

E-mail:

19 June 2026

## AUDIT COMMITTEE

A meeting of the **Audit Committee** will be held on **Monday, 29th June, 2026** in the **Committee Room 2 Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS  
Managing Director

### Membership:

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

#### Public Participation and Attending Meetings

Information pertaining to public participation rules and attending Council and Committee meetings can be found on the following webpage: [Public participation and attending meetings - Teignbridge District Council](#)

1. **Apologies for Absence**
2. **Minutes of the previous meeting** (Pages 7 - 10)  
To approve and sign the minutes of the meeting held on 25 March.

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)**

Members of the Public may ask questions of the Leader or an Executive Member. A maximum period of 15 minutes will be allowed with a maximum of period of three minutes per questioner.

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

Members of the Council may ask questions of the Chair of the Committee subject to procedural rules. The deadline for questions is no later than three clear working days before the meeting.

6. **External Audit Plan** (Pages 11 - 50)

7. **External Regaining Assurance Strategy Report** (Pages 51 - 62)

8. **Corporate and Strategic Risk Report** (Pages 63 - 96)

9. **Draft Annual Governance Statement**

Report to follow.

10. **Financial Instructions and Contract Rules Waivers and Exemptions** (Pages 97 - 102)

11. **Internal Audit Annual Report**

Report to follow.

12. **Audit Committee Forward Plan**

The Forward Plan can be viewed at the following link:

[Browse plans - Audit Committee, 2026 - Teignbridge District Council](#)

13. **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**Part II: Items suggested for discussion with the press and public excluded**

Nil

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

### **3.8 Audit Committee**

**3.8.1 Membership:** The Committee has eight Members (excluding co-opted Members) who are elected councillors. All Councillors except Members of the Executive may be members of the Committee. The Committee will also appoint up to two Independent Members, who are non-voting. The Committee is appointed in accordance with the statutory requirements to achieve political balance. The Chair, Vice Chair and Members of the Committee are appointed by Full Council at the Annual Meeting. The Committee will also appoint up to two Independent Members, who are non-voting.

**3.8.2 Training requirements:** Each Member of the Committee is required to complete in full an induction programme and undertake regular mandatory training. Any Member not undertaking these training activities will be unable to serve (or continue to serve) on the Committee until such time that the full training requirement has been met.

**3.8.3 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.
- (a) 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**

### **25 MARCH 2026**

Present:

Councillors Morgan (Chair), Jackman, Purser, K Smith and Steemson (Vice-Chair).  
Independent Member Paul Dodd.

Members in Attendance:

Councillors Palethorpe and Parrott

Apologies:

Councillors Ryan

Officers in Attendance:

Charlie Fisher, Democratic Services Manager and Monitoring Officer  
Sue Heath, Audit and Information Governance Manager  
Sarah Knight, Performance and Programme Manager  
Richard Rainbow, Climate, Coastal and Drainage Manager  
Ellie Willcocks, Director of Corporate Services

#### **67. 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 on Monday 10<sup>th</sup> February 2026 be agreed as a correct record and signed by the Chair.

#### **68. DECLARATIONS OF INTEREST**

None.

#### **69. PUBLIC QUESTIONS (IF ANY)**

None.

#### **70. MEMBERS QUESTIONS (IF ANY)**

None.

#### **71. EXTERNAL AUDIT SECTOR UPDATE MARCH 2026**

The Chair introduced the item to the Committee.

The Audit and Information Governance Manager highlighted the section within the report regarding the Crisis and Resilience Fund (CaRF).

The Director of Corporate Services referred to the Council's Statement of Accounts and the CIPFA code changes detailed on page 4, namely the indexation of non-investment assets. The Director also highlighted the Local Government Settlement and the Council's revenue budget, highlighting the £1m budget gap currently facing the Council.

The Committee noted the report.

## **72. STRATEGIC & CORPORATE RISK REPORT**

The Committee considered the Strategic and Corporate Risk Report, presented by the Performance and Programme Manager. The Chair introduced the report. The report included the risk register of corporate and strategic risks and an appendix of the mitigations against those risks

The Performance and Programme Manager stated that the report now included the 1-5 matrix scale for risk management.

Member questions and discussion focused on:

- If a future report could detail the direction of travel for risks.
- Terminology within the report regarding "Action ongoing" and "Action completed".
- That the 1-5 matrix scale allowed for more sensitivity and nuances to be presented.
- Discussions around individual risks and mitigations, including those relating to Cyber Security. Officers responded directly to these points.
- That the Senior Management Team had taken part in a Risk Management Workshop, facilitated by the Devon Assurance Partnership.
- That the Committee wishes to continue to receive the report at every meeting, with areas of change highlighted.

It was **PROPOSED** by Councillor Morgan and **SECONDED** by Councillor K Smith and

### **RESOLVED**

To note the actions being taken to reduce risks to the achievement of the Council's objectives.

## **73. INTERNAL AUDIT UPDATE REPORT**

The Committee considered the Internal Audit Update Report, presented by the Audit and Information Governance Manager. The report highlighted the progress against the Annual Audit Plan and summary of the internal audit findings and follow up audits completed.

The Audit and Information Governance Manager appraised Members of the report, highlighting that a number of outstanding audits were due to be commissioned to the Devon Assurance Partnership (DAP) for completion.

Councillors highlighted two areas for further discussion: Procurement and Managing Health and Safety within the Council.

The Audit and Information Governance Manager highlighted a written update from the Head of Neighbourhoods on car parks which would be circulated to Members following the meeting.

Councillors requested that future STRATA internal audit reports are reported to the Committee, also include an update on the number of planned and actual days used to complete audit work as per the Audit Plan.

#### **74. FINANCIAL INSTRUCTIONS WAIVERS AND EXEMPTIONS**

The Committee considered the Financial Instruction Waivers and Exemptions Report, presented by the Audit and Information Governance Manager. The report contained the agreed waivers since the last meeting of the Committee and included analysis of the instances and spend per Service Area.

The Climate, Coastal and Drainage Manager attended the meeting and commented on the Network Rail Teignmouth Resilience Works Waiver. Network Rail are funding the costs for the Council to progress the works and the Council are acting in terms of procurement and project management for the project.

Councillors and the Climate, Coastal and Drainage Manager, referring to the earlier agenda item on the Strategic and Corporate Risk Report discussed Flood Risk Resilience and working with communities and Town and Parish Councils regarding emergency plans. Discussion centred around flood risk and beach management at Teignmouth, with Members noting the Teignmouth Beach Management Plan is due to come to the Executive on 7<sup>th</sup> April 2026. Discussion also centred on the wider conversation and communication with communities regarding flooding, resilience and future landscapes.

The Committee noted the report.

#### **75. AUDIT COMMITTEE ANNUAL REPORT**

The Committee considered the Audit Committee Annual Report 2025-2026, presented by the Chair.

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

#### **RESOLVED**

The Committee approved the report and recommended to Full Council its adoption.

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

It was **PROPOSED** by Councillor Morgan and **SECONDED** by Councillor K Smith and

**RESOLVED**

that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it involve the likely disclosure of exempt information as defined in Paragraph 7 of Part 1 of Schedule 12A of the Act.

**77. FRAUD RISK ASSESSMENT REVIEW**

The Committee considered the Fraud Risk Assessment Review Report, presented by the Audit and Information Governance Manager. The report identified the fraud risks within the Council's functions and appraised Members of the mitigations in place to manage them.

