measures. The Council continues to monitor performance at Executive Management Team level.</p>	G

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>In January 2024, LGA Peer Reviewers recommended that the Council strengthen partner relationships and develop interactive engagement with communities. The Council has worked hard on both these fronts. A new Strategy and Partnerships service has been restructured; and community engagement formed a significant part of the work to develop and agree the new One Teignbridge corporate strategy. In February 2025, LGA Peer Reviewers reported that they were "impressed by the inclusive way" the new strategy was adopted. Resourcing to support the Council's work with partners now needs to be addressed. The Council has a Corporate Projects Board that informally steers projects. Officers inform us that the terms of reference for the Corporate Projects Board are due to be updated once resources can be found to support the Board and once the rest of the restructuring of the Strategy and Partnerships service is complete. In the meantime, we are aware of at least one building development project being completed with a commercial partner where the Council's role of Principal Officer is vacant because a retiree has not yet been replaced.</p> <p>One of the Council's significant partners is its shared service IT provider (Strata Service Solutions Ltd). One of the key projects that was being delivered with the shared service IT provider surrounded acquiring a new finance system and aligning it with the finance systems used by the other Councils in the shared service arrangement (Exeter City Council and East Devon District Council). For this project, officers inform us that there had at stages been vacancies in the support roles required at Teignbridge District Council. The go-live date should have occurred before the start of 2024/25 but was delayed until late 2026. Officers inform us that the project has now been paused</p>	<p>A</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
commissions or procures services, assessing whether it is realising the expected benefits	<p>The Council has a central procurement function, which also manages procurement for Strata Service Solutions Ltd, South Hams District Council, and West Devon Borough Council as well.</p> <p>The Council has a private and a public contracts register. The central procurement team supports officers in writing key performance indicators into contracts for monitoring at the procurement stage of agreeing new contracts. Once new contracts go live, actual monitoring of the key performance indicators on the contracts then passes to officers in the service lines.</p>	A

64

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness

Area for Improvement: contract management

Key Finding:

We are aware of at least one high profile building development capital project where the Principal Officer role is vacant because a retiree has not been replaced. We understand that there were at times vacancies in the Council's support roles for a new finance system project that has now been paused.

Evidence: Finance system project documentation; discussion with officers, including at the shared service IT provider.

Impact: Increased risk of weakness in arrangements for improving economy, efficiency and effectiveness.

New Improvement Recommendation 3

Resources for the Corporate Projects Board and the Principal Officer roles on high profile capital projects should be reviewed and where necessary increased.



Grant Thornton insights – learning from others

The Council has the arrangements we would expect to see in respect of performance reporting, but could challenge itself to go further, based on the best arrangements we see across the sector

What the Council is already doing

Quarterly reports on performance are shared with the Overview and Scrutiny Committee. Each service area has its own dashboard, and work is ongoing to move every service area dashboard over to Power BI and live reporting. New members of staff are being recruited to support this work.

The Council's approach to data quality is embedded within its Digital Strategy, which is due to be updated.

What others do well

Our recent national report on Lessons Learnt from Auditors' Annual Reports for 2023/24 highlighted that moves to live performance reporting systems are increasingly common across England:

- Our report showed that maintaining data quality is important when live systems are introduced. Some Councils maintain standalone Data Quality Policies, which can be helpful.
- Our report also highlighted how Councils can strengthen their key performance indicator arrangements by drawing on national and regional benchmarking data, which is available from a variety of providers in the local government sector.

The Council could consider

- Introducing benchmarking against other comparator groups to improve the context within which performance data is assessed.
- Adopting a separate Data Quality Policy when the Digital Strategy is next updated.

04 Summary of Value for Money Recommendations raised in 2024/25

Value for money recommendations raised in 2024/25

Statutory and key recommendations

As shown on pages 8 to 11 of this report, we retained one statutory recommendation (in six parts) from 2023/24 and three key recommendations from 2023/24.

We have seen evidence that progress is being made against the statutory and key recommendations we raised in 2023/24 but at the time of writing this report, there were still further actions needed.

Improvement recommendations

As shown on pages 20, 21 and 29 of this report, we raise three new improvement recommendations for 2024/25.



Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
69 IR1	<p>The Council needs to maintain effective stewardship in the run up to reorganisation. This will mean taking a sustainable approach towards decision-making for assets, reserves and savings plans. The budget for 2026/27, and decisions made in the build-up to that budget, should reflect the ongoing requirement to balance the budget and maintain a sustainable position. All members will need to be committed to this aim.</p>	Governance And Financial sustainability (page 20)	<p>Actions: we will continue to explore alternative and additional savings opportunities over and above the areas identified within Modern 25 with Members, Managers etc through business plan review and scrutiny, the work of the MTFP task and finish group and opportunities for early partnership working as part of the lead in time for LGR. We are comfortable with BTT having the management of the Modern 25 programme as intertwined with process mapping and other procedural changes but working closely with the Head of Finance & Audit and the Finance team to capture and agree the savings made and reporting and implementing these accordingly.</p> <p>Responsible officer: Gordon Bryant</p> <p>Due date : quarterly updates and annual updates to budget process</p>
	<p>The Council needs to explore options for more transformation-based savings in the medium term. The Council needs to invest in appropriate staff skills and capacity to deliver this; and needs to consider whether stronger financial reporting tools would help to identify and monitor savings. As savings programmes get underway, monitoring and reporting should be led from the finance team. Additional granular reporting should be introduced to enable sufficient monitoring of the progress on Modern 25 programme.</p>		

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR2	<p>The Council should consider whether there is anything that can be done to reduce dependency on just a small number of people to produce budget monitoring data at year end.</p> <p>Draft accounts should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion.</p>	Governance (page 21)	<p>Actions: The requirement for additional resources is agreed and the Head of Finance and Audit is working on a restructure which needs urgent implementation to replace and enhance recent staff losses with the necessary technical knowledge.</p> <p>Responsible officer : G Bryant</p> <p>Due Date: TBC</p>
70 IR3	<p>Resources for the Corporate Projects Board and the Principal Officer roles on high profile capital projects should be reviewed and where necessary increased.</p>	Improving economy, efficiency and effectiveness (EEE) (page 29)	<p>Actions: The phase 2 restructure is picking up on the need to increase resources in this area. This covers both project delivery and the monitoring of external contributions.</p> <p>Responsible Officer: TBC</p> <p>Due Date: TBC</p>

05 Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment


As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



A range of different recommendations can be raised by the Council’s auditors as follows:

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation		Raised	Progress	Current position
74	IR1	2023/24	The Council shared a summary of progress against the Action Plan with the Audit Scrutiny Committee (now known as the Audit Committee) on 16th April 2025. However, it showed signs of delay with progress, compared to target dates. Going forward, this will be monitored as part of our review of progress with statutory and key recommendations.	Closed
	IR2			

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation		Raised	Progress	Current position
92 75	IR3 The Council should review and revise relevant sections of the constitution to bring the terms of reference of the Audit Scrutiny Committee into line with CIPFA recommended good practice, including the co-option of an external independent member and the election of a chair who is not a member of the administration. The Committee should be renamed to remove the term 'Scrutiny'.	2023/24	The Audit Scrutiny Committee changed its name to Audit Committee on 29th July 2025. Job descriptions have been drawn up for the recruitment of an independent member. The Audit Scrutiny Committee did receive and review progress with the Governance Action Plan in April 2025.	Closed
	IR4 The Council should recognise good practice and consider the election of an opposition or independent member as Chair of the Overview and Scrutiny Committee.	2023/24	We have been informed that a new Chair of the Overview and Scrutiny Committee has been appointed, from outside the ruling administration.	Closed

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position
IR5	The Council should continue to monitor progress with implementing a new finance system.	2023/24	The new finance system project remains significantly behind schedule. We raise new improvement recommendations around the governance arrangements and contract performance monitoring for this contract.	Superseded
76				
IR6	Draft accounts for 2024/25 should be published in line with their statutory deadline and supported by a comprehensive set of working papers, and sufficient capacity to service an audit to completion. We note that in relative terms, the Council has performed well compared to many peers in timescales for preparing draft accounts. The Council has put itself in a good position to now comply with statutory deadlines going forward.	2023/24	<p>The accounts for 2021/22 and 2022/23 received a disclaimer of audit opinion in November 2024. The accounts for 2023/24 received a disclaimer of audit opinion in February 2025. The Council missed the deadline for publishing unaudited accounts for 2024/25 by four days. We note that when the 2024/25 audit does complete, a modification of opinion is expected because of backstop implications from previous years.</p> <p>Superseded by a new, shorter improvement recommendation for 2024/25.</p>	Superseded

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation		Raised	Progress	Current position
77	IR7 The Council should seek to reduce its dependency on the Funding Reserve to close budget gaps. The Council should then aim to stabilise its reserves over the medium-term.	2023/24	There is evidence that some Councillors have not taken responsibility to safeguard reserves in the run up to local government reorganisation. We raise a new improvement recommendation highlighting responsibility for good stewardship, including over reserves, in the run up to local government reorganisation.	Superseded
	IR8 The Council should maintain the arrangements now in place so that performance on non-major planning applications remains above the government’s minimum target.	2023/24	Data provided to us for April 2025 shows that the Council is currently exceeding the government target for approval of non major planning applications.	Closed



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Teignbridge District Council

Audit

17 December 2025

Part i

COUNCIL TAX BASE 2026/27

Purpose of Report

To consider the proposed council tax base 2026/27 as shown at appendix A

Recommendation(s)

Audit Committee to approve the council tax base of 52,653 for 2026/27 at appendix A of the agenda report

Financial Implications

The financial implications are principally to formulate the predicted council tax numbers to allow all preceptors to identify their income from the precept they set for the financial year 2026/27.

Gordon Bryant – Chief Finance Officer
Email: gordon.bryant@teignbridge.gov.uk

Legal Implications

The estimate has to be approved by Council and notified to the major preceptors between 1 December 2025 and 31 January 2026. See section 2.2 of the report.

Gordon Bryant – Chief Finance Officer
Email: gordon.bryant@teignbridge.gov.uk

Risk Assessment

The major risk is that the estimate is not accurate and results in a deficit in income from council tax for all preceptors – see section 3.

Gordon Bryant – Chief Finance Officer
Email: gordon.bryant@teignbridge.gov.uk

Environmental/ Climate Change Implications

There are no direct climate change implications within this report.

David Eaton – Head of Neighbourhoods
Email: david.eaton@teignbridge.gov.uk

Report Author

Gordon Bryant – Chief Finance Officer
Email: gordon.bryant@teignbridge.gov.uk

Executive Member

Councillor John Parrott – Executive Member for Resources

Appendices/Background Papers

App A – Council tax base 2026/27

1. PURPOSE

- 1.1 To consider the proposed council tax base 2026/27 as shown at appendix A.

2. BACKGROUND

- 2.1 The council tax base is the estimated number of band D equivalent properties in the district for next year less a small allowance for likely collection losses. The details are shown at section 1 of appendix A. The council tax for each of district, county, fire, police and towns/parishes multiplied by the council tax base gives the income or precept which the district pays to each authority. The district is responsible for collecting council tax.
- 2.2 The estimate for next year must be based on information available on the 30 November. It has to be approved by Audit Committee and notified to the major preceptors - county, fire and police between 1 December 2025 and 31 January 2026. Similarly towns and parishes also need the council tax base for their area to calculate their council tax from their precept.
- 2.3 The initial data is extracted from the council tax records. This includes the deduction for council tax support which reduces the base. Finally an estimate is made of the growth in the number of dwellings to 2026/27 based on recent history and this has been calculated at 1.0%. Thus a total of 53,837.4 is the estimated number of band D properties for next year.
- 2.4 The estimated number is then multiplied by the collection rate and this has been assumed to be at the same rate as the current year of 97.8% giving 52,653 for 2026/27. For Teignbridge this base means that at the current council tax level of £202.28 just over £10.65 million of income would be generated next year. This is 2.1% or £220,000 more than in the current year. Estimated 2026/27 income for all preceptors is shown at appendix A section 2 based on the current council tax.

