

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