Members discussed fraud risks relating to the Revenue and Benefits services, Housing, Council Tax and instances of internal fraud. Members also referred to the Council's Anti-Fraud Strategy and Debt write offs and requested a further report the latter. Officers responded to any questions raised verbally.

The Committee noted the report.

The meeting commenced at 10.00 am and finished at 11.25 am.

CLLR SALLY MORGAN  
Chairman

# The Audit Plan for Teignbridge District Council

Year ending 31 March 2026

April 2026



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# The Backstop

## The Future of the Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations require audited financial statements to be published by a specific date. The upcoming backstop dates are as follows:

- for years ended 31 March 2026 by 31 January 2027
- for years ended 31 March 2027 by 30 November 2027; and
- for years ended 31 March 2028 by 30 November 2028.

The Regulations are supported by the National Audit Office's (NAO) Code of Audit Practice 2024. The backstop dates were introduced to clear the backlog of historic financial statements and support the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

## Local Audit Recovery

In the audit report for the year ended 31 March 2025, a disclaimer of opinion was issued due to the backstop, there was also a specific disclaimer linked to the revaluation of Property, Plant and Equipment (following on from 2020/21 disclaimed opinion).

As a result, we anticipate that for 2025/26:

- we will have limited assurance over the opening balances for 2025/26; and
- no assurance over the closing reserves balance, due to the uncertainty over their opening amount.

We will work with the Council to rebuild assurance over time.

## Our Work

In order to meet future statutory deadlines, for 2025/26 we will be working towards an internal deadline of 30 November 2026, as a dry run for future years. Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration disclosures; and closing balances for 2025/26. Our objective is to establish a pathway to recovery, by providing assurance over the in-year 2025/26 transactions and movements, where possible, and those closing balances which can be wholly determined in isolation without regard to the opening balance, such as creditors and debtors. As our work progresses, we will formulate a more detailed strategy as to how assurance can be gained on prior years. We will need the cooperation and input of management throughout the rebuilding process.

# Introduction and headlines



## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Teignbridge District Council ('the Council') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Council. We draw your attention to these documents.

## Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's financial statements that have been prepared

by management with the oversight of those charged with governance (the Audit committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council and is risk based.

# Introduction and headlines (continued)

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Valuation of Land and Buildings
- Valuation of Pension Fund Net Liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £1.65m (PY £1.5m) for the Council, which equates to 2.2% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £82.5k (PY £75k).

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- Standards of behaviour
- Incorrect governance processes
- Arrangements for decision making and high profile capital projects

We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

## Audit logistics

Our interim has taken place in March and April and our final visit will take place from September to November. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £164,055 (PY: £266,193 – this is still subject to PSAA approval) for the Council, subject to the Council delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

# Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Audit team’s assessment	Planned audit procedures
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk 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 will:</p> <ul style="list-style-type: none"> <li>• review accounting estimates, judgements and decisions made by management</li> <li>• test journal entries</li> <li>• review unusual significant transactions.</li> </ul>



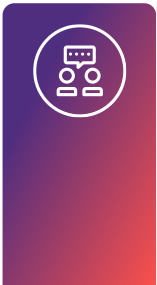
“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p>	<p>We have identified and completed a risk assessment of all revenue streams for the Council. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams this is due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the revenue streams both individually and collectively.</p>	<p>We do not consider this to be a significant risk for the Council and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

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Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

# Significant risks identified (continued)

## Significant risk

The expenditure cycle includes fraudulent transactions

Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.

## Audit team's assessment

We have identified and completed a risk assessment of all expenditure streams for the Council. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk, due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the expenditure streams both individually and collectively.

There is also a risk of fraudulent capital expenditure recognition where the Council may seek to manipulate the year end impact on the general fund. During the year ended 31 March 2025 the Council's capital programme was £6.8m, with a material level of capital additions. Therefore, if the Council were to fraudulently recognise expenditure, we believe it would be through the inappropriate capitalisation of revenue items.

We have not identified a significant risk of fraud in expenditure recognition for either revenue or capital expenditure streams due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the expenditure streams both individually and collectively.

## Planned audit procedures

We do not consider this to be a significant risk for the Council and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.

# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of Land and Buildings	<p>The valuation of land and buildings represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions.</p> <p>In 2020/21 land and Buildings valuations was also subject to a specific disclaimed opinion as the council did not retain sufficient to appropriately evidence the significant assumptions and judgements made by the valuer in their valuation.</p> <p>We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• document our understanding management's process and controls for the calculation of the estimate</li> <li>• evaluate the competence, capabilities and objectivity of management's expert</li> <li>• evaluate the consistency of the disclosure with the valuation report</li> <li>• evaluate the basis on which the valuations have been carried out</li> <li>• evaluate the information and assumptions used by the valuer</li> <li>• evaluate the accounting entries for the valuation</li> <li>• evaluate the reasonableness of the assumptions used to form the estimate</li> </ul>

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# Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of the pension fund net liability	The valuation of the pension fund net Liability represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.	<p>We will:</p> <ul style="list-style-type: none"> <li>• document our understanding management's process and controls</li> <li>• evaluate the competence, capabilities and objectivity of management's expert</li> <li>• evaluate the consistency of the disclosure with the actuarial report</li> <li>• evaluate the reasonableness of the assumptions used to form the estimate</li> <li>• obtain assurances from the Devon pension fund auditor on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate</li> <li>• we will review the IFRIC 14 assessment carried out by the actuary and evaluate the reasonableness of the assumptions used as part of the assessment.</li> </ul>

# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
  - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
  - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act)

- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

## Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

# Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

## Description

### Determination

We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements

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### Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

### Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

## Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

An item may be considered to be material by nature when it relates to instances where greater precision is required.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

# Our approach to materiality (continued)

Description	Amount (£)	Qualitative factors considered
Materiality for the Council financial statements	1,650,000	We consider the size, complexity and operating environment.
Materiality for specific transactions, balances or disclosures	20,000	This relates to individual officers disclosures within the Remuneration report due to heightened public interest.

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Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

# Progress against prior years audit recommendations

We identified the following issues in our 2024/25 audit of the Council's financial statements, which resulted in 11 new recommendations being reported in our 2024/25 Audit Findings Report, a number of recommendations remained open from 2023/24. We have followed up on the implementation of our recommendations and 11 are still to be addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>An employee who had left the organisation continued to appear on the payroll report for four months after their departure date. Although no payments were made to the individual in this period. They remained on the payroll whilst it was confirmed the appropriate backpay had been paid to the individual.</p> <p>The presence of a former employee on payroll records increases the risk of erroneous or fraudulent payments occurring.</p>	The Council will ensure that former employees are removed from the payroll system as soon as we have all of the relevant information to enable this to take place.
<b>5</b> In progress	The 2023/24 closing trial balance and the 2024/25 opening trial balance did not balance due to posting errors, and although the corrections were made in 2024/25, they should have been addressed as part of the 2023/24 year-end process.	The councils finance system allows them to address this in the following year by adjusting the opening balances.
In progress	In obtaining our journals population the required general ledger listing could not be obtained in the format needed as the council's general ledger was only in weeks and for our report, we needed this information in days. System constraints limit the completeness of data available.	There has been no change to report format
Addressed	In line with the CIPFA code assets should be valued every 5 years as part of the 5-year rolling programme. We have identified 101 assets totalling £1.3million that were last valued on 1/04/2019 and not revalued until 31/03/2025. This is therefore outside of the 5-year period, this has occurred due to change in the valuation date in 2024/25 to March from April. We are satisfied there is not a risk of material misstatement of these assets as our analysis identified a potential movement of these assets of £185k.	Valuation date changed in 2024/25 so this will not occur again in 2025/26.