3. RISKS

- 3.1 The risk is the variation in calculating the likely equivalent band D council tax numbers which is influenced by projected housebuilding, numbers in receipt of council tax support and the level of collection from council tax payers. These risks are mitigated by careful analysis of existing data and trends to determine future projections.

4. GROUPS CONSULTED

- 4.1 Parish and town councils are advised of their individual council tax numbers.

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

- 5.1 Immediate – no call in.

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Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 26/27 Band D Number	25/26 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 26/27 Base
Full band D at November 2025	57,393.6	2,512.83	144,220,360			
less CTS at November 2025	-4,089.6	2,512.83	-10,276,470			
Starting point based on Nov 2025	53,304.0		133,943,890			
Anticipated growth at 1.0%	533.4	2,512.83	1,340,340			
Total (rounded)	53,837.4	2,512.83	135,284,230	97.8%	132,308,040	52,653

Section 2

2026/27 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2025/26			
Preceptor	Estimated CT Base Number	25/26 Council Tax £	Expected income £
2026/27 expected income (rounded)			
Towns and parishes	52,653	116.41	6,129,340
District	52,653	202.28	10,650,650
County	52,653	1,801.26	94,841,740
Fire	52,653	104.68	5,511,720
Police	52,653	288.20	15,174,590
Total (rounded) shows a 2.1% increase in expected income		2,512.83	132,308,040
2025/26 expected income (rounded)			
Towns and parishes	51,562	116.41	6,002,330
District	51,562	202.28	10,429,960
County	51,562	1,801.26	92,876,570
Fire	51,562	104.68	5,397,510
Police	51,562	288.20	14,860,170
Total (rounded)		2,512.83	129,566,540

Teignbridge District Council

Audit

17 December 2025

Part i

2025/26 TREASURY MANAGEMENT LENDING LIST

Purpose of Report

To update Members on Treasury Management activities impacting on the current financial year.

Recommendation(s)

The Executive Committee resolves to:

- (1) Note the mid year review of Treasury Management shown at appendix 1**

Financial Implications

Treasury Management is a major source of funding for the council. It supports the provision of front line services and the delivery of the Strategic Plan.

Gordon Bryant – Head of Financial Services and Audit
Email: gordon.bryant@teignbridge.gov.uk

Legal Implications

The Council is required to secure a balanced budget and also to provide certain services. Regular financial monitoring by the Executive helps ensure that the Council is able to meet these statutory obligations.

Gordon Bryant – Head of Financial Services and Audit
Email: gordon.bryant@teignbridge.gov.uk

Risk Assessment

Major risks are explained in the Treasury Management policy that is agreed at the start of the financial year. This report captures our activity.

Gordon Bryant – Head of Financial Services and Audit
Email: gordon.bryant@teignbridge.gov.uk

Environmental/ Climate Change Implications

Treasury Management activities support the revenue budget and therefore fund activities associated with us meeting our climate change objectives.

David Eaton – Head of Neighbourhoods
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Report Author

Gordon Bryant – Head of Financial Services and Audit
Email: gordon.bryant@teignbridge.gov.uk

Executive Member

Councillor John Parrott – Executive Member for Corporate Resources

Appendices/Background Papers

Appendix 1 – Mid year treasury management review

1. PURPOSE

- To report to Members the results of the mid-year treasury management review as shown in Appendix 1.

2. SUMMARY

- 2.1** The **mid-year review** of **treasury management** performance which is required to be noted by Council is attached at appendix 1. This shows average returns of 4.25% to the end of September - comparable to the benchmark average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to September, of 4.14%. Interest earned to the end of September, including sums which fall into 2025/26 from lending arranged the previous financial year, is £807,896. It is slightly less than last year (£985,389 at the same point), mainly due to lower interest rates. The forecast for the year is £1,493,212 a decrease of £502,621 compared to £1,995,833 received in 2024/25. This forecast decrease is due to lower interest rates.

Teignbridge District Council Treasury Management Mid-Year Review 2025-26

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2021 Edition*. One of the requirements is the provision of a mid-year review of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April to 30 September 2025:

Fixed lending - * denotes investment placed in 2024-25 with end date in 2025-26

	Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest relating to April to September (£)
*	London Borough of Waltham Forest	4.85	3,000,000	16/09/2024	16/05/2025	45	17,938.36
*	Blackpool Council	4.9	3,000,000	18/10/2024	19/05/2025	48	19,331.51
*	DMO	4.55	1,000,000	17/01/2025	17/04/2025	16	1,994.52
*	DMO	4.47	1,000,000	03/02/2025	23/04/2025	22	2,694.25
*	DMO	4.47	1,500,000	03/02/2025	17/04/2025	16	2,939.18
*	DMO	4.45	2,300,000	12/02/2025	25/04/2025	24	6,729.86
*	DMO	4.46	4,000,000	17/02/2025	17/04/2025	16	7,820.27
*	DMO	4.41	500,000	17/02/2025	02/07/2025	92	5,557.81
*	DMO	4.445	1,000,000	24/02/2025	19/05/2025	48	5,845.48
*	DMO	4.46	4,000,000	03/03/2025	17/04/2025	16	7,820.27
*	DMO	4.46	700,000	03/03/2025	25/04/2025	24	2,052.82
*	DMO	4.45	1,000,000	25/03/2025	17/04/2025	16	1,950.68
	DMO	4.45	1,000,000	01/04/2025	22/04/2025	21	2,560.27
	DMO	4.455	1,000,000	01/04/2025	25/04/2025	24	2,929.32
	DMO	4.46	3,000,000	01/04/2025	30/04/2025	29	10,630.68
	DMO	4.42	2,000,000	03/04/2025	20/05/2025	47	11,383.01
	DMO	4.44	500,000	15/04/2025	23/04/2025	8	486.58
	DMO	4.39	1,000,000	15/04/2025	23/05/2025	38	4,570.41
	DMO	4.375	6,100,000	15/04/2025	28/05/2025	43	31,440.07
	DMO	4.355	1,000,000	24/04/2025	23/05/2025	29	3,460.14
	DMO	4.225	1,000,000	01/05/2025	23/06/2025	53	6,134.93
	DMO	4.285	6,000,000	01/05/2025	28/05/2025	27	19,018.36
	DMO	4.21	1,000,000	01/05/2025	02/07/2025	62	7,151.23
	DMO	4.22	2,000,000	15/05/2025	19/06/2025	35	8,093.15
	DMO	4.22	7,000,000	15/05/2025	02/07/2025	48	38,847.12
	DMO	4.215	1,000,000	15/05/2025	23/07/2025	69	7,968.08
	DMO	4.215	3,000,000	16/05/2025	06/08/2025	82	28,407.95
	Blackpool Council	4.8	3,000,000	19/05/2025	24/11/2025	135	53,260.27
	DMO	4.22	1,000,000	23/05/2025	14/07/2025	52	6,012.05
	DMO	4.2	1,000,000	28/05/2025	18/06/2025	21	2,416.44

Appendix 1

	Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest relating to April to September (£)
	DMO	4.225	1,000,000	28/05/2025	06/08/2025	70	8,102.74
	DMO	4.22	4,000,000	02/06/2025	02/07/2025	30	13,873.97
	DMO	4.22	1,500,000	02/06/2025	06/08/2025	65	11,272.60
	DMO	4.19	6,500,000	16/06/2025	06/08/2025	51	38,054.38
	DMO	4.18	1,000,000	16/06/2025	19/08/2025	64	7,329.32
	DMO	4.21	1,000,000	01/07/2025	11/07/2025	10	1,153.42
	DMO	4.105	1,500,000	01/07/2025	20/10/2025	92	15,520.27
	DMO	4.17	1,000,000	01/07/2025	19/08/2025	49	5,598.08
	DMO	4.21	2,000,000	01/07/2025	21/07/2025	20	4,613.70
	DMO	4.165	1,000,000	02/07/2025	22/08/2025	51	5,819.59
	DMO	4.17	1,000,000	07/07/2025	22/08/2025	46	5,255.34
	DMO	4.1	1,000,000	11/07/2025	23/09/2025	74	8,312.33
	DMO	4.11	5,000,000	15/07/2025	11/09/2025	58	32,654.79
	DMO	4.085	3,000,000	15/07/2025	26/09/2025	73	24,510.00
	DMO	4.055	1,000,000	15/07/2025	20/10/2025	78	8,665.48
	DMO	4.02	5,000,000	01/08/2025	11/09/2025	41	22,578.08
	DMO	4.015	1,000,000	01/08/2025	23/10/2025	61	6,710.00
	DMO	3.95	1,200,000	06/08/2025	08/09/2025	33	4,285.48
	DMO	3.95	1,000,000	08/08/2025	11/09/2025	34	3,679.45
	DMO	3.955	5,500,000	15/08/2025	11/09/2025	27	16,090.89
	DMO	3.96	2,500,000	15/08/2025	22/09/2025	38	10,306.85
	DMO	3.95	200,000	26/08/2025	29/08/2025	3	64.93
	DMO	3.95	1,800,000	26/08/2025	29/08/2025	3	584.38
	DMO	3.96	1,000,000	01/09/2025	06/10/2025	30	3,254.79
	DMO	3.965	4,000,000	01/09/2025	17/10/2025	30	13,035.62
	DMO	3.97	1,000,000	01/09/2025	22/12/2025	30	3,263.01
	DMO	3.965	1,000,000	04/09/2025	17/10/2025	27	2,933.01
	DMO	3.96	6,500,000	11/09/2025	17/10/2025	20	14,104.11
	DMO	3.97	7,000,000	15/09/2025	24/11/2025	16	12,181.92
	DMO	3.96	1,000,000	19/09/2025	24/10/2025	12	1,301.92
	DMO	3.97	1,200,000	19/09/2025	24/11/2025	12	1,566.25
	DMO	3.96	2,000,000	05/09/2025	17/10/2025	26	5,641.64

Sub-total fixed lending

£639,763.45

Deposits were also made into the following call accounts and money market funds, dependent upon cash flow:

Bank	Account terms	Interest Earned £
Santander UK plc	2.06% – 2.56%	574.29
Public Sector Deposit Fund	4.02% - 4.49%	63,731.28
Aberdeen Sterling Liquidity Fund	4.05% - 4.50%	63,426.03
Lloyds plc Deposit and current account	1.40% - 1.75%	555.29
Lloyds Call account	3.77% - 4.34%	39,845.85

Appendix 1

Sub-total call accounts and money market funds		£168,132.74
Grand total all lending		£807,896.19

Temporary Borrowing 1 April to 30 September 2025:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	Variable	Overdraft agreement	2	1.31

Teignbridge District Council
Interim Performance Report for the Period 1 April to 30 September 2025

	Apr-Sep 2024-25	Apr-Sep 2025-26
(i) Short Term Funds Invested		
Interest received and receivable for the period	£985,389	£807,896
Maximum period of investment on any one loan made in the period	287 days	242 days
Days in table of fixed lending are those which fall into 2024-25 – actual loan lengths may be longer.		
“Fixed” investment rates in period.	4.76% - 5.25%	3.95% - 4.80%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£0	£1.31
Number of new “fixed” loans borrowed in the period	0	0
Maximum period of borrowing on any one “fixed” loan borrowed in the period.	0	0
“Fixed” borrowing rates.	n/a	n/a
(iii) Average Net Interest Rate Earned	5.21%	4.25%
(iv) Average Short Term Net Lending	£37,700,861	£37,930,367

Regular Monitoring

Monthly reports are prepared for the Chief Finance Officer which forecast interest payable and receivable for the year. The Chief Finance Officer presents a monthly report to SMT and updates the Executive Committee on a quarterly basis. These reports include any policy updates, such as changes to the official lending list, based on the latest ratings information. Full council receives an annual review and strategy statement and a mid-year review.

The interest forecast predicts total net interest receivable for the year of £1,493,212. This compares to £1,995,833 received in 2024-25. This forecast decrease is mainly due to lower interest rates.

