

AUDIT COMMITTEE

29 JUNE 2026

Present:

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

Independent Member Paul Dodd

Members in Attendance:

Councillors Palethorpe, Parrott, Radford, Sanders and Thorne

Apologies:

Councillors Clarence and K Smith

Officers in Attendance:

Charlie Fisher, Democratic Services Manager and Monitoring Officer

Sue Heath, Audit Manager

Christopher Morgan, Assistant Democratic Services Officer

Ellie Willcocks, Director of Corporate Services

Beth Bowers, External Auditor from Grant Thornton

Michelle Luscombe, Head of Strategy and Partnerships

Alastair Logan, Project and Performance Officer

1. MINUTES OF THE PREVIOUS MEETING

It was **PROPOSED** by Councillor Morgan and **SECONDED** by Councillor Jackman and

RESOLVED

That the minutes of the previous meeting be agreed as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

None.

3. PUBLIC QUESTIONS (IF ANY)

None.

4. MEMBERS QUESTIONS (IF ANY)

None.

5. EXTERNAL AUDIT PLAN

The External Auditor from Grant Thornton introduced the External Audit Plan to the Committee.

She highlighted the headlines on page 13 and advised on risks, evaluation of buildings, and pension fund liability. There had mostly been no changes since the previous year other than that some concerns about risks had been resolved. The materiality threshold had increased slightly and Value For Money work had mostly concluded.

In response to questions from members of the Committee, it was clarified that:

- The aim was to complete the work by November, which would be aided by additional resourcing and keeping a number of the same core team members that had carried out the previous work.
- The Council is not looking to change the current financial management system.
- Responsibility for the audit work had been spread out across the whole financial team, which would help avoid bottlenecking.
- The audit work would help ensure the Council is in the best shape possible for Local Government Reorganisation.
- Teignbridge District Council will remain its own distinct legal authority until day one of the new Council or Councils, therefore the audit work would need to continue as usual. The External Audit work would be important if the Council was divided between multiple authorities.
- It would be important to retain staff, document progress, and keep systems up to date to offset the challenges of LGR.
- There was the possibility of a fee increase the next year of Audit work. However this would have to be agreed by the PSAA.

It was noted that there is a need for balance between the cost and resources of the Audit and the understanding that the Council would no longer exist within 2 years.

The Committee noted the report.

6. EXTERNAL REGAINING ASSURANCE STRATEGY REPORT

The External Auditor from Grant Thornton introduced the External Regaining Assurance Strategy Report to the Committee.

It was noted that MCHLG had amended their TDC audit assessment ranking from a D to a C. It was also noted that internal and external audits had separate perspectives and would be approached with separate expectations. Regaining assurance work would begin at the start of 2027, subject to completion of the

current work, and by regaining assurance Teignbridge would be in the best position for Local Government Reorganisation.

In response to points raised by members of the Committee, the following clarifications were made:

- The original proposed date for the regaining assurance work was 2030-2031 however Teignbridge has now been prioritised.
- The audit opinion for this year will still have to be disclaimed. Regaining assurance work would have to start at 2020.
- Sampling work would be undertaken to speed up the process.
- Reserve balances would need to be tested as they move around.
- £42,388 Of Section 31 grant had been received to aid with this work.
- There would be an Audit Committee set up in the new authorities following LGR.

It was considered that realistically only a small number of authorities would be able to submit unqualified accounts for LGR.

The Committee noted the report.

7. CORPORATE AND STRATEGIC RISK REPORT

The Head of Strategy and Partnerships and the Project and Performance Officer introduced the Corporate and Strategic Risk Report to the Committee.

It was noted that there were two areas of high risks, and that many of the areas of high risks from the previous meeting had been downgraded to medium risk. Of the two current high-risk areas, one was Failure to Comply with Health and Safety Legislation which would be improved with the introduction of a new Health and Safety management system that would improve reporting of incidents, and a new Lone Working app. The other risk was Failure of ICT security measures leading to a cyber attack which would be improved with further staff training, dummy training exercises, and updating the cyber incident plan.

The Committee noted the report.

8. DRAFT ANNUAL GOVERNANCE STATEMENT

The Draft Annual Governance Statement was introduced by the Monitoring Officer & Democratic Services Manager. It highlighted the work done to improve the Council's governance across the previous year.

It was **PROPOSED** by Councillor Morgan and **SECONDED** by Councillor Jackman and

RESOLVED

That the Draft Annual Governance Statement is approved by the Committee for inclusion in the Annual Statement of Accounts.

9. FINANCIAL INSTRUCTIONS AND CONTRACT RULES WAIVERS AND EXEMPTIONS

The Audit Manager introduced the Financial Instructions and Contract Rules Waivers Report to the Committee.

There had been one waiver in the previous quarter, for the hire of an Interim Head of Legal. The Audit Manager clarified that this was due to the requirement of a specific skill set in the role.

The Committee noted the report.

10. INTERNAL AUDIT ANNUAL REPORT

The Audit Manager introduced the Internal Audit Annual Report to the Committee.

The Committee were advised that Internal Audit was the third line of defence in the assurance framework after front -line services and risk management. The Audit Manager gave an overview of how internal audits are carried out, and that feedback is received at the end of the audit. All 11 internal audits carried out in the report had received a 10 out of 10.

Cyber security had received significant reassurance from the positive assessment received from the National Cyber Security Centre Cyber Assessment Framework. An audit report would come later in the year with a breakdown of the timescales of each audit – time recording would be used to carry this out. The 2026 audit would be fast tracked to prevent any impact on the Annual Governance Statement and the Audit Plan. A scoping meeting would be held that afternoon to with Devon Audit Partnership, who carried out a large amount of the audit work.

It was asked that the operational audit plan should be aligned with Local Government Reorganisation.

The Committee noted the report.

11. AUDIT COMMITTEE FORWARD PLAN

It was considered that two items on the Forward Plan for this meeting, the Review of the Anti Fraud Strategy and the RIPA report, would now come to Committee in September.

The meeting commenced at 10.00 am and finished at 11.17 am.

CLLR SALLY MORGAN
Chair