# Progress against prior years audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	During our testing we noted that several working papers were still prepared in handwritten form. While the information itself was sufficient, handwritten documentation can be more difficult to follow, review and reference, and increases the risk of errors or omissions. It also makes it more challenging to complete audit testing efficiently.	Management are ensuring that moving forwards working papers are not handwritten.
Not complete	The council does not have a formal de minimis limit set out in its policies. However, staff have an informal de minimis of £1k, which is not always followed and instead is viewed as an option during busier periods.	No formal limit has been introduced in 2025/26.
<b>NO</b> progress	From our CIL income testing in grants and debtors, we have identified a number of errors in the postings between the Exacom system and FMS system.	This is being reviewed but is a large piece of work so has not yet been completed.
In progress	In our review of related parties we have identified a number of instances where the declarations in the Register of Interests were last updated two years ago and do not reflect an annual confirmation process.	Each year employees are sent an annual reminder, which includes the link to the declarations of interest form reminding all employees of their duties in regards to this.
Not complete	In our work on cash although the Council ultimately provided all required evidence and we completed our cash testing, the process took longer than expected due to the need to trace transactions across three separate systems. This multi-step process increases workload for staff and auditors and creates an inherent risk of error because of the level of manual navigation involved. We do recognise that move to the pay360 in 2024/25 has improved the process in place.	No changes have occurred to the systems used.

# Progress against prior years audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Addressed	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.	The council has confirmed bank reconciliations are complete and reconciled in 2025/26.
Not complete	<p>In our work on depreciation, we identified six assets with negative carrying values due to an extra year of depreciation being charged after the asset was fully depreciated. We also identified 87 assets being left with small residual balances instead of being fully depreciated or cleared on disposal.</p> <p>Although the value of residual amounts were below trivial, assets should be depreciated to zero or appropriately removed from the fixed asset register.</p>	No action taken.
In progress 2023/24	The audit was delayed by the age and user-friendliness of the finance system as there is typically only one member of the finance team the Finance Systems Analyst/Administrator, who can integrate the system and pull-down financial reports. At the start of the audit, this individual was seconded to a project team to roll out a new income management system and therefore was not able to assist the finance team in providing reports to the audit team such as a trial balance and general ledger reports.	The nature of the finance system does mean that obtaining reports in the format we require is still sometimes challenging.
In progress (2023/24)	During our work we have noted that there are multiple codes within the trial balance where they do not relate to only one area of the balance sheet. For example, debtors and creditors are routinely posted to one nominal ledger code and manually split out at year end. We have therefore had difficulty in reconciling account codes and listings in order to performing sampling.	Management confirmed this will continue to occur as we try and split a control code between long and short term elements e.g. sundry debtors and those with 'arrangements' they are easily reconcilable from our working papers.

# Progress against prior years audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Addressed (2023/24)	A review of the journals download highlighted that the Director of Finance and the Deputy Director of Finance had been posting journals throughout the financial year. We therefore selected each of their journals to test to give us assurance over the management override of controls. In total, we therefore selected 113 journals to test, with 42 being posted by the Director of Finance and 43 by the Deputy Director of Finance. Posting of journals by the S151 was also raised as an issue in the prior audit.	In 2025/26 the Director of Finance and Deputy Director of finance have not posted any journals.
Addressed (2023/24)	<p>During our testing of employee benefit expenditure testing, we sampled some payslips and asked management for support so that we could recalculate the elements of pay received.</p> <p>There were two lines of overtime hours paid for one of the samples, so we asked for supporting timesheets to confirm the number of hours worked and the dates to confirm the appropriate rate of pay. Payroll team advised they were not able to provide timesheets as the Waste Depot destroy timesheets after 12 months and the payroll team didn't have any other records to evidence this.</p>	They have asked the Waste department to hold such information longer and until the audit is complete.

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# IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

application	Audit area	Planned level IT audit assessment
P-FMS (Data Migration from Strata Servers to Microsoft Servers in December 2025)	Financial Reporting	<ul style="list-style-type: none"> <li>ITGC assessment (design effectiveness only)</li> <li>Data Migration – We will review managements documentation relating to the transfer of data to the cloud-based system to assess the completeness of the migration.</li> </ul>
P-Assets	Fixed Asset System	<ul style="list-style-type: none"> <li>ITGC assessment (design effectiveness only)</li> </ul>
iTrent	Payroll	<ul style="list-style-type: none"> <li>ITGC assessment (design effectiveness only)</li> </ul>
Pay 360	Income Management	<ul style="list-style-type: none"> <li>ITGC assessment (design effectiveness only)</li> </ul>

# Value for Money Arrangements

## Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. 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 was introduced from November 2025. The three specified reporting criteria are set out below:

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### Financial sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.



### Governance

How the Council ensures that it makes informed decisions and properly manages its risks.



### Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services.



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

# Risks of significant weakness in VFM arrangements

## Initial Risk assessment of the Council's VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor's work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
<p>28</p> <p><b>Governance</b></p>	<p><b>R</b></p> <p>Statutory recommendation from 2023/24 is retained in relation to member behaviour and 3 significant weaknesses identified. Two improvement recommendations were raised, one concerning stewardship and the second concerning budget monitoring.</p>	<p>Three risks of significant weakness identified. These risks relate to findings from 2023/24 work that were followed up in 2024/25, specifically in relation to member behaviour, involvement of members in council business, and decision-making processes. We recognise that during 2024/25 progress was made in addressing these recommendations.</p>	<p>We will review:</p> <ul style="list-style-type: none"> <li>• Monitoring the implementation of our Statutory Recommendation from 2024-25 and continued review of further actions taken by the council;</li> <li>• Review of meeting minutes and meeting webcasts;</li> <li>• Review of complaints and whistleblowing in year;</li> <li>• Checks on membership of the Standards Committee;</li> <li>• Review of any other changes to the constitution in year;</li> <li>• Review of key decisions in year (and reversal of any such decisions in year);</li> <li>• Interviews with key officers and key members of the Council; and</li> <li>• Inspection of the conflicts of interest audit results.</li> </ul>

- 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.

# Risks of significant weakness in VFM arrangements (continued)

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
<p>Financial sustainability</p> <p>29</p>	<p><b>A</b></p> <p>No risks of significant weakness reported; however, one of the governance improvement recommendations concerning stewardship is relevant to financial sustainability.</p>	<p>No risks of significant weakness identified.</p>	<p>As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2024/25.</p>
<p>Improving economy, efficiency and effectiveness</p>	<p><b>A</b></p> <p>No risks of significant weakness reported; one improvement recommendations made in relation to partnerships and procurement.</p>	<p>No risks of significant weakness identified</p>	<p>As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2024/25.</p>

# Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we have identified are detailed on the table above along with the further work we will perform. We will continue to review the Council's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

## Potential types of recommendations



### Statutory recommendation

Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council to discuss and respond publicly to the report.



### Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.