Appendix 1

Between April and September 2025, the Bank of England's base rate decreased twice from 4.50% at the start of the year to 4.25% in May and 4.00% in August, where it has remained since. Base rate during the same period in 2024 ranged from 5.00% to 5.25%. During the first half of the year, there has been a small increase in the funds available for lending out (average daily lending is £37.9 million in 2024-25 compared to £37.7 million at the same stage in 2024-25). The average net interest rate achieved is 4.25% up to the end of September 2024, compared to 5.21% at the same point in 2023. The average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to September is 4.14%, so this is in line with benchmark expectations. It is forecast that Teignbridge's average rate for the year will be 3.98%.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 25 February 2025. They are available on request or on the Teignbridge website agenda for that meeting.

**Teignbridge District Council
Audit Scrutiny Committee
17th December 2025**

Part i

**Strategic and Corporate Risk Report
Purpose of Report**

To provide Members with an overview of the current status of the Strategic & Corporate risks.

Recommendation(s)

The Committee RESOLVES to:

- (1) Note the actions being taken to reduce risks to the achievement of the council's objectives.
- (2) Note the recommendation to amend the risk scoring approach to a more granular scale of 1 (very low) to 5 (very high)

Financial Implications

As this is an advisory report there are no direct financial implications, however, the following strategic financial risks are included: ST02 Failure to control and manage finance and other risks including ST14 Fraud & corruption and ST24 Breach of finance and contract rules.

Gordon Bryant
Head of Financial Services and Audit
Email: Gordon.bryant@teignbridge.gov.uk

Legal Implications

No direct implications beyond effective risk management are key to meeting Council's legal duties.

Charlie Fisher
Acting Monitoring Officer
Email: Charlie.fisher@teignbridge.gov.uk

Risk Assessment

Effective risk management will aid decision making, focus and make better use of resources, provide a duty of care, comply with legislation, reduce costs, provide a continuity of service and reduce the risk of not meeting the council's objectives.

Amanda Pujol
Director of Customer Services and Transformation
Email: Amanda.Pujol@teignbridge.gov.uk

Environmental/ Climate Change Implications

There are no direct environmental and climate change implications due to this being an advisory report only, however, the following risks relating to Environment and Climate Change are included for monitoring:

ST31 – the impact of not reducing our energy use and contribution to CO2. ST42 – Failure to deliver the council strategy. ST44 – Flood risk resilience. ST45 – Flood risk management.

William Elliot

Climate Change Officer

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Tom Pearce

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Executive Member

Corporate Resources – Cllr John Parrott

Appendices/Background Papers

Appendix A – Risk report

PURPOSE

To provide Members with an overview of the current status of the Council's corporate and strategic risks.

BACKGROUND

There are 3 types of risk to manage, and these are:

Strategic Risks – these are the big issues that impact heavily on our service delivery or are fundamental changes in the district or something that may cause a lot of bad publicity. These risks are managed by Business Leads and Business or Service Managers.

Corporate Risks – also called 'common risks' because they apply to many sections of the Council, and we have corporate processes in place to deal with them e.g. Attacks on staff. These risks are also managed by Business or Service Managers.

Service Risks - These are risks and opportunities that apply primarily to a service and that generally won't have too many consequences on the rest of the Council. These are managed by Business or Service Managers and Team Leaders.

In addition, reports to decision makers (both Members and the Strategic Leadership Team) for major projects or service changes, should include an analysis of risks so these are considered when important decisions are made. These risks may be referred for inclusion in the Corporate or Strategic Risk Registers if they are likely to be significant issues.

RISK OVERVIEW

There are currently 24 risks in the Strategic Risk register which are the risks we consider could impact heavily on our ability to deliver essential services and meet important objectives. In addition, there are 12 corporate risks, 'common risks', which apply to many sections of the council, and we have corporate processes in place to deal with them.

Of these 36 risks 3 have a very high unmitigated risk score 9 (3x3) i.e. the risk if we took no action to reduce the risk. The risk Responsible Officers have actions (mitigations) in place to reduce the risk scores.

The risk matrix below shows how many risks have very high (9), high (6), medium (3-4) or low (1-2) mitigated risk score, which considers the effectiveness of actions (mitigations) to reduce the risk.

- 0 risks have a high impact and high likelihood score of 9 (3x3)
- 3 risks have a medium impact and high likelihood score of 6 (2x3)
- 6 risks have a high impact and medium likelihood score of 6 (3x2)

Corporate & Strategic Risk Matrix – Mitigated Risks				
Risk Likelihood	3 - High	No Risks	No Risks	No Risks
	2 - Medium	2 Risks ST26, ST24	12 Risks CP01, CP09, ST29, ST17, ST08, ST11, ST19, ST06, ST32, ST40, ST42, ST46,	3 Risks ST02, ST20, ST45,
	1 - Low	1 Risk CP05	10 Risks ST14, CP13, CP07, CP11, CP08, ST31, ST09, ST28, ST41, CP14,	8 Risks CP12, ST25, CP16, ST37, ST44, ST43, CP15, CP17,
		1 – Low	2 – Medium	3 - High
Risk - Impact				

Risk reviews

These are carried out by the risk Responsible Officer monthly for very high (9) risks, quarterly for high (6) twice a year for medium risk (3-4) risks and once a

year for low (2) risks. This includes a review of each risk, its mitigations and risk impact and likelihood scores.

In addition to the regular reviews, meetings with the Risk Responsible officer and those managing the risk are held to review the scope of the risk, causes and impact, and mitigations in more depth.

Changes to risk scoring from January 2026

To provide more granular risk likelihood and impact reporting and to align with widely accepted best practice we will be moving from a 1-3 scoring to a 1-5 scoring scale from January 2026.

A 5-point scale provides detailed differentiation between risk levels, avoiding oversimplification. This will allow for more detailed evaluation and for changes to risk profile following amendments to legislation or emerging challenges. Precise risk scoring aids informed mitigation, resource allocation and long-term planning. The current and proposed scales are mapped below:

Current Scale	New Scale
1 – Low	1 – Very low
	2 – Low
3 – Medium	3 - Medium
	4 – High
5 - High	5 – Very high

Reporting to members will change from the next Audit Scrutiny Committee, with risks with a mitigated status score of 20 or 25, and risk mitigations with a status of 'Action needed' highlighted in detail.

RISK REPORTS

A report listing the Corporate & Strategic risks is provided as Appendix A. Details of those risks with 'Action needed' mitigations statuses are provided below. There are currently no risks with a mitigated status score of '9'. The 'Action needed' statuses are colour coded to match the risk matrix above.

Risk: CP01 - Attacks on Staff

Description: Attacks on staff in relation to Teignbridge District Council core business matters.

Risk of injury or death due caused by physical attacks and the risk of verbal and intuitive threats to staff while involved in any Council work or activity. This could be at anytime during the Council's hours of operation, at any location and either with others or alone, lone working and working from/at home

Last reviewed: 31/10/25

Risk unmitigated status: 6 – high
Current mitigated status: 4 – medium

Table of mitigations with actions needed:

Mitigation Status	Mitigation	Info
Action needed	Lone working procedure	Lone working procedure in place that includes the provision of mobile phones, personal attack alarms and lone worker record updating
Action needed	Local procedures (Teams or Services)	To be developed and implemented by teams/services as they will have differing ways of implementing control measures they formulate resulting from risk assessment.

Review note:

The procurement of a Lone Worker monitoring tool is being procured by STRATA. When rolled out it will require regular review to ensure it is being used and the adaptation of any existing procedures.

Another de-escalation training session has recently been delivered, and a holding list is being maintained.

Training has Training needs & Competency assessments should be implemented by managers and team leaders to ensure "regular" H&S training is provided and is effective to protect and develop staff knowledge and understanding. This is likely to improve when the new Training co-ordinator starts in HR.

The Health and Safety Committee has been redesigned and will be re-launched in November, initially chaired by Neil Blaney.

Risk: CP15 – Project management

Description: Poor project planning and management lead to failure of the project. Either failure of the whole project or part of it and the outcomes and efficiencies expected are not achieved.

Opportunities to improve efficiency, use of our assets, increase income, provide 24/7 online services, improve the customer experience.

Last reviewed: 19/09/25

Risk unmitigated status: 6 – high

Current mitigated status: 3 – medium

Table of mitigations with actions needed:

Mitigation Status	Mitigation	Info
Action needed	Project lessons learned	Ensure lessons learned from running major projects are captured and reported to CMT

Review note:

Work is underway to develop and implement a more structured approach to initiating and monitoring project performance. This will improve visibility and reporting processes and subsequently risk management.

Risk: ST32 – Non Compliance with Section 106 Agreements and CIL notices

Description: Non Compliance with Section 106 Agreements and CIL notices

Last reviewed: 20/10/25

Risk unmitigated status: 4 – medium

Current mitigated status: 4 – medium

Table of mitigations with actions needed:

Mitigation Status	Mitigation	Info
Action needed	Meetings with departments	Ongoing meetings with departments regarding spending of money

Review note:

TDC Heads of Service required to spend S106 on projects in good time.

Improved use of Exacom Software package to track CIL and S106.

Increased officer capacity to monitor CIL / S106, including restructure of monitoring fees.

Use of CIL stop notices and legal powers to enforce S106 used where necessary in very small number of cases.

Risk: ST37 – Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose notices

Description: The key outcomes of the projects are:

- Reduce cost...through economies of scale and reduced duplication of effort
- Reduce risk...by having a larger ICT team with less reliance on key individuals and more time to manage new complex technologies
- Improve capability for change...through creating capacity within the ICT team for transformation effort rather than just "business as usual"

The risks arising following the formation of a new company, Strata Service Solutions Ltd, wholly owned by Teignbridge DC, Exeter CC and East Devon DC to deliver and manage ICT services for all 3 Councils.

Failure of the shared service and failure by Strata to provide the ICT service required.

Last reviewed: 21/11/25

Risk unmitigated status: 6 – high

Current mitigated status: 3 – medium

Table of mitigations with actions needed:

Mitigation Status	Mitigation	Info
Action needed	Strata Business plan approved annually	The Strata Business Plan sets out the intended projects and identifies funding

Review note:

There are now robust governance and project management processes in place to ensure that business requirements for any new systems are robustly captured and included as part of any procurement exercise and the Architecture Board is in place to scrutinise the impact of any new systems/change to systems in relation to infrastructure/security etc. This mitigates the risk of systems not meeting business needs. The Strata Programme Board scrutinises key PIs monthly including the no of incidents with systems. The no of incidents have dropped as a result of the end user computing programme from 862 in Jan 25 across all 3 Councils to 558 in October 25. Deep dives are undertaken where there are repeated incidents with a particular application or system to identify the route cause and action taken to prevent recurrence .

Risk: ST42 – Failure to deliver the Council Strategy

Description: Failure to deliver the key objectives and outcomes of the Council Strategy due to: no money to deliver, no capacity to deliver, a loss of political willingness, change of political direction – local and national, a change of view and priorities by our partners, loss of key staff and local intelligence, unreliable data leading to poor decisions & direction, a lack of engagement of staff, unforeseen issues outside of our control, too broad a spread of actions, poor leadership, poor planning, governance and monitoring of performance leading to: missed opportunities, moving out of scope of the project, duplication, lost

opportunities due to sole focus on the strategy objectives, a loss of reputation, customer satisfaction and trust, unplanned changes, a lack of co-ordination and direction and the risk of over promising and under delivering.

Last reviewed: 20/10/25

Risk unmitigated status: 6 – high

Current mitigated status: 4 – medium

Table of mitigations with actions needed:

Mitigation Status	Mitigation	Info
Action needed	Budget planning	Financial monitoring of each T10 and inclusion in the annual budget planning cycle to set a balanced budget and clear funding for priority areas / projects
Action needed	Ensure adequate staff resources	Adequate staff to be maintained to deliver the key objectives of the strategy
Action needed	Project planning	Project management by the Business Transformation team. Systems & procedures in place to ensure effective forward planning, evidence gathering, monitoring of outcomes etc

Review note:

The new One Teignbridge Council Strategy was adopted in January 2025 and sets out new priority areas for the organisation. There are groups either already established, or in the process of being established to help secure partnership delivery of the One Teignbridge strategy. The Action Plan which is a live document sitting underneath the strategy is recommended for approval to Full Council on 23 October 2025. Ongoing work is required to ensure that there are sufficient resources in place to review future iterations of the Strategy and ensure effective performance and risk monitoring. These are being addressed as part of the Phase 2 restructure.