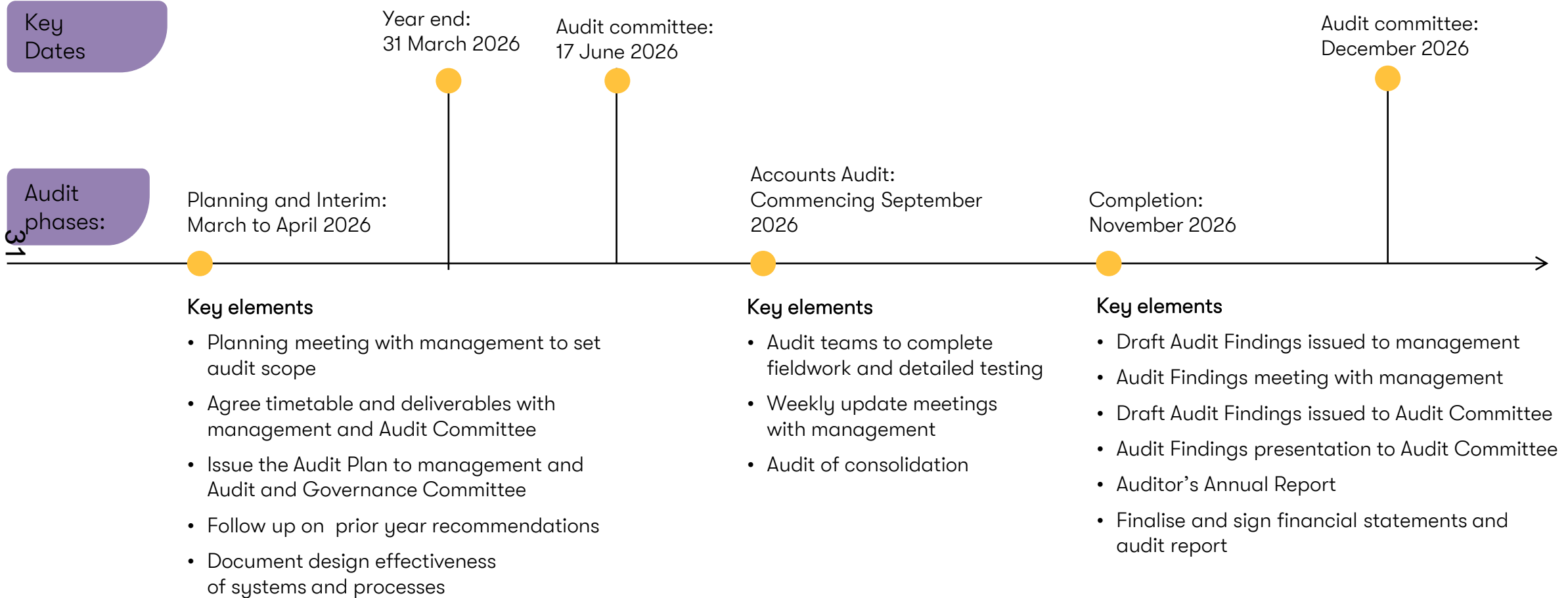


### Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

# Logistics

## The audit timeline



# Our team and communications

## Grant Thornton core team

<p><b>Beth Bowers</b> Engagement Lead/Key Audit Partner</p> <ul style="list-style-type: none"> <li>• Key contact for senior management and Audit Committee</li> <li>• Overall quality assurance</li> </ul>	<p><b>Roz Apperley</b> Audit Manager</p> <ul style="list-style-type: none"> <li>• Resource management</li> <li>• Leading on running of the audit</li> </ul>	<p><b>Lordina Owusu-Donkar</b> In-charge</p> <ul style="list-style-type: none"> <li>• Day-to-day point of contact</li> <li>• Audit fieldwork</li> </ul>	<p><b>Joanne Taylor</b> VFM Specialist</p> <ul style="list-style-type: none"> <li>• VFM Specialist</li> <li>• Main contact for VFM reporting</li> </ul>
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	Service delivery	Audit reporting	Audit progress	Technical support
<b>Formal communications</b>	<ul style="list-style-type: none"> <li>• Annual client service review</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Plan</li> <li>• The Audit Findings Report</li> <li>• Audit Opinion</li> <li>• Auditors Annual Report</li> <li>• Progress and Sector Update Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Audit planning meetings</li> <li>• Audit clearance meetings</li> <li>• Communication of issues log</li> </ul>	<ul style="list-style-type: none"> <li>• Technical updates</li> </ul>
<b>Informal communications</b>	<ul style="list-style-type: none"> <li>• Open channel for discussion</li> </ul>		<ul style="list-style-type: none"> <li>• Communication of audit issues as they arise</li> </ul>	<ul style="list-style-type: none"> <li>• Notification of up-coming issues</li> </ul>

# Our fee estimate

## Our fee estimate

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare good quality sets of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

## Previous year

In 2024/25 the scale fee set by PSAA was £159,588. The actual fee charged for the audit subject to PSAA approval was £266,193.

Company	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Council Audit	159,588	164,055
Proposed additional fees	106,605	0
<b>Total (Exc. VAT)</b>	<b>266,193</b>	<b>164,055</b>

No non-audit services are provided to the Council. Therefore no non-audit fees in 2025/26.

This covers all services provided by us and our network to the group/Authority, its directors and senior management and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

# Our fee estimate (continued)

## Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

## PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £164,055.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued (but not before 1 December 2025)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

## Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

# Independence considerations

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Councils board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

# Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
36 A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

# Communication of audit matters with those charged with governance (Continued)

## Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Councils accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

# Escalation Policy

## The Backstop

The Ministry of Housing, Communities and Local Government has introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Council's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

## Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

### Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

### Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

### Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

### Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

### Step 5 - Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

## Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

# Financial reporting changes

## Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

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## New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

### Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

### Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

### IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from [2027/28](#).



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## **Audit Workplan**

We have developed a proposed audit workplan for Teignbridge District Council to provide a transparent and realistic assessment of what can be delivered within the current audit cycle. The purpose of this plan is to set out clearly the scope of work we believe is achievable at this stage, alongside the conditions under which additional audit areas may be brought back into scope. This plan has been discussed and agreed with management.

Following detailed planning and allocation of available resources, we have concluded that we are not currently in a position to complete the full audit within the original timetable. This reflects both current capacity constraints and the absence of additional resource that could be deployed to accelerate delivery. As a result, the workplan has been deliberately structured to focus on priority areas and achievable outputs.

The plan incorporates a number of efficiencies on our side compared to the approach taken in 2024/25. However, even with these improvements, we anticipate that delivery will take longer than would ordinarily be expected based on previous experience. The workplan therefore provides a practical and measured approach to progressing the audit under current conditions.

Recognising the challenges involved, the workplan is designed to establish clear deliverables, key milestones, and indicative timelines. It also sets out how delays or slippage against agreed deadlines could impact overall delivery. In addition, it outlines expectations regarding the provision of audit evidence, including the quality, completeness, and timeliness of responses to audit requests. These elements are critical to supporting an efficient and effective audit process.

While efficiencies have been built into our approach, further progress towards completing the full audit scope will depend on improvements in the audit process on both sides. In particular, timely responses, high-quality working papers, and complete supporting documentation will be essential. Without these, the ability to extend the scope of audit work beyond what is currently planned will be limited.

As noted in the workplan at Appendix B, there are four audit areas that we do not currently expect to complete. To maintain consistency and assurance where possible, these align with the areas not completed in the prior year. However, if delivery progresses ahead of expectations and demonstrable efficiencies are achieved in practice, we would seek to bring these areas back into scope.

The workplan includes a provisional timetable, with the Audit Committee date currently left open. We would propose a late November committee meeting to align with audit timelines.

Overall, the workplan provides a realistic, transparent, and collaborative framework for delivering the audit, with detail set out in the accompanying letter and Appendix B.

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

April 2026

Dear Ellie

**Project Management Plan for delivery the 2025-26 audit**

Ahead of us starting our work on your 2025-26 Accounts, we wanted to send you a letter to set out our plans for your audit timelines over the course of the next two years and what we will need from you as an Authority as part of these plans. As I am sure you are aware, on 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

In order to be able to achieve the targets for the next two financial years, as a firm we are looking to put things in place to enable us to achieve the end of November 2027 deadline. To help make this achievable, we are going to undertake a dry run of finishing our work on the 2025-26 Accounts by the end of November 2026. On this basis, we would like you to assist with this process by firstly setting an Audit Committee date in advance of the end of November 2026, to enable us to sign off our opinion by that date. We would note that the NAO has already set a requirement that our Value for Money (VfM) work is completed by 30 November each year which has been set to align with the upcoming 30 November accounts deadline.

In advance of that, we are looking to start our work on your accounts from September 2026 and we are proposing to spend a week on 13<sup>th</sup> July 2026 selecting samples. To facilitate this we will require you to provide your draft financial statements to us by 30 June 2026. This early engagement will allow us to identify and request samples ahead of the summer period, providing you with time to collate the necessary supporting evidence and upload this before we our work states in September. We consider this an important step towards supporting an efficient audit and achieving closure by the end of November.

In Appendix A overleaf, we have set out some Key Performance measures and milestones that we both sign up to. Appendix B provides a more detailed schedule of audit activity with planned start and completion dates that we can mutually hold each other to account to ensure that the audit is delivered in line with planned expectations. This is a summarised version of the more detailed delivery plan that the audit team have developed which goes down to individual activity level.

We will regularly share progress against this plan as part of our regular liaison meetings to ensure that we both fully sighted on the stage of completion and where there are potential areas of focus where action is required to get back on track. This will also act as an early warning where additional time is required or further testing is being undertaken that might lead to additional fees and hopefully provide an opportunity to address or mitigate this.

This plan should allow us as a firm to deliver our 2025-26 audit by the end of November 2026, which will then put us in a strong position ahead of the backstop formally moving to the end of November 2027. We appreciate this will require a change on how both sides will need to work to make this a reality, but we are committed to making this happen. We will undertake early engagement with your finance team to clearly set out our expectations and what is needed to make a success of these plans. MHCLG have asked us as a firm to report by 31 July 2026, on a case by case basis, our assessment of the Council's ability to both maintain and where necessary rebuild assurance. Having a clear and agreed project plan to complete all financial statements and VfM work by 30 November 2026 is a key part of this assurance.

If you have any queries or questions, then do not hesitate to let us know.

Yours sincerely

*Beth Bowers*

Beth Bowers

Engagement Lead

## APPENDIX A

KPI measure	Target	Achieved
Delivery of accounts by agreed audit deadline	30 June 2026	Yes/No
Delivery of accounts by statutory deadline (30 June)	Statutory deadline met / not met	Yes/No
RAG rating of quality and completeness of draft financial statements	Green	<p>Green – draft accounts are complete and of good quality</p> <p>Amber – draft accounts are complete with some missing notes or incomplete disclosures</p> <p>Red – draft accounts are not complete with areas of work still in progress and/or significant notes are incomplete</p>
% of audit working papers requests available at commencement of audit	80%	X%
% of audit working papers requests available within 10 working days of audit commencement	100%	X%
RAG rating of quality and completeness of working papers	Green	<p>Green – working papers are complete and of good quality with clear cross referencing to the financial statements</p> <p>Amber – working papers of a reasonable quality but some additional clarification or reconciliation needed to agree to the financial statements</p> <p>Red – working papers are unclear and do not provide appropriate audit trail between the financial statements and the accounting records</p>
% of audit samples returned in time set out below at appendix A.1	100%	X%
% of audit queries responded to within 2 working days	100%	X%
RAG rating of quality and completeness of audit sampling evidence	Green	<p>Green – sample documentation is comprehensive and of good quality with clear cross referencing to the items sampled</p> <p>Amber – sample documentation of a reasonable quality but some additional clarification or reconciliation needed to agree to items sampled</p> <p>Red – sample documentation is unclear or incomplete and does not provide appropriate audit evidence to support the items sampled</p>
Draft audit findings report issued in advance of audit committee	2 weeks prior to audit committee	Yes/No
Draft Auditors Annual report issued in advance of audit committee	3 weeks prior to audit committee	Yes/No
Audit opinion issued by agreed target date	30 November	Yes/No

**APPENDIX A.1**

Sample return time expectations:

% of audit samples returned within 3 working days (where the total sample is less than 10)	100%
% of audit samples returned within 5 working days (where the total sample is less than 40)	100%
% of audit samples returned within 8 working days (where the total sample is equal to or greater than 40, but less than 100)	100%
% of audit samples returned within 10 working days (where the total sample is equal to or greater than 100)	100%

APPENDIX B

Client: TDC  
 Year ended: 31 March 2026  
 Subject: Workplan

Deadline for Completion of audit testing 16-Nov-26  
 Date AFR to be Shared with Management TBC  
 Date of Audit Committee: TBC

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Section	Assignee	Start Date	Completion Date	Progress %	Progress Bar	Comments
<b>Planning and Administration</b>						
Initial Administration	ICA/Manager	09 March 2026	13 March 2026	90	<div style="width: 90%; background-color: #28a745;"></div>	
Risk assessment and Planning	Associates 1 & 2	16 March 2026	31 March 2026	90	<div style="width: 90%; background-color: #28a745;"></div>	
Documenting Business Processes	Associates 2 & 3	23 March 2026	02 April 2026	90	<div style="width: 90%; background-color: #28a745;"></div>	
Scoping	ICA	18 March 2026	20 March 2026	100	<div style="width: 100%; background-color: #28a745;"></div>	
Issue Audit plan	ICA/Manager/EL	20 April 2026	24 April 2026	100	<div style="width: 100%; background-color: #28a745;"></div>	
<b>Interim / Advanced Testing</b>						
Advanced testing - Employee Benefit Expenditure	Associate 3	10 April 2026	24 April 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Interim testing - Operating expenditure	Associate 2	08 April 2026	24 April 2026	50	<div style="width: 50%; background-color: #dc3545;"></div>	
Interim testing - Fees and charges	Associate 2	08 April 2026	24 April 2026	50	<div style="width: 50%; background-color: #dc3545;"></div>	
Interim testing - Mapping tool/Other preparatory work	Associate 3	31 March 2026	02 April 2026	90	<div style="width: 90%; background-color: #28a745;"></div>	
<b>Financial Statements Testing</b>						
Review of Draft Financial statements	Manager/EL	06 July 2026	10 July 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	Initial review of draft financial statements published by 30 June 2026.
Financial Statements Close Process - TB to Accounts Mapping	ICA	13 July 2026	13 July 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Other information	Manager	10 August 2026	28 August 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Going concern	Manager	14 August 2026	18 August 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Debtors	Associate 3	02 September 2026	12 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Fees, Charges & Other Service Income	Associate 2	14 September 2026	30 September 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	M10-12 Samples will be sent out on 15 July 2026
REFCUS	ICA&1	14 September 2026	17 September 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	M10-12 Samples will be sent out on 16 July 2026
PPE - Additions	ICA&1	14 September 2026	17 September 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	Samples will be sent 15th and 16th July 2026
Journal entry testing	Associate 3	14 September 2026	16 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	Samples will be sent 17th July 2026
Housing Benefit Expenditure	Associate 2	18 September 2026	29 September 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Grant Income (Cost of Services & Non-Specific, including CIL)	ICA	21 September 2026	09 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Investments (Long & Short Term)	Associate 2	23 September 2026	05 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Cash and Cash Equivalents	Associate 2	23 September 2026	05 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Interest and Investment Income	Associate 1	24 September 2026	25 September 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	Samples will be sent 16th July 2026
Other Service Expenses	Associate 1	05 October 2026	29 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Invoices raised and payments received	Associate 2&1	06 October 2026	29 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
IFRS 16 and Lease disclosures	ICA	12 October 2026	19 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Invoices received and payments made	Associate 2&1	14 October 2026	05 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Employee Benefits Expenses	Associate 1	19 October 2026	06 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Collection Fund (Council Tax, NNDR & Disclosures)	Associate 3	19 October 2026	28 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Net Pension Asset/Liability	ICA	21 October 2026	27 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Precept and Levies Expenditure	Associate 1	26 October 2026	30 October 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Financial Statement presentation: Cashflow and disclosure checklist	ICA	28 October 2026	03 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Remuneration Disclosures	Associate 2	06 November 2026	10 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Related Party Transactions	Associate 3	13 November 2026	19 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Financial Instruments	Associate 3	16 November 2026	24 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Joint Operations	ICA	18 November 2026	19 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Expenditure and Funding Analysis	ICA	20 November 2026	25 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Depreciation, Amortisation & Impairment	Associate 1	23 November 2026	23 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Capital Commitment	Associate 2	11 November 2026	17 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Capital Expenditure & Financing Disclosure				0	<div style="width: 0%; background-color: #dc3545;"></div>	
Creditors				0	<div style="width: 0%; background-color: #dc3545;"></div>	
Land and Building				0	<div style="width: 0%; background-color: #dc3545;"></div>	
Grants received in advance				0	<div style="width: 0%; background-color: #dc3545;"></div>	
<b>Concluding and Reporting</b>						
Evaluation of misstatements	ICA	28 September 2026	25 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Value for Money	VFM Team	01 July 2026	30 October 2026	10	<div style="width: 10%; background-color: #28a745;"></div>	
Draft Auditor's report	Manager	13 November 2026	20 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Draft Audit Findings Report	ICA/Manager	06 November 2026	20 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Obtain written representations	Manager	27 November 2026	30 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Attend Audit Committee	Manager/EL	27 November 2026	30 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	
Finalisation and Issue Audit Opinion	EL	27 November 2026	30 November 2026	0	<div style="width: 0%; background-color: #dc3545;"></div>	