Major projects/service changes

The current major council projects are listed in the table below, which provides assurance that project risks have been assessed, and registers or strategic risks are in place and being managed.

The One Teignbridge Transformation Board meets monthly to review major systems and the digital platform projects. This includes a review of the project

risk registers. The Capital Review Group meets every other month to review projects in the capital programme including key risks and issues.

T10	Project	Service	Responsible Officer	Current Risk Register
VVC	Modern 25 Programme	Business Transformation	Amanda Pujol	Yes
VVC	Modern 25 Strategic Portfolio	Business Transformation	Sarah Knight	Yes
VVC	Financial Management System	Finance	Martin Flitcroft	Yes
CS	Fleet Decarbonization	Waste & Recycling	Chris Braines	Yes
IIP	UK Shared Prosperity Fund	Economy	Alex Lessware	No register, but comprehensive issues log is actively used for programme
AROOH	Local Authority Housing Fund: Refugee Accommodation	Housing	Chris Trowell	Yes
IIP	Ridgetop Countryside Park	Green Spaces & Active Leisure	Estelle Skinner	Yes

IIP	Future High Street Fund project: Market Improvements	Economy	Tom Phillips	Yes
IIP	Future High Street Fund project: Gateway to the Town Centre and Queen Street	Economy	Tom Phillips	Yes
AROOH	Teignbridge 100: Social/Affordable housing - Sherborne House	Housing	Graham Davey	Yes

ALTERNATIVE OPTIONS

None, risk management is a mandatory function of the Council.

CONCLUSION

Effective risk management will aid decision making, focus and make better use of resources, provide a duty of care, comply with legislation, reduce costs, provide a continuity of service and reduce the risk of not meeting the council's objectives.

Risk status report for AS

Annual report for 2025/26 and 2025

No headings

Filtered by Prefix: Include Risk Prefix: ST, CP

Key to Performance Status:

Risks:	Review overdue (0+)	Very High (9+)	High (6+)	Medium (3+)	Low (1+)
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Risk status report for AS

Risks						
Status	Code	Title	Risk Impact	Risk Likelihood	Executive Member	Risk Responsible Officer
High (6)	ST02	<u>Failure to control and manage finance</u>	3 - High	2 - Medium	Corporate Resources	Gordon Bryant, Martin Flitcroft
High (6)	ST20	<u>Poorly Managed Election</u>	3 - High	2 - Medium	Corporate Resources	Cathy Ruelens
High (6)	ST45	<u>Flood risk resilience</u>	3 - High	2 - Medium	Waste Management and Environmental Health	Neil Blaney, Richard Rainbow
Medium (4)	CP01	<u>Attacks on Staff</u>	2 - Medium	2 - Medium	Corporate Resources	Paul Nicholls, Charles Perryman
Medium (4)	CP09	<u>Staff health and wellbeing (was Staff Absence/Stress/Morale)</u>	2 - Medium	2 - Medium	Corporate Resources	Tim Slater
Medium (4)	ST29	<u>Failure to maintain sufficient management capacity & capability</u>	2 - Medium	2 - Medium	Strategic Direction	Tim Slater
Medium (4)	ST17	<u>Inability to Recruit and Retain Staff</u>	2 - Medium	2 - Medium	Corporate Resources	Tim Slater
Medium (4)	ST08	<u>Economic Uncertainty</u>	2 - Medium	2 - Medium	Business, Economy and Tourism	Neil Blaney, Gordon Bryant, Martin Flitcroft
Medium (4)	ST11	<u>Failure to Comply with Health & Safety Legislation</u>	2 - Medium	2 - Medium	Corporate Resources	Paul Nicholls, Charles

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Risk status report for AS

Risks						
Status	Code	Title	Risk Impact	Risk Likelihood	Executive Member	Risk Responsible Officer
						Perryman
Medium (4)	ST19	<u>Poor or Ineffective Business Continuity Management</u>	2 - Medium	2 - Medium	Corporate Resources	Neil Blaney, David Eaton
Medium (4)	ST06	<u>Statutory Requirements Not Met</u>	2 - Medium	2 - Medium	Corporate Resources	Paul Woodhead
Medium (4)	ST32	<u>Non Compliance with Section 106 Agreements and CIL notices</u>	2 - Medium	2 - Medium	Planning	Neil Blaney, Alex Lessware
Medium (4)	ST40	<u>Local Plan - Infrastructure Delivery Delay</u>	2 - Medium	2 - Medium	Planning	Alex Lessware
Medium (4)	ST42	<u>Failure to deliver the Council Strategy</u>	2 - Medium	2 - Medium	Strategic Direction	Michelle Luscombe, Philip Shears
Medium (4)	ST46	<u>Failure of ICT security measures leading to a cyber attack</u>	2 - Medium	2 - Medium	Corporate Resources	Sue Heath, Amanda Pujol
Medium (3)	CP12	<u>Breach of Code of Conduct by Staff</u>	3 - High	1 - Low	Corporate Resources	Tim Slater
Medium (3)	ST25	<u>High Levels of Customer Dissatisfaction</u>	3 - High	1 - Low	Corporate Resources	Tracey Hooper, Emma Ingle, Amanda Pujol
Medium (3)	CP16	<u>Lack of Effective Risk Management</u>	3 - High	1 - Low	Corporate Resources	Tom Pearce
Medium (3)	ST37	<u>Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose</u>	3 - High	1 - Low	Corporate Resources	Amanda Pujol
Medium (3)	ST44	<u>Flood risk management</u>	3 - High	1 - Low	Waste Management and Environmental Health	Neil Blaney, Richard Rainbow
Medium (3)	ST43	<u>Failure to adopt Teignbridge Local Plan</u>	3 - High	1 - Low	Planning	Neil Blaney, Alex Lessware,

Risk status report for AS

Risks						
Status	Code	Title	Risk Impact	Risk Likelihood	Executive Member	Risk Responsible Officer
						Michelle Luscombe
Medium (3)	CP15	<u>Project management</u>	3 - High	1 - Low	Corporate Resources	Sarah Knight
Medium (3)	CP17	<u>Health and Safety Compliance for Housing Stock</u>	3 - High	1 - Low	Communities, Housing & IT	Chris Trowell
Low (2)	ST14	<u>Fraud and Corruption</u>	2 - Medium	1 - Low	Corporate Resources	Sue Heath
Low (2)	CP13	<u>Safeguarding</u>	2 - Medium	1 - Low	Corporate Resources	Rebecca Hewitt
Low (2)	CP07	<u>Failure to Collect or Loss of Income</u>	2 - Medium	1 - Low	Corporate Resources	Sue Heath
Low (2)	CP11	<u>Breach of Code of Conduct by Members</u>	2 - Medium	1 - Low	Corporate Resources	Paul Woodhead
Low (2)	CP08	<u>Future proofing the workforce (was Failure to Improve Staff Capability and Capacity)</u>	2 - Medium	1 - Low	Corporate Resources	Tim Slater
Low (2)	ST26	<u>Poor Public Relations Management</u>	1 - Low	2 - Medium	Strategic Direction	Julia Hulland
Low (2)	ST24	<u>Finance - Breach of Financial Instructions & Contract Rules</u>	1 - Low	2 - Medium	Corporate Resources	Gordon Bryant, Martin Flitcroft, Philip Shears
Low (2)	ST31	<u>Climate Change - the impact of not reducing our energy use and contribution to CO2 emissions</u>	2 - Medium	1 - Low	Waste Management and Environmental Health	William Elliott, Richard Rainbow
Low (2)	ST09	<u>Inadequately prepared to manage the impacts of a major emergency in the District</u>	2 - Medium	1 - Low	Waste Management and Environmental Health	David Eaton
Low (2)	ST28	<u>Major damage to our physical premises and/or working environment</u>	2 - Medium	1 - Low	Corporate Resources	David Eaton

Risk status report for AS

Risks						
Status	Code	Title	Risk Impact	Risk Likelihood	Executive Member	Risk Responsible Officer
Low (2)	ST41	<u>Local Plan - Planned Development Delayed or Not Happening</u>	2 - Medium	1 - Low	Planning	Alex Lessware, Helen Williams
Low (2)	CP14	<u>Non-compliance with Data Protection Legislation</u>	2 - Medium	1 - Low	Corporate Resources	Sue Heath
Low (1)	CP05	<u>Contractor Poor Performance/Failure</u>	1 - Low	1 - Low	Corporate Resources	Rosie Wilson

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**Teignbridge District Council
Audit Committee
17 December 2025
Part 1**

**REGULATION OF INVESTIGATORY POWERS ACT (RIPA)
Annual Monitoring Report**

Purpose of Report

- To advise members of any instances in which the Council has used its powers under RIPA.

Recommendation(s)

The Audit Committee is recommended to note the report

Financial Implications

None.

Legal Implications

None. The Council is meeting its statutory duty to maintain RIPA procedures and report on its use of the powers.

Risk Assessment

The risks of breaching the RIPA are very low as the Council does not typically carry out investigations within the scope of RIPA.

Environmental / Climate Change Implications

None.

Report Author

Sue Heath – Audit & Information Governance Manager

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Executive Member

Councillor John Parrott – Executive Member for Resources

1. INTRODUCTION / BACKGROUND

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use and methods of surveillance carried out by public bodies. The Investigatory Powers Commissioner's Office (IPCO) is responsible for the oversight of covert surveillance by public authorities in the UK.
- 1.2 Local authorities, including Teignbridge, are permitted to use powers conveyed by RIPA to 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). A strict criteria and authorisation process is in place to ensure such surveillance is necessary and proportionate. This includes seeking judicial approval from a magistrate.
- 1.3 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.
- 1.4 In accordance with the RIPA Code of Practice we must nevertheless, remain "RIPA ready" by maintaining internal procedures, should the situation change and the need for surveillance arise. These internal procedures also guard against the risk of officers straying into the territory of directed surveillance unintentionally.
- 1.5 The RIPA Code of Practice also requires us to report annually to members on the Council's RIPA activity.

2. RECOMMENDATION and CONCLUSION

Members are asked to note that the powers of surveillance available to the Council under the Regulation of Investigatory Powers Act 2000 RIPA **have not been exercised** during the current reporting year 2025, (and during all years since 2014).

4. GROUPS CONSULTED

Not applicable.

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

Not applicable.

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**Teignbridge District Council
Audit Committee
17 December 2025
Part 1**

GOVERNANCE IMPROVEMENT PLANS

Purpose of Report

- To give members of the Audit Committee an overview of progress against recommendations to improve governance.

Recommendation(s)

The Audit Committee is recommended to note the report.

Financial Implications

There have been a number of minor financial implications e.g. an extension to the Member and Officer training programme, bringing in the Centre for Governance and Scrutiny to review the Constitution, and appointment of an independent member for the audit committee. All are considered relatively low value and necessary to achieve intended improvement.

Legal Implications

There are no Legal implications related to approving the Action Plan. However, it should be noted that the actions within the plan contain several activities relating to changes to the Council's Constitution.

Risk Assessment

Failure to improve governance could increase the likelihood of ineffective decision making, and ability to deliver quality services. It could also have reputational impacts and may lead to future scrutiny of the effectiveness of governance and performance at the Council.

Environmental / Climate Change Implications

No direct implications.

Report Author

Sue Heath – Audit & Information Governance Manager
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Email: sue.heath@teignbridge.gov.uk

Executive Member

Cllr Richard Keeling – Leader of the Council

1. INTRODUCTION / BACKGROUND

- 1.1 Implementation of recommendations aimed at improving governance have been ongoing since an initial Corporate Peer Review was undertaken by the Local Government Association in January 2024. The action plan arising from this was approved by Council on 29 October 2024 and reviewed by the Peers during a follow up visit to the Council in February 2025.
- 1.2 The Council's governance has also been monitored by the Centre for Governance and Scrutiny (CfGS) and the Council's external auditor, Grant Thornton. The external audit resulted in 6 statutory recommendations [approved by the Audit Committee](#) on 13 February 2025 and full Council 25 February 2025.
- 1.3 The Council's [Annual Governance Statement 2023-2024](#) also includes a number of governance improvements.
- 1.4 Consolidated improvement actions from all of the above reviews and their current status is shown in the table below.

2. CONCLUSION & RECOMMENDATION

Good progress is being made. Members are recommended to note the report.

3. GROUPS CONSULTED

Not applicable.

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

Not applicable.

Peer Review Action Plan

Theme: Relationships			
Action	Measure	Lead officer / member	Timescale
Senior Officer Availability for Group Meetings	Senior Leadership and Senior Management Team officers will be available to attend meetings with the Council's various political groups to discuss and advise on relevant topics on council agendas, questions and topic areas identified in advance.	Senior Leadership Team, Group Leaders	On request (SLT meet with Group Leaders monthly)

Theme: Constitution			
Action	Measure	Lead officer / member	Timescale
Defining strategic roles and responsibilities 1 1 1	<p>Develop an Executive Members / Strategic Leadership Team charter that clarifies respective roles, responsibilities and commitments and embeds this into the Council's constitution. Establish role profiles for Executive Members, clarifying their duties and accountability, including communicating relevant information throughout the Council.</p> <p><u>Update April 2025:</u> This is being addressed through the Centre for Governance and Scrutiny Working Group. Amendments to the constitution were postponed from the February 2025 Full Council to be added to the agenda for the Annual Council meeting in May 2025.</p> <p><u>Update Sept 2025:</u> Ongoing - the Role Profiles element was started and discussed in the working group, but due to go back to the working group on 25th September for further discussion.</p> <p><u>Update Oct 2025:</u> Ongoing - the Role Profiles element was started and discussed in the working group, but due to go back to the working group on 6th November for further discussion.</p> <p><u>Update December 2025:</u> Draft Role Profiles have been created for a range of Member Roles (Councillor, Leader, Deputy Leader, Executive Member, Chair of the Council, Vice Chair of the Council, Committee Chairs, Group Leaders, Shadow Executive Members) and due to return to the working group on 18th December. The draft role profiles have been shared with the respective Members for comment.</p>	Managing Director / Leader	December 2024

Governance and Constitution Review	<p>Having completed the first stage review with the Centre for Governance and Scrutiny, a task and finish group has been created to review and recommend to Full Council, amendments and changes to the constitution.</p> <p><u>Update April 2025:</u> Amendments to the constitution were postponed from the February 2025 Full Council to be added to the agenda for the Annual Council meeting in May 2025.</p> <p><u>Update Sept 2025:</u> The first stage of work has been completed and a number of changes to the Constitution were agreed by Full Council in May 2025. SLT agreed another stage of work with CFGS which is due to begin in September 2025 with the working group for this meeting every 3 weeks. The Democratic Services Team Leader / Deputy Monitoring Officer, is working through the Constitution and making minor amendments which in accordance with the scheme of delegation.</p> <p><u>Update Oct 2025:</u> The Constitution Review Working Group has begun its second commission and will continue to meet every 3 weeks. Minor amendments have been made to the Constitution and are awaiting publication, which should be imminent.</p> <p><u>Update December 2025:</u> The working group continues to meet every 3 weeks, with expected changes to the Constitution to be agreed at the Full Council meeting in January 2026 based on their work and agreed proposals. An updated Constitution has been published (October 2025) to cover minor amendments and previous changes ratified by Full Council in May 2025 and July 2025.</p>	Monitoring Officer / Leader	July 2025
Decision making flow-chart	<p>Linked to the constitution review, update website with a simple explanation on how council decisions are made. This information should be accessible to councillors, officers, stakeholders, businesses and residents and act as an index that also leads to more detailed information (e.g. links to constitution sections).</p> <p><u>Update April 2025:</u> This task will be allocated to the recently appointed Democratic Services Team Leader and Monitoring Officer.</p> <p><u>Update Sept 2025:</u> Completed 22.8.25 <u>How we make decisions - Teignbridge District Council</u></p> <p><u>Update December 2025:</u> An updated internal guidance document on the Decision-Making Process and an updated guide to writing Committee reports have been created and shared with Staff in November 2025 via the Staff Newsletter.</p>	Democratic Service Team Leader	March 2025

Theme: Council Strategy and Partnerships			
Action	Measure	Lead officer / member	Timescale
113 Adopt and implement a new 'One Teignbridge' Council Strategy	<p>Following engagement with the community and partners in shaping the Council Strategy, the Council will adopt the strategy and accompanying action plan that sets out priorities and key actions over the life of the Strategy.</p> <p><u>Update April 2025:</u> The One Teignbridge Council Strategy was formally adopted on the 14th Jan 2025. Working groups are now meeting based around the five themes to develop the Action Plan.</p> <p><u>Update Sept 2025:</u> We have met with various partners, elected Councillors, staff members and community groups to agree priority actions for our Action Plan. The final Action Plan will be taken to Full Council in October 2025 to ask approval for adoption.</p> <p><u>Update Oct 2025:</u> One Teignbridge Strategy Action Plan due for approval at Full Council on 23rd October 2025.</p> <p><u>Update December 2025:</u> One Teignbridge Action Plan adopted at Full Council on 23.10.25. The Action Plan is now being rolled out with performance monitoring to be linked to the new KPIs from Q3 2025/26.</p>	Director of Place / Head of Partnerships and Strategy	January 2025
Refresh Council Strategy Performance and Risk Monitoring Framework	<p>Overhaul existing Council Strategy monitoring processes and systems to streamline reporting of key progress indicators and ensure that budget considerations are at the forefront of planning and implementation. Our monitoring framework will also monitor ongoing customer needs and community feedback, so that it can be used to help inform Partnership Board recommendations and Council Strategy Action Plan decisions.</p> <p><u>Update April 2025:</u> The One Teignbridge Council Strategy Action Plan will define new performance indicators and involve the creation of an easily accessible monitoring system through PowerBI.</p> <p><u>Update Sept 2025:</u> Performance indicators have been proposed which align with the new Local Government Outcomes Framework and other national reporting, to allow comparison between TDC and partner authorities. These will be reported through interactive PowerBI dashboards, presented to the Council Strategy Working Group for review, and brought before Full Council in October 2025.</p>	Director of Place / Head of Partnerships and Strategy	July 2025

	<i><u>Update December 2025:</u> Updated performance indicators have been included within the Action Plan, aligned to the identified projects. Reporting on this new performance monitoring framework will take place from Q3 2025/26.</i>		
114 Ongoing engagement with Town and Parish Councils	<p>An ongoing programme of communication involving detailed workshops on key issues like town planning to build trust, cooperation, and community involvement. This work will involve understanding one another's priorities and potentially co-creating a charter for mutually beneficial working relationships.</p> <p><i><u>Update April 2025:</u> Development of this charter has been delayed by staff absence within DALC, but work is ongoing to develop this charter by bringing together a working group of representative Town and Parish councils. Representative Town and Parish Councils have been invited to join the One Teignbridge Council Strategy Action Group, and the Head of Development Management has organised a series of Planning Workshops for Town and Parish Councils.</i></p> <p><i><u>Update Sept 2025:</u> A Town and Parish Council Working Agreement is due to come to the Executive on 7th October for approval.</i></p> <p><i><u>Update December 2025:</u> A Town and Parish Council Charter was approved by Executive on 02.12.25. For rollout, Devon Association of Local Councils will share this with the Town and Parish Councils, while officers in the Strategy and Partnerships service will arrange communications to officers and wider members on the charter, process, and implications.</i></p>	Director of Place / Head of Partnerships and Strategy	On-going

Theme: Functioning authority			
Action	Measure	Lead officer / member	Timescale
Appoint Opposition Overview and Scrutiny Chairs	<p>Appoint a chair and vice-chair from opposition political parties to Overview and Scrutiny Committee to foster greater transparency and fairness.</p> <p><i><u>Update Sept 2025:</u> Completed May 2025.</i></p>	Leader	May 2025

Routine briefings ahead of complex decisions	Continue specialist officer briefings for councillors ahead of all complex (determined by the relevant Executive Member/s) committee decisions and provide updates and (ordinarily) annual refresher sessions throughout long-term project implementation (like Modern 25) or decision-making phases, including reminders about previous council decisions. <i><u>Update Sept 2025:</u> A number of these have taken place or are scheduled e.g. Public Conveniences, Local Govt Review, Planning, Migration and Refugees.</i> <i><u>Update December 2025:</u></i> Continued as part of business as usual for updates on upcoming decisions, project implementation or to update Members on urgent issues.	Lead officers will vary per theme	Ad hoc
Centralised Record of Council Decisions	Enhance or replace existing systems into a centralised and searchable repository of all council decisions and subsequent progress with projects. This will ensure transparency, accountability and easy access to up to date information for councillors, officers and members of the public. <i><u>Update April 2025:</u> This task will be allocated to the recently appointed Democratic Services Team Leader and Monitoring Officer.</i> <i><u>Update Sept 2025:</u> This has now been implemented.</i> <i><u>Update December 2025:</u> This has now been implemented and Democratic Services have embedded recording decisions in Modern.Gov to keep the centralised record updated. Further work to embed the recording of Officer decisions with SMT is ongoing.</i>	Democratic Service Team Leader	April 2025
Essential Officer Training	Implement and maintain an ongoing programme of officer training centred on the council constitution; officer/member protocol; and ensuring timely and effective communication with councillors, town and parish councillors and other key partners. <i><u>Update April 2025:</u> A training session run by DALC on working with Town and Parish Councils has been arranged for officers in April 2025.</i> <i><u>Update Sept 2025:</u> The Democratic Services Team Leader / Deputy Monitoring Officer is available for support as and when required.</i> <i><u>Update December 2025:</u> As above</i>	Head of Human Resources and Organisational Development	April 2025

Establish an Invest to Save Budget	<p>Bring forward a medium-term financial plan and annual budget with an 'Invest to Save' provision that grows to at least £500,000, enabling us to allocate resources to delivering long-term efficiencies.</p> <p><i>Update April 2025: This was agreed at the 2025 budget meeting: £400,000 was already identified at 31 March 2024, planned to increase again to £500,000 at 31 March 2025.</i></p> <p><i>Update Sept 2025: The closing of the accounts 24-25 incorporated an increase in reserves to £500k.</i></p>	Director of Corporate	February 2025
<div>116</div> Introduce a new modern finance system	<p>Retain sufficient staff resources to ensure delivery of the project, with dedicated project managers at both Teignbridge District Council and Strata.</p> <p><i>Update April 2025: Additional Project Management resource has been approved and hiring processes are being completed with expected start dates in May 2025.</i></p> <p><i>Update Sept 2025: Due to difficulties in implementation experienced by all three councils, a decision has been made to cease further work on the project and realign resources to improving the existing FMS system until May 2026 when we will have better information around who our LGR partners will be.</i></p>	Director of Corporate	May 2026

Grant Thornton – Auditor’s Annual Report for the year ended 31 March 2024

Statutory Recommendations:

Recommendation Feb 2025	Council Response Feb 2025	Update Sept 2025	Update December 2025
SR1. Appoint a suitably qualified expert to investigate the underlying causes of member behaviours which contravene standards and develop an action plan to enable members and officers to address these issues.	The Council has commissioned the CfGS to conduct reviews and are working with them to review the constitution. Members of the administration have had workshops with officers to improve the working relationship and clarify roles.	Hoey Ainscough Associates have been appointed. Arranging an officer / member survey and in-person meetings scheduled for mid October.	Hoey Ainscough and Associates ran a survey and completed 2.5 days of interviews over 14-16 th October. Hoey Ainscough and Associates met with Statutory Officers on 2 nd December to present the findings and recommendations, before an All Member session on 15 th January 2025 before Full Council.
SR2. Adopt a zero-tolerance approach to any swearing, lack of respect for others, or other abusive behaviour using full procedural rules.	Agreed. Support and training is given to chairs and members but there is a lack of support from councillors across the chamber to address this behaviour in meetings.	Ongoing - the Monitoring Officer is supporting chairs of meetings. New member strategy has been approved by SLT which includes mandatory chair training.	Code of Conduct and Standards Training was delivered in November 2025 for all Councillors – 20 Members attended. Members rated the session 4.8/5 in their feedback. Meeting Procedures/Chair’s training is planned for the New Year.
SR3. Consider amendments to the constitution to extend those procedural rules from to all meetings of committees of the Council and amend the Member Code of Conduct to include an obligation for all members to reinforce standards of behaviour and to support the Chair of the Council and chairs of committees in their use of procedure rules to ensure proper conduct. Group Leaders should model good behaviour and discipline	The Council has adopted the LGA model code and as stated above Chairs receive specific training.	Procedure rules apply to all meetings. Further review of the Code of Conduct will be undertaken when the pending new Government guidance is released, in line with recommendation from the CfGS. The Group Leader role profile is to be discussed 25 th September 2025 at a working group meeting.	Role Profiles for a range of roles (All Members, Leader, Deputy Leader, Exec Member, Committee Chair, Chair of Council, Vice Chair of Council, Group Leaders, Shadow Exec Members) considered at Constitution Working Group and drafted at meeting on 26 th November, expecting agreement at next meeting in mid-December.