# Regaining Assurance Strategy for Teignbridge District Council

June 2026



## Teignbridge District Council

Forde House  
Brunel Road  
Newton Abbot  
TQ12 4XX

16 June 2026

Dear Audit Committee

### Regaining Assurance Strategy for Teignbridge Council

This report sets out our plan to rebuild audit assurance at Teignbridge District Council (the Authority) following the disclaimer of opinion issued under the statutory backstop for the years ended 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022, 31 March 2021. This plan has been agreed with management and will be communicated to the Ministry of Housing, Communities and Local Government (MHCLG) in July 2026. Our latest Audit Committee progress report contains a high level update on the authority's latest audit report and strategy for regaining assurance. This report gives further detail on the strategy to regain assurance.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Beth Bowers

Director  
For Grant Thornton UK LLP

#### Chartered Accountants

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Overall Assessment and Key Risks	6
Expected audit report trajectory	7
Build-back work programme	8
Regaining assurance examples	9
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# Key messages

## Audit Report

### We anticipate our audit report will be modified.

Following disclaimed audit reports for the years 2020/21 to 2024/25, we do not expect to be able to support an unmodified opinion on the 2025/26 financial statements. Our audit focus is on 2026 in-year transactions and closing balances, with sign-off targeted for 30 November 2026.

## Authority

### Delivery depends on the Authority

Successful build-back requires high-quality draft accounts, comprehensive working papers, timely audit access and continued focus on internal controls. We have discussed and agreed the strategy and trajectory for rebuilding assurance with the Section 151 Officer. The fee will be agreed and reported to the Audit Committee in due course. £42,388 Of Section 31 grant funding has been provided to resource the work.

## Trajectory

### Year-year plan to unmodified by 2030/31

Aligned to NAO LARRIG guidance, with phased build-back of assurance over opening balances, reserves, property and pensions across the 2026/27 to 2030/31 audits.

We recognise that the Council's aim is to obtain assurance over the reserves position as we approach Local Government Reorganisation (LGR) from 1 April 2028; however, we are of the view that this is not currently achievable. Should we be able to complete a full audit for 2025/26, we will work with management to review and update the build-back plan accordingly.

## MHCLG capacity assessment

### We have assessed the Authority as Category D.

An assessment is required by 31 July 2026 covering build-back timing, opinion trajectory and key risks. More detail is available on page [6].

# Background

## What and why

As part of the regaining assurance process we are engaging with MHCLG and PSAA as key stakeholders in monitoring and supporting the agenda across the sector.

MHCLG and PSAA have made a joint request for us to provide information for each body subject to the build-back process. The requested information includes a capacity assessment for each body, to be produced with input from both the audit team and the audited body.

The assessment is intended to give MHCLG and PSAA a more granular understanding of: progress of build-back work to date; planned timing of future work; the year in which a qualified opinion and an unmodified opinion are likely to be achieved; key audit risks; the audited body's capacity to support the build-back; and any significant constraints, including restrictions on the auditor's capacity.

## Process

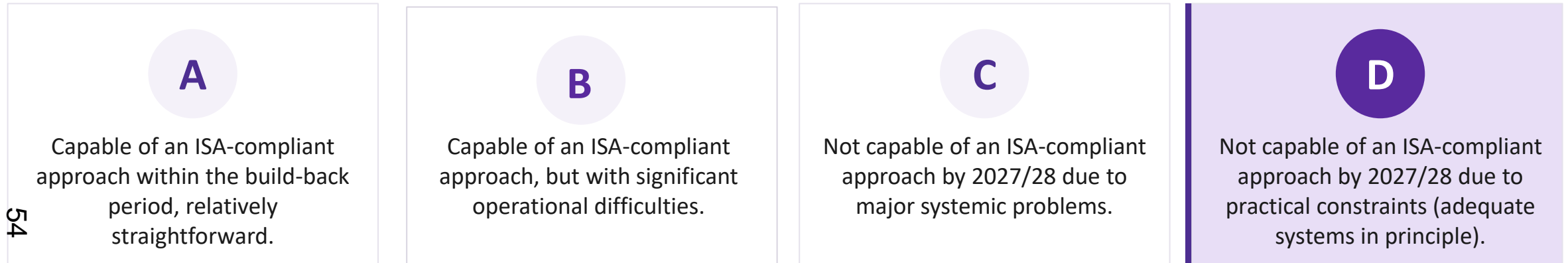
The following pages set out our response.

The information will be used by MHCLG to:

- Better understand the nature and impact of key risks and constraints on the build-back process
- Identify and/or evaluate any significant problems that would benefit from further policy intervention and develop appropriate solutions.
- To develop reliable estimates of the overall cost and timescale of the build-back process and support the review of the build-back grant funding model in autumn 2026.
- To support the government's stewardship of local authorities (including in relation to Local Government Reorganisation) and other bodies by identifying bodies for which an ISA-compliant build-back is unlikely to be possible by the end of 2027/28 and the reasons for this.
- 1 April 2028 is the proposed date for Local Government Reorganisation in Devon. The council is keen to ensure that regaining assurance work is as progressed as possible by this date. Our report sets out the date we currently anticipate regaining assurance, based on our previous experience of the audit. We have agreed with management that if audit work is concluded in a more timely way, then this date could move forward.

# Overall assessment and key risks

Under the MHCLG capacity assessment framework, we have provisionally assessed this audit as Category D. The framework categorises audits as follows:



## Principal factors supporting our assessment

### Technical challenges

There is a risk that the council's outdated systems may hinder the timely provision of information in suitable, audit-ready formats, which could impact audit efficiency and may also result in difficulties when selecting and testing samples.

### Audited body capacity

There is a risk that the finance team may face capacity constraints, alongside potential loss of knowledge due to the departure of key team members. This could impact the timeliness and quality of draft accounts, supporting working papers, and the overall control environment.

# Expected audit report trajectory

Our planning estimate of when our audit report is expected to transition from disclaimed to qualified, and from qualified to unmodified, is set out below. These are planning estimates only; they cannot be taken as a commitment or guarantee as to the opinion eventually issued for a given year.

<p>2024/25</p> <p><b>Disclaimed</b></p> <p>Disclaimed opinion issued on 25 February 2026.</p>	<p>2025/26</p> <p><b>Disclaimed</b></p> <p>A disclaimer of opinion expected. Focus on in-year transactions and closing balances. Small number of areas still expected to be disclaimed in 2025/26. Sign-off targeted for 30 November 2026, ahead of the 31 January 2027 backstop date.</p>	<p>2026/27 – 2029/30</p> <p><b>Disclaimed</b></p> <p>Focus on in-year transactions and closing balances.</p>	<p>2030/31</p> <p><b>Unqualified</b></p> <p>Unmodified opinion anticipated, subject to satisfactory completion of the build-back work programme and absence of any new significant issues.</p>
---	--	--	--

## What the opinion types mean

**Unmodified (clean):** the financial statements give a true and fair view, in all material respects.

**Qualified ("except for"):** true and fair, except for one or more identified areas where we could not obtain sufficient evidence or where we disagree with the accounting treatment.

**Disclaimer of opinion:** we could not obtain sufficient evidence to form any opinion — effectively, no audit assurance.

# Build-back work programme

The table below summarises when we plan to undertake build-back work for each audit area. It is consistent with the information we will submit to MHCLG within the capacity assessment by 31 July 2026.

Audit area	Timing and approach
Statutory reserves	Category D – ISA-compliant build-back not achievable
Property assets	2026/27 through 2029/30 audits – rolling valuation programme and testing of historic additions/disposals.
Pension deficit / surplus	2025/26 audit onwards – reliance on IAS 19 actuarial reports for current year; build-back of prior-year movements.
<sup>56</sup> Long-term debtors and creditors	2026/27 through 2028/29 audits – testing of year end debtors and creditors balances.
Working balances (cash, receivables, payables)	Largely covered through 2025/26 testing of in-year transactions and closing balances.
Other audit work (journals, payroll, grants, disclosures)	Substantively covered each audit year from 2026/27 onwards.

We will refresh this timetable and in subsequent Audit Findings Reports if material changes arise.

# Regaining assurance

The below is a simplified illustration of how our build back work programme might build assurance over the coming years' audits:

## 2025/26 audit process

	24/25	25/26	
CIES	A	G	No assurance over the opening 24/25 position
PPE	R	R	No assurance gained over valuations as work not undertaken
57 Pensions	G	G	Triennial valuation of pension fund completed and reported
Other assets & liabilities	R	R	We do not have assurance over the creditors balance
Reserves	R	R	No assurance over reserve balances at 31/03/24

## 2026/27 audit process

	25/26	26/27	
CIES	G	G	Assurance over the opening 25/26 position
PPE	R	A	Assurance gained over valuations at 31/03/27
Pensions	G	G	Triennial valuation of pension fund completed and reported
Other assets & liabilities	R	A	Assurance over all material balances at 31/03/27
Reserves	R	R	No assurance over reserve balances at 31/03/24

## 2027/28 audit process

	26/27	27/28	
CIES	G	G	Assurance over transactions in both years
PPE	A	A	Assurance gained over 2 years of valuations.
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	A	G	Assurance over balances at both year-ends
Reserves	R	R	No assurance over reserve balances at 31/03/24

## Reserves balances

The Authority is required to present its reserves balances in a prescribed manner, with distinct balances arising from statutory requirements and ringfences. These reserves are complex, and have no audit assurance for 5 years.

R	No assurance
A	Partial assurance
G	Adequate assurance

# Regaining assurance continued

## 2028/29 audit process

	27/28	28/29	
CIES	G	G	Assurance over transactions in both years
PPE	A	A	Assurance gained over 3 years of valuations
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	R	A	Reserves build back work completed, but uncertainty of top of balance sheet

## 2029/30 audit process

	28/29	29/30	
CIES	G	G	Assurance over transactions in both years
PPE	A	A	Assurance gained over 4 years of valuations
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	A	A	Reserves build back work complete, but uncertainty of top of balance sheet

## 2030/31 audit process

	29/30	30/31	
CIES	G	G	Assurance over transactions in both years
PPE	A	G	Assurance gained over 5 years of valuations
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	A	G	Assurance over reserves balance.

# Next steps and timetable

The key milestones in the regaining assurance programme are set out below.

## February 2026

Completion of 2025/26 interim audit work and risk assessment.

## 30 June 2026

Submission of draft 2025/26 financial statements.

## 31 July 2026

MHCLG capacity assessment submitted, with Authority's comments where available.

## November 2026

Issue the year ended 31 March 2026 audit report.

## 31 January 2027

2025/26 backstop date for publication of audited financial statements.

## 2027

Potential commencement of 2026/27 build back work subject to completing expected procedures in 2025/26.

## 1 April 2028

Potential date for local government reorganisation.

## 2030/31 audit

Target year for return to unmodified opinion, subject to satisfactory progress.



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**Teignbridge District Council  
Audit Committee  
17<sup>th</sup> June 2026 Part I**

**Strategic and Corporate Risk Report**

**1. Purpose of Report**

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

**Recommendation(s)**

The Committee RESOLVES to:

- Note the actions being taken to mitigate risks to the achievement of the council's objectives.

**2. 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

ST14 Fraud and corruption

ST24 Breach of finance and contract rules

Gordon Bryant

Head of Financial Services and Audit

Email: [gordon.bryant@teignbridge.gov.uk](mailto:gordon.bryant@teignbridge.gov.uk)

**3. Legal Implications**

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

Charlie Fisher

Democratic Services

Manager and

Monitoring Officer

Email: [charlie.fisher@teignbridge.gov.uk](mailto:charlie.fisher@teignbridge.gov.uk)

**4. 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.

Neil Blaney

Director of Place

Email: [neil.blaney@teignbridge.gov.uk](mailto:neil.blaney@teignbridge.gov.uk)

## **5. 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

Email: [william.elliott@teignbridge.gov.uk](mailto:william.elliott@teignbridge.gov.uk)

### **Report Author**

Sarah Knight

Programme & Performance Manager

Email: [sarah.knight@teignbridge.gov.uk](mailto:sarah.knight@teignbridge.gov.uk)

### **Executive Member**

Corporate Resources – Cllr John Parrott

### **Appendices/Background Papers**

Appendix A – Risk summary report

Appendix B – Risk overview report (including a full list of mitigations)

## 6. BACKGROUND

There are three categories of risk managed within Teignbridge District Council;

**Strategic Risks** – The risks that, should they materialize, would impact heavily on our service delivery, are fundamental changes in the district, or something that would cause significant reputational damage. These risks are managed by business leads and business or service managers.

**Corporate Risks** – Apply to more than one area, and there are 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** - Are risks that apply primarily to a single service. 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 must include an analysis of risks. These risks may be referred for inclusion in Corporate or Strategic Risk Registers if they will become significant issues if they materialize.