members of their groups whose behaviour breaches the Code of Conduct and the member / officer protocol.			<p>Working Group also monitor the practical workings of the meetings procedures and have requested to review amendments procedure, notices of motion and public participation rules.</p> <p>Constitution “cheat sheet” of common issues created and attached to Chair’s Briefing notes as an aide memoir.</p>
<p>SR4. Continue to provide information and support to ensure that members and officers who are subjected to aggressive and abusive behaviour from individual members can, if they wish, submit a written complaint to the Monitoring Officer immediately, so that it can be dealt with under the Council’s Standards procedures.</p>	Members and officers are aware of the process to raise a Standards complaint and are supported to do so.	Ongoing.	<p>Ongoing via the Acting Monitoring Officer and Authorised Officer.</p> <p>Additional guidance – Arrangements for Dealing with Standards Complaints agreed by Governance Committee to support our work in dealing with complaints.</p> <p>New Councillor Conduct website to provide information to Members and the public: Councillor Conduct - Teignbridge District Council</p>
<p>SR5. Ensure that Group Leaders take responsibility for their members working collaboratively with officers and for their members improving behaviours and relationships.</p>	Agreed.	Noted and part of role profile.	Explicit in proposed role profile for Group Leaders.

SR6. Review membership of the Standards Committee, with only members who have an excellent behavioural track record being eligible to join it. Meetings should then resume. A Governance Committee should be introduced to reinforce the work of the Standards Committee. Governance Committee members must also have an unblemished behavioural track record.	Agreed.	Completed. Governance Committee approved at Council 29 th July 2025.	Governance Committee is now meeting quarterly and these dates are booked into the meeting calendar. Regular items include an update on Code of Conduct complaints, Member Training and the work of the Constitution Working Group.
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Key Recommendations:

Recommendation Feb 2025	Council Response Feb 2025	Update Sept 2025	Update December 2025
KR1. Members do not always understand which aspects of Council business they do or do not have access to by law. Members need to be clear about what they can and can not have access to. The Constitution outlines matters for meetings that members of the public are excluded from ("Part 2 meetings"). Where Part 2 meetings are used, all present should adhere to the legal confidentiality requirements of Part 2 meetings.	Noted and agreed. Officers will continue to work with Members to reiterate the importance of aspects of confidentiality and Part 2 meetings.	Members are made aware and breaches will be dealt with as a Code of Conduct issue.	Completed .
KR2. The Council should review arrangements around declarations of interest and investigations. An internal audit of interests should be arranged.	Noted. We will review and audit as part of our annual audit plan.	The Internal Audit review is currently in progress.	Completed. Internal audit final report issued 14 October 25 and recommendations due to be completed by December 2025.
KR3. Decision making arrangements at Executive Committee and Full Council level should be reviewed and, where necessary, strengthened. The planned	Agreed. We are currently progressing a decision flow chart.	In progress – in Monitoring Officer work plan.	Decision Making Guidance and flow chart for officers circulated to promote better understanding of the function of Full Council,

decision flowchart should be completed.			Executive, Overview and Scrutiny, etc. Democratic Services Manager works with officers to determine the correct route for any decisions/proposals.
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Improvement Recommendations:

Recommendation Feb 2025	Council Response Feb 2025	Update Sept 2025	Update December 2025
IR1. Peer Review Action Plan from 29/10/24 to be implemented and monitored.	Noted. This work is being revisited as part of the CFGS Working Group's agreed work programme.	See above.	See above.
IR2. The Council should continue with its return to Audit and Scrutiny Committee reviewing the risk register twice a year. 120	Agreed. This is being implemented within the work programme.	Completed.	Clarified with Grant Thornton this relates to the Audit Committee only. Overview and Scrutiny reviewed the risk register as part of their overall review of management information when compiling their Work Programme.
IR3. The Council should review the constitution to bring ToR of the Audit Scrutiny Committee into CIPFA best practice, including co-option of external independent member, election of opposition/independent chair, and renamed to remove term 'Scrutiny'.	The Constitution is being reviewed as part of the work with the CfGS. Independent member – remuneration agreed and job description / advertisement are ready to go.	Completed. Full Council agreed updated TOR and renaming 29 th July 2025. Independent member has been appointed.	Completed.
IR4. The Council should recognise good practice and consider the election of an opposition of independent member as chair of O&S	Agreed. The Council recognises what is generally considered to be best practice whereby an opposition member or independent is appointed as chair of O&S and	Not implemented.	Not implemented.

	consideration has been given to that. However, it also recognises it is guidance and the importance of having the right person in that role.		
IR5. The Council should continue to monitor progress with implementing a new finance system.	Agreed.	See above Peer Review comment – this project is now on hold pending LGR.	Project on hold.
IR6. Draft accounts for 24/25 should be published in line with statutory deadline, support by comprehensive set of working papers and capacity to support an audit to completion. 121	Noted. Out timetable for 24/25 closedown works towards these revised dates. We are progressing sufficient staffing resources and will look to negotiate an external audit that takes place in a timely manner that doesn't clash with other key work or priorities.	Completed. (Stat deadline exceeded by 4 days).	Completed.
IR7. The Council should seek to reduce its dependency on the Funding Reserve to close budget gaps, then stabilise its reserves over the medium term.	Agreed.	Modern 25 programme and Business Plan savings are ongoing.	The Council is developing the 26/27 budgets with successfully implemented savings built in for the first time. This and the funding review will soon allow us to assess how far we have come in closing the budget gap.
IR8. Maintain the arrangements now in place so that performance on non-major planning applications remains above the government's minimum target.	Agreed. The Council has implemented processes to maintain the current high level of performance. These arrangements are currently working well.	Completed. Performance remains above target: 94.3% of decision are within timescale for the year to date 29 August.	Completed.

Annual Governance Statement 2024-2025 Improvement Actions (ongoing)

Issue	Planned Action	Update October 2025	Update December 2025
<p><u>Financial Sustainability</u></p> <p>The risk of future financial sustainability remains due to high inflation having an impact on business cases, relatively high interest rates, and low growth. Ongoing uncertainty around future levels of government funding also cause concern.</p> <p>It is recognised that there is a significant deficit in our Medium Term Financial Plan (MTFP). Consultants “Ignite” were appointed to assist us in developing a new operating model for the Council. This has now become the Council’s Modern 25 Programme which aims to deliver a proportion of the required savings.</p> <p>We have also updated our Strategic Asset Management Plan, following officer and members workshops, which will provide direction and clarity in the way we manage our land and buildings.</p>	<p>The Chief Financial Officer will continue to produce frequent analysis of the financial position and update the Strategic Leadership Team.</p> <p>Our Modernisation Programme M25, is ongoing with the aim of addressing the anticipated shortfalls. A re-structure of the Council’s Management Team has been completed in order to realign the management structure to the target operating model.</p> <p>A Task and Finish Group was instigated by the Overview and Scrutiny Committee to review the Medium Term Financial Plan with a view to closing the future predicted budget gap. This work will continue in 2025. Further detailed information is included in our Financial Plan.</p>	<p>The MTFP Review Group continues it’s work of reviewing service provision and charging with a view to identify savings.</p> <p>Savings from business plans are being identified and are being fed in to the budget setting process.</p> <p>We eagerly await the settlement from central government. We have modelled and assumed figures, but a big step towards understanding the future budget gap will be receiving actual numbers, hopefully before Christmas.</p>	<p>The MTFP Task Group made recommendations to Overview and Scrutiny on 11th November which were considered by the Executive on 2nd December.</p> <p>This shows the cross-party support for making the tough decisions necessary for bringing the council’s budget back into balance.</p>

Member and Officer roles and relationships

Good working relationships are crucial to good governance. The Council continued to experience challenges in this area during 2024/2025 resulting in [Statutory Recommendations](#) from external audit.

The Centre for Governance and Scrutiny (CfGS) were previously commissioned to review officer/member roles and responsibilities, including consideration of values, behaviours, and ethical issues, and the constitutional provisions supporting these.

The Peer Review completed in January 2024 had also made recommendations around enhancing communication and collaboration, strengthening trust and moral, and implementing methods for effective decision making. An action plan was subsequently agreed and submitted to full Council.

A new Member and Officer protocol was developed and agreed in July 2024, however the Constitution review remains a work in progress.

Work is ongoing to implement the recommendations from all independent reviews, particularly in respect of the Statutory Recommendations. Key actions remaining to be addressed in 2025-26 include:

- Commissioning a suitably qualified expert to investigate the underlying causes of member behaviours.
- Completing the Constitution Review. Workshops have previously been held on various topics and feedback from these will be used to inform a revised Constitution combined with the Statutory Recommendations. This will include review of the terms of reference of the Audit Scrutiny Committee, in accordance with CIPFA guidance.
- Continuing the enhanced member training programme.
- The Council's Corporate Governance Group and the Audit Committee continue to monitor the action plans.

Work has continued to implement the recommendations across all reviews and build better working relationships between Officers and Members:

- Hoey Ainscough and Associates have completed interviews relating to the Member Conduct Review. The final report is due to be presented at an All Member Briefing in December 2025.
- The Constitution Review Working Group has been commissioned for a second tranche of work and will meet every 3 weeks.
- A Member Development Strategy was approved at the Governance Committee on 2nd October 2025.
- The Council's Corporate Governance Group and the Audit Committee will continue to monitor the governance improvement action plans.

Work is continuing to improve Member and Officer relations. Anecdotally, Members from across all Groups have recognised the improving relationships between Members and between Members and Officers.

Hoey Ainscough and Associates will now present findings in January 2025.

<p><u>Cyber Security and Resilience , and use of Artificial Intelligence (AI)</u></p> <p>External cyber attack is an ever present threat and although we have mitigations in place to protect our infrastructure and systems, there is a continuing need to ensure we are in a state of preparedness.</p> <p>We are carefully exploring the use of certain AI technologies due to the potential benefits these may provide, whilst being mindful of the risks and challenges of doing so responsibly. All staff involved in AI trials have signed up to our AI policy setting out guidelines and their obligations to comply.</p>	<p>The Corporate Business Continuity Plan has been adopted by the Strategic Leadership Team (SLT).</p> <p>Service level plans have been produced by the 12 Heads of Service and have been reviewed by SLT.</p> <p>Heads of Service are currently enhancing cyber security content and a cyber security exercise is scheduled to test the adequacy of the corporate and service level plans. This will also include a test of the draft Strata disaster recovery and cyber incident response plans.</p>	<p>Following the review of service level plans by SLT, the requested health checks are being undertaken by the Emergency Planning and Business Continuity Officer and these are ongoing – it is planned to complete them by end of December 2025.</p> <p>A workshop exercise was carried out in September 2025 based on a simulated power outage. This tested how well Officers responded with limited connectivity.</p>	
<p><u>Planning Performance</u></p> <p>Our Planning service was under threat of being placed in special measures by the Department for Homes, Communities and Local Government (DHLUC) in December 2023 due to poor performance processing non major planning applications. Our compliance rate was 68.53% against a government target of 70%.</p>	<p>Following improvements in the Development Management service and confirmation in October 2024 that the service was no longer under the threat of designation, we have continued to work through our submitted action plan to ensure sustainable changes continue to be embedded and we have continued to reduce our dependency on temporary resources with successful recruitment into planning officer positions and a new team manager in addition to a new Head of Service.</p>	<p>Closed out / completed</p>	<p>Closed out / completed</p>

We continue to streamline our processes. Performance reports are produced in real time and used to drive performance. Training has been increased, including a town and parish forum, and in summer we will be hosting our first developer forum to help build our relationships with developers in order to improve our housing delivery.

Our next focus is on the pre-application part of the process to drive better quality developments through early, constructive dialogue. This will reduce pressures in the application process and provide greater confidence in the Council.

Government changed the performance indicator from a two year rolling figure to a one year figure. We currently stand a 96% on time or within extension of time (EOT) for non-major applications against a target of 70%. We also continue to reduce our reliance on EOT agreements quarter on quarter with more being determined within the statutory 8 week target.

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Teignbridge District Council

Audit Scrutiny

17 December 2025

Part 1

INTERNAL AUDIT PROGRESS REPORT

Purpose of Report

To advise the internal audit work completed and progress against the audit plan.

Recommendation(s)

The Audit Scrutiny Committee is recommended to note the report.

Financial Implications

None. The internal audit service is within budget.

Legal Implications

None. The Council is meeting its statutory duty to undertake an internal audit in accordance with the Accounts and Audit Regulations.

Risk Assessment

Risks are taken into account when planning internal audit work.

Environmental / Climate Change Implications

None.

Report Author

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Executive Member

Councillor John Parrot – Executive Member for Corporate Resources

1. INTRODUCTION / BACKGROUND

- 1.1 Internal audit provides an independent opinion on the Council's risk management, internal control and governance arrangements. A [plan of audit work](#) was approved by members in June 2025. Progress against the plan and results of completed audits is monitored by the Audit Committee.

2. AUDIT PLAN PROGRESS 2024-2025

SYSTEM	STATUS	ASSURANCE
<u>Core Financial Systems</u>		
Payroll	Jan/Feb 2026	-
Main Accounting / Budgetary Control	Q4	-
Housing Benefit / Council Tax Support	Q4	-
<u>Other Systems / Projects</u>		
Resorts	Completed	Reasonable
Declarations of Interest	Completed	Reasonable
Pest Control	Completed	Reasonable
Car Loans	Completed	Reasonable
Parking (Notice to Owners review)	Completed	Reasonable
Housing – Temporary Accommodation	Q4	-
Housing – Finance	Q4	-
Business Continuity (Follow Up)	Q4	-
Teignbridge Services Workshops	Q4	-
Enforcement	Q4	-
Green Spaces	Q4	-
Planning – Fees and Income	Q4	-
Self Build Register and Compliance	Q4	-
Major Projects	Q4	-
Data Protection	Q4	-
Licensing	Feb/Mar 2026	-
Risk Management	Jan/Feb 2026	-
Ombudsman Complaint Code	April 2026	-
National Fraud Initiative	Ongoing	-
Fraud Risk Analysis	Ongoing	-
Governance	Ongoing	-

2.2 The Assurance Opinion descriptions for the work listed above are as follows:

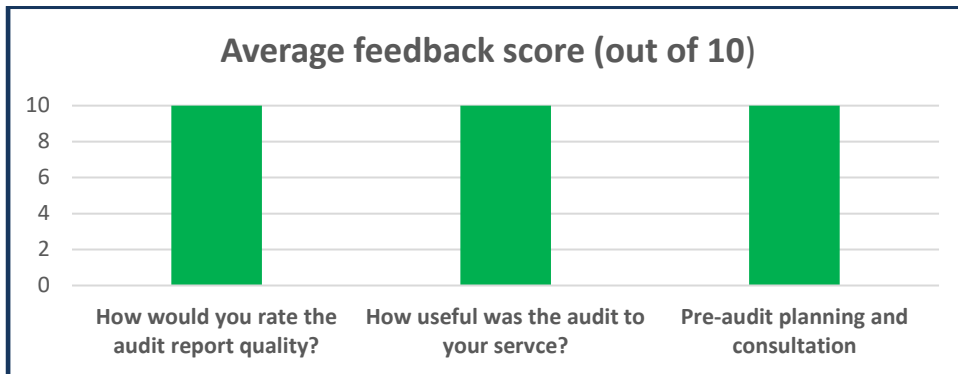
Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management 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.

2.3 In addition to the planned audits above, we remain involved in the Covid-19 business support grant work having referred another case to the Department for Business and Trade (DBT) for non-payment of an agreed recovery repayment plan, together with the evidence (awaiting outcome). We have completed the DBT return summarising the current position of any outstanding Covid-19 Business Support Grant repayments giving details of repayments and debt referrals already submitted

2.4 Follow up checks on all completed audits are undertaken to review progress with action plans agreed during the original audit. These are included in the summary below. Progress with these is also monitored by the Council's Corporate Governance Group.

3. Audit Quality

A short satisfaction survey is issued to service managers on the completion of each audit. Maximum scores have been received for all completed audits when asked for their views on the following areas:



3. CONCLUSION

The 5 completed audits have provided reasonable assurance that there are reliable controls operating. The remainder are planned to commence in Q4 pending agreement of timing and terms of reference with service managers.

Members are recommended to note the report.

Internal Audit Findings Summary - 17 December 2025

PROJECT TITLE	SUMMARY
Resorts Audit Opinion: Reasonable Assurance	<p>The Resorts team are responsible for the supervision and management of beaches and resort grounds within the control of the council. This work includes beach and resort cleaning, safety management, inspections and first aid provision to keep visitors safe, as well as the management of golf facilities, working with RNLI lifeguards and operating a public office seven days a week.</p> <p>There is a five-year RNLI lifeguard provision contract in place to patrol Teignmouth and Dawlish Warren beaches in the summer. Information is available on the council's beach webpages of when the lifeguards are patrolling (May to September, seven days per week) and a link to the Environment Agency's Swimflo website informing of pollution risk forecasts. Bathers can then make informed decisions regarding avoiding times or locations where the risk of pollution is higher than normal. Statutory water quality and RNLI hazard signage is displayed at the designated bathing water sites.</p> <p>The RNLI providing a lifeguard and first aid service acts as a control measure in the resort work based and site risk assessments. These risk assessments also include the beach cleaning, public rescue equipment and scheduled safety inspection regime with compliance evidence of completion. There are safe working procedures for the use of equipment and emergency action plans in place for bathing water quality pollution incidents. In addition, the RNLI carry out risk assessments every five years for Teignmouth and Dawlish Warren beaches which are updated annually. The mitigations include provision of public rescue equipment, signage and providing a lifeguard service.</p> <p>It is essential that the appropriate health and safety training has been completed, and safety workwear provided before new employees commence their work duties. Recommendations have been included to strengthen internal controls around inductions, so seasonal staff receive their induction training within two weeks of employment including completing the mandatory e-Learning modules, as well as receiving role appropriate health and safety training as identified in the resort risk assessments.</p>

PROJECT TITLE	SUMMARY
<p>Car Loans</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The council operates an assisted car purchase scheme which provides car loans to eligible staff. Under the scheme, interest is charged at 1% above the Bank of England base rate and is fixed at the time of the loan for its duration. Monthly repayments are deducted from the employee's salary.</p> <p>The sampling exercise gave the assurance that car loans had been correctly calculated and based on the correct loan period for the age of the vehicle. All had signed agreements detailing the principal loan, monthly repayments and loan period with the correct monthly instalment amount being deducted by salary.</p> <p>It also highlighted some car loan application forms not being authorised by a service manager, however, all advances were approved by the Director for Corporate Services before payment. Sampling also found some instances of missing supporting documents such as sales invoices and insurance information and two anomalies on interpretation of scheme conditions e.g %age of loan to salary ratio.</p> <p>Most car loans are repaid in full when employees leave the council as per the Financial Instructions, but some cases have been set up as a sundry debtor arrangement to continue with monthly repayments (currently nine cases). This is for the principal loan only, interest for the loan period should be included.</p> <p>Recommendations included for a cost benefit / risk analysis to be completed to inform the Strategic Leadership Team if the current car loan scheme is still financially viable for the council. If continuing with the scheme, for a council car loan policy to be introduced clarifying the criteria. Also, to review the car loan agreement to ensure it is robust including measures to recoup any outstanding debts if an employee is unable to pay their debt.</p>
<p>Members Declaration of Interests</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The council's members code of conduct requires all members to provide a record of their interests in a public register and declare any interest in any matter being discussed at meeting, not participate in any discussion or vote on the matter and not remain in the room unless granted a dispensation.</p>

PROJECT TITLE	SUMMARY
	<p>Disclosable pecuniary interests and other registrable interests (e.g. membership of outside bodies) must be registered within 28 days of taking office, and for any new interest or change to a registered interest declared within 28 days of awareness. Failure to register or disclose a disclosable pecuniary interest is a criminal offence under the Localism Act 2011.</p> <p>The sampling exercise gave the assurance that the register of interests for each member is published on the council's website. These were completed within 28 days of taking office or being re-elected, however, several registers of interests have not been updated since. It highlighted that some members are not including appointments to outside bodies, and being part of a parish, town or county council within their register of interests. Furthermore, 30% of the sampled cases withheld their home addresses to be published under s.32 of the Localism Act 2011, however, addresses were still shown under s. 4 'Land' in their registers which should have been redacted.</p> <p>Sampling of committee meeting records assured us that declarations of interests are being made at meetings and on comparison to the contents within the members current register of interests no further declarations should have been made. It did highlight that where an interest is declared and not already included in the members register of interests this should be updated within 28 days of the meeting. Additional sampling of previous committee meetings highlighted a minority of members declaring a prejudicial interest but continuing to speak and remain in committee meetings (this may be seen as bias even though resolved as a majority vote), others took no part in the discussion and abstained from voting but remained present (should not observe the vote) or left the meeting at the start of the agenda item.</p> <p>Recommendations included for the Democratic Services Manager to arrange additional training on non-participation in committee meetings when declaring a prejudicial interest; refresher training on the importance of keeping register of interests up to date; completion of an annual review following up on any anomalies and to redact sensitive interests; to raise awareness of the need to update the register within 28 days of a declaration at a meeting; inclusion of a link to members guidance on declaring interests and members who have membership of county, town and parish councils within committee meeting agendas. Additionally having a central public register of interests of all members to identify any potential conflicts of interest when Democratic Services officers review agenda items before a council meeting so they can proactively brief members on matters where an interest is evident.</p>

PROJECT TITLE	SUMMARY
<p>Pest Control</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The sampling exercise gave the assurance that each of the service requests submitted to the contractor had been paid for and only related to rats and mice treatment at domestic properties within Teignbridge. Service requests from residents in receipt of council tax reduction were correctly granted a 50% discount. However, it highlighted that £72.00 is still being charged rather than the approved fees and charges for 2025-2026 of £75.00.</p> <p>The cross-referencing exercise gave the assurance that the number and amount of online rat and mice service requests matched the application records shown in the financial management system from 1 April 2025. Two service requests were raised outside of the online facility by directly contacting the Environmental Protection team. One made a telephone payment and the other a sundry debtor payment. Explanations were provided for these, in that it is important not to delay taking action for an infestation.</p> <p>The quality control check made on 28 August 2025 for July highlighted a missed payment for service request 25/05097/ECRATC which was submitted to the contractor on 23 July 2025. A sundry debtor invoice was raised and the resident made payment on 16 September 2025. The VAT was coded incorrectly as 'Outside Scope' rather than 20%. Steps have been taken to correct this isolated error and improvements have also been instigated to include more details in the feed from the Firmstep online service request into the financial management system to show both the reference and full customer name to improve the audit trail and aid reconciliation.</p> <p>The audit gave assurance that service requests submitted to the contractor were actioned within the specification of the contract, for example, the first visit within two working days and revisited within seven days until the resident was satisfied with the outcome.</p> <p>During the audit the Head of Neighbourhoods instigated changes to the website and online Firmstep form to reflect the charge increase to £75.00 and further agreed for the VAT element of the sundry debtor invoice to be reviewed; to ensure telephone service requests are paid in full before being submitted to the contractor; amend the payment reference to include the surname and Firmstep reference number; and consider use of a resident user satisfaction survey to monitor the effectiveness of the pest control service contract.</p>