## 7. RISK OVERVIEW

There are currently 24 risks in the Strategic Risk register. These 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. These are 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, i.e. the risk score if we take no action to reduce the risk, of 20 (5x4). The risk Responsible Officers have actions or mitigations in place to reduce the risk scores.

Risk reviews are carried out by the risk Responsible Officer as follows:

- Low 1-4 - annual review
- Medium 5-9 - biannual review
- High 10-19 - quarterly review
- Very High 20+ - monthly review

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.

The risk matrix below shows how many risks have very high (20+), high (10+), medium (5+) or low (1+) mitigated risk score, which considers the effectiveness of actions (mitigations) to reduce the risk.



Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	1 Risk CP11,	No Risks	No Risks	No Risks
	3 - Medium	1 Risk ST24,	3 Risks CP12, ST41, CP17,	8 Risks CP01, CP09, ST29, ST17, CP08, ST08, ST32, ST40,	2 Risks ST11, ST46	No Risks
	2 - Low	No Risks	3 Risks ST14, CP07, CP05,	7 Risks ST25, ST19, ST37, ST42, CP15, ST45, ST09	5 Risks ST02, ST26, ST20, CP16, ST44,	No Risks
	1 - Very Low	2 Risks ST31, ST06,	No Risks	3 Risks CP13, ST28, CP14,	1 Risk ST43,	No Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High

Risk Impact

## 8. COMPARISON TO PREVIOUS QUARTER

MITIGATED SCORE	VALUE	NUMBER OF RISKS PER CATEGORY	
		MARCH 2026	JUNE 2026
VERY LOW	1	1	2
LOW	2 - 4	9	8
MEDIUM	5 - 9	21	24
HIGH	10 - 19	5	2
VERY HIGH	20+	0	0

## 9. RISK REPORTS

A report listing the Corporate & Strategic risks by mitigated status is provided in Appendix A.

As agreed in the December 2025 meeting of the Audit Committee, a further report showing the unmitigated and mitigated status of each risk together with the full list of mitigations is provided as Appendix B

Details of those risks with a **high mitigated status of 12+**, are provided below.

**There are currently 2 risks with a high mitigated status of 12+, which is a reduction from 5 in the Quarter 3 report. The remaining 2 risk scores in this category remain at a score of 12.**

Status	Code	Title	Risk Impact	Risk Likelihood	Review Note
High (12)	ST11	Failure to Comply with Health & Safety Legislation	4 - High	3 - Medium	Managers identify training needs and appropriate training given in house or by external provider - unable to evidence identification and or effective provision and refreshers - competency framework requirement is not mitigated.
High (12)	ST46	Failure of ICT security measures leading to a cyber attack	4 - High	3 - Medium	A dummy phishing exercise has recently been undertaken for staff. Staff that input their credentials have been required to undertake additional training. Strata's BC & DR Plan is being updated in line with LGA "cyber grab bag" V2, to be shared with Business Continuity leads shortly.

**Review notes: ST11 - Failure to Comply with Health & Safety Legislation**

This is a wide-ranging Strategic Risk with many roles in the Council holding responsibility for Health & Safety compliance. Overall Responsibility for Health and Safety lies with the Managing Director, however operational responsibility now falls to the Head of Assets role.

The internal safety focus currently is on the implementation of a digital Health and Safety Management system 'Evotix', which will provide an overview of the council's health and safety management and when implemented, will provide compliance tools e.g. incident report forms, manager investigation, risk assessment and workplace forms related to DSE etc.

It will distribute responsibility to Heads of Service and managers across all service areas. The senior leadership and management teams will have credible data which provides overview, focus and scrutiny. This will highlight resourcing requirements such as people, equipment, processes, time etc.

The current stage of the project is working towards improving incident reporting arrangements, followed by the DSE assessment module. When ready, these elements of the system will be rolled out to replace the existing Firmstep incident report and DSE assessment forms.

The next phase of the project will focus on risk assessment which will involve organising recognised Health & Safety training for managers & team leaders e.g. Managing Safely, Risk Assessment etc. When staff are adequately trained, including on the use of Evotix, they will be able to complete digital risk assessments and review them for their service areas.

A programme of audits is also being developed by the Assets team relating to Property Accountable Persons, and more work in this area will follow as part of the Evotix roll out.

We are also currently implementing a Lone Worker Monitoring system provided by Vatix. This is due to be launched by June 2026. The Lone Worker policy will be updated when Vatix is rolled out to the wider workforce. The lone worker monitoring system and provision of de-escalation training will enable staff to summon assistance should an incident occur but wouldn't prevent it. The ongoing training will help people read and respond to other people's behaviour.

### **Review notes: ST46 - Failure of ICT security measures leading to a cyber attack**

Periodic messages and updates on cyber risk are communicated to staff in staff newsletters, and posters are clearly displayed in workplaces. All staff are required to complete e-learning/awareness training on cyber security.

The Business Continuity plan includes cyber risk together with our response to any cyber-attacks. In addition, STRATA hold a cyber incident response plan (linked below), that provides further detail.

[STRATA-CyberIncidentResponsePlan.docx](#)

Controls are active and evolving, but residual cyber risk remains high, reflecting the external threat landscape and reliance on staff behaviour. A recent dummy phishing exercise resulted in targeted retraining for those staff who responded to the email, and Strata are in the process of updating cyber response plans.

## **10. REVIEW OF RISK MANAGEMENT STRATEGY**

### **Overall Risk Position and Direction of Travel**

The Council maintains a moderate-to-high risk environment, with a large and active risk portfolio. While effective mitigations are in place across most risks, residual risk remains high in critical areas (H&S and Cyber Security). The risk landscape has seen three risks reduced from high to medium, concentrating most of the risks around the medium level. Whilst this indicates a direction of travel in a positive way, many mitigations remain ongoing and robust governance is important to ensure this position is maintained and improved on.

### **Integration of Risk Management into the Culture of the Council**

Following the restructuring of council services, the Devon Audit Partnership carried out a Risk Workshop with Heads of Service and the Senior Leadership Team in March 2026. The outcomes of this workshop alongside the recent internal audit recommendations will be reviewed alongside the [Corporate Risk Management Strategy](#) to develop a Risk Action Plan; this activity will be scheduled during Quarters 2 and 3 of 2026/27.

### Financial and Economic Exposure

Financial risks are managed but remain sensitive to external pressures. While no immediate financial crisis is identified, several structural financial risks remain:

- Economic uncertainty (ST08)
- Finance control risk (ST02)
- Income collection risk (CP07)

Controls in place to mitigate these risks include:

- Budget monitoring and 3-year planning
- Reserves maintained (~£2.4m)
- Regular reporting to SMT and Executive

### Programme and Project Governance

Governance structures for project risk are in place and managed via the Projects Assurance Board which meets monthly. Major projects have individual risk registers and structured oversight, and work is in progress to embed a thorough and consistent risk management approach for all projects across the organisation.

### Strategic Delivery and External Risks

The One Teignbridge Strategic Action Plan was adopted by Full Council in October 2025. Risk ST42; Delivery of the Council Strategy is tied to funding, capacity, political direction, and external environment. New performance governance arrangements were approved by Executive in May 2026 and are being established to support quarterly monitoring.

### Place-Based and Environmental Risks

External and environmental risks are less acute but more complex and interdependent. Risks are generally moderate and controlled but depend heavily on partners and external factors.

Key risks include:

- Local Plan delivery and infrastructure delays