PROJECT TITLE	SUMMARY
<p>Parking – Notice to Owners</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>As part of its civil parking enforcement duties, the Council issues Penalty Charge Notices (PCNs) to vehicles found in contravention of parking restrictions.</p> <p>When a PCN remains unpaid after 28 days, the Council initiates the next stage of enforcement by issuing a Notice to Owner (NtO). This formal legal document is sent to the registered keeper of the vehicle, as identified through the Driver and Vehicle Licensing Agency (DVLA).</p> <p>The NtO serves two primary purposes:</p> <ul style="list-style-type: none"> • to notify the vehicle owner of the outstanding penalty, and, • to provide the opportunity to either pay the full charge or submit a formal appeal <p>If a representation is submitted, the Council is required to review the case and respond with a decision. Should the representation be rejected, the vehicle owner has the right to escalate the matter to the Traffic Penalty Tribunal, an independent adjudication body. The NtO process is therefore a key control in the PCN process as failure to issue and manage NtOs in line with statutory requirements could result in failure of the parking enforcement function.</p> <p>This audit assessed the effectiveness, compliance and resilience of the NtO process.</p> <p>Findings were positive with a reasonable assurance opinion issued due to the following factors:</p> <ul style="list-style-type: none"> • NtOs are managed in accordance with statutory requirements under the Traffic Management Act 2004 • clear instructions are issued the DVLA used for registered keeper data as expected, and • rejected representations were issued within deadlines with separation of duties between initial challenges and formal representations <p>Recommendations included:</p> <ul style="list-style-type: none"> • Formally documenting or process mapping operational procedures • Mitigating against the single point of failure from one key officer • Regular reviews of user access to the Taranto system • Consideration of quality assurance checks on the NtO process although it is recognised this is dependent on available resources

PROJECT TITLE	SUMMARY
Follow Up Audits The effectiveness of audits is increased if agreed actions are implemented. The audit cycle allows for a follow up check to be made on any important recommendations at an agreed time after each review. Details of recently completed follow ups are shown below. (Please note assurance ratings relate to the original audits and therefore use our previous score system Excellent/ Good/Fair/Poor).	
Business Continuity Audit Opinion: Fair ☆☆	Original audit: March 2025 Followed up: June 2025 and September 2025 3 of the 10 recommendations actioned and implemented. Progress is being made for the remaining seven recommendations. These include enhancing the detail in the service level business continuity plans around cyber security and key suppliers to ensure that contracts include business continuity clauses and business continuity arrangements so delivery of services can continue in a disruptive event. Also, to educate and embed business continuity across the council.
Procurement Audit Opinion: Fair ☆☆	Original audit: April 2025 Followed up: July 2025 and October 2025 5 of the 16 recommendations actioned and implemented. Progress is being made for the remaining eleven recommendations with one partially complete, four ongoing, six outstanding and one a target date of December 2025. These include adding new procurement risks to Spar.net, members briefing on The Procurement Act, creating a new contract management toolkit for procurement champions, produce contract financial information from FMS and bi-annual updates to Audit Committee and SLT.

PROJECT TITLE	SUMMARY
<p>Managing Health and Safety within the Council</p> <p>Audit Opinion: Fair ☆☆</p>	<p>Original audit: May 2024</p> <p>Followed up: August 2024, November 2024, January 2025, July 2025 and November 2025.</p> <p>13 of the 25 recommendations actioned and implemented. Progress is being made for the remaining twelve recommendations which include exploring the functionality of the iTrent learning management module to be used as the central training record for training and qualifications for each employee and having sufficient competent fire risk assessors within the council.</p> <p>Six recommendations are dependent upon the new health and safety management system provided by Evotix (incident reporting, service risk assessments, corporate risk assessment register, completion of display screen equipment (DSE) assessments and maintenance of DSE register) and the lone worker monitoring system provided by Vatrix. Both systems are in the final stages of procurement with STRATA and planned for implementation in Q4 2025/26.</p> <p>Four recommendations continue as ongoing tasks: programme of inspection / audit, fire risk assessments, attendance of service team meetings to raise staff awareness, continuation of health and safety training. Lone worker and personal safety, risk assessments, asbestos awareness and duty to manage training has taken place during November 2025. A HR Learning and Development Coordinator has recently been appointed to facilitate ongoing corporate training.</p>
<p>Purchasing Card</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: September 2024</p> <p>Followed up: April 2025, July 2025 and October 2025</p> <p>4 of the 7 recommendations actioned and implemented. The remaining three recommendations are dependent upon the introduction of virtual cards which were to be implemented by 31 July 2025 but due to other financial priorities and the Principal Technical Accountant leaving the authority on 1 August 2025 this project has been handed over to the Finance Systems and Transaction Manager. A business case is being collated by the Business Transformation Team.</p>

PROJECT TITLE	SUMMARY
Creditors Audit Opinion: Good ☆☆☆	<p>Original audit: April 2025</p> <p>Followed up: October 2025</p> <p>2 of the 3 recommendations actioned and implemented. The remaining one recommendation now has a target date of April 2026 relating to the publishing of Payment Compliance Notices. The government guidance now states contracting authorities will need to publish their first payments compliance notice by 29 April 2026 for the reporting period from 1 October 2025 to 31 March 2026 and continue to do so for each successive reporting period.</p>
Social Media Audit Opinion: Good ☆☆☆	<p>Original audit: June 2025</p> <p>Followed up: September 2025</p> <p>3 of the 5 recommendations actioned and implemented. The remaining two recommendations relate to officers with social media access to sign up to the social media policy which is a mitigation recorded in Spar.net to be completed by 31 December 2025. Also, for a social media recovery plan exercise to take place to ensure it works in practice.</p>
Car Parks Audit Opinion: Good ☆☆☆	<p>Original audit: February 2024</p> <p>Followed up: November 2024, February 2025 and October 2025</p> <p>2 of the 10 recommendations actioned and implemented. Progress is being made for the remaining eight recommendations which relate to ongoing enforcement recovery, a review of the individual car park risk assessments, putting in place written procedures and service level agreements from the outcome of the counting house review and the update of the council's website.</p>
Waste & Recycling Audit Opinion: Good ☆☆☆	<p>Original audit: February 2025</p> <p>Followed up: May 2025 and October 2025</p>

PROJECT TITLE	SUMMARY
	<p>11 of the 17 recommendations actioned and implemented. Progress is being made for the remaining six recommendations. These include the Participation Improvement Project to increase recycling rates. Tenders for work on the new waste transfer station to enable collection of flexible plastics and cartons. Ongoing work to collate a record of all staff training in the absence of a corporate system. Process mapping for missed collections to automate rather than rely on excel spreadsheets. Process mapping complaints with the new proposed complaint system being able to report trend analysis.</p>
<p>Emergency Planning</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: January 2025</p> <p>Followed up: July 2025 and November 2025</p> <p>3 of the 4 recommendations actioned and implemented. The remaining recommendation relates to the review of the mutual aid agreement which has been paused until clarity is provided on the Local Government reorganisation's impact on the Devon Emergency Planning Partnership (DEPP) in early 2026. The Head of Neighbourhoods has confirmed that the current mutual aid agreement is suitable to use in an emergency. Target date of March 2026.</p>

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**Teignbridge District Council
Audit Committee
17 December 2025
Part 1**

FINANCIAL INSTRUCTIONS WAIVERS and CONTRACT RULES EXEMPTIONS

Purpose of Report

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

Recommendation(s)

The Audit Committee resolves to note the report.

Financial Implications

None - advisory report only.

Legal Implications

There are no specific legal implications. The reporting of Exemptions to the Audit Committee is a requirement of the Financial Instructions and Contract Procedure Rules within the Constitution.

Risk Assessment

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

Environmental / Climate Change Implications

None.

Report Author

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Executive Member

Councillor John Parrott – Executive Member for Corporate 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 exempted 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 or exempt them. One of the following criteria must be met:

Financial Instructions waivers:

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

Contract Procedure Rules exemptions:

1	SINGLE SUPPLIERS The public contract concerns the creation or acquisition of a unique work of art or artistic performance. A particular supplier is in possession of intellectual property or other exclusive rights and there are no reasonable alternatives. Absence of competition for technical reasons and provided there are no reasonable alternatives, only a particular supplier can supply the goods, services or works required.
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2	PROTOTYPES AND DEVELOPMENT When procuring a prototype or other novel good or service that is designed or developed at the request of the contracting authority.
3	ADDITIONAL OR REPEAT GOODS, SERVICES OR WORKS Where the contracting authority wishes to buy additional or to partly replace existing goods, services or works which are the same or compatible with existing provisions (both those already supplied or that are contracted to be supplied). A contract has previously been awarded under a competitive tendering procedure and the tender notice or tender documents set out that the intention was to carry out a subsequent procurement of similar goods, services or works by direct award (within 5 years of the contract).
4	COMMODITIES Where goods are purchased on a commodity market. In this case the price and availability are generally driven by demand in the market which means requiring suppliers to tender in the usual manner is unnecessary, not appropriate and may not drive the best outcome for the contracting authority.
5	URGENCY Where the public contract cannot be awarded on the basis of a competitive tendering procedure because the goods, services or works are strictly necessary for reasons of extreme and unavoidable urgency.
6	LEGISLATION Where any Procurement Legislation or other legislation prevents a procurement process being followed
7	INCREASED COSTS / LOSS OF INCOME The Council would incur significant avoidable costs or lose significant income.
8	ADVANTAGEOUS TERMS ON INSOLVENCY The award of the public contract to a particular supplier will ensure terms particularly advantageous to the contracting authority due to the fact that a supplier (whether or not the one to which the contract is to be awarded) is undergoing insolvency proceedings.

3 WAIVERS / EXEMPTIONS

- 3.1 The following waivers and / or exemptions have been processed since the 2 September 2025 monitoring report:

Proposing Officer	Proposal / Reason	Approval
HR Adviser	<p>Financial professional qualification</p> <p>Two members of Finance to progress their professional qualifications through the Chartered Institute of Public Finance (CIPFA) being paid for by the apprenticeship levy.</p> <p>Value: £42,000</p> <p>Reason: Limited Market. Other training bodies were considered however as these officers are progressing to ATT L7 which is awarded by CIPFA it makes sense that the apprenticeship is completed under CIPFA.</p>	Head of HR and Organisational Development
Senior Planning Officer	<p>Purchase of consultant's time and software to provide 3D and virtual reality urban modelling</p> <p>TDC was previously awarded funding from the Department for Levelling Up, Housing and Communities to support projects that demonstrate how digital tools can improve citizen engagement. This funding was used to employ Digital Urban to create a series of immersive public consultation events focussing on the redevelopment of the Market Hall and Market Square area.</p> <p>Now wish to build on the success of this event and to extend the consultation to the wider town centre, focussing on TDC asset regeneration/re-use, as the first stage public consultation on a Newton Abbot Town centre Masterplan.</p> <p>Value: £20,360</p> <p>Reason: Limited market / urgent action: repeat service and continuity from Digital Urban to meet project delivery deadline of 31 March 2026 to prevent loss of grant funding.</p>	Head of Strategy and Partnerships

Technical Officer	<p>Purchase of telehandlers</p> <p>Purchase of 2 x used telehandlers for Recycling operations (over 2 financial years 2025-26 & 2026-27).</p> <p>The intention is to purchase one vehicle now; to replace a machine that is currently out of action and not repairable and the other will be purchased at the beginning of the next financial year (2026-27) to replace the other machine coming to the end of its economical lifespan.</p> <p>Value: £90,000 (over 2 financial years £45,000.00 each year)</p> <p>Reason: Increased costs and loss of income if having to purchase through the e-tendering system. Quotes have been sought from 4 local suppliers for good quality second hand telehandlers. All the suppliers provided the quotes requested but there were only 2 suppliers that were each able to supply 1 unit each that were suitable at an affordable cost.</p>	Head of Environmental Services
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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 exemptions were assessed at the time these procurements were carried out.

4.2 Legal

The reporting of waivers / exemptions to the Audit Committee is a requirement of the Financial Instructions and Contract Rules within the Constitution.

4.3 Risks

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

5. CONCLUSION

That this advisory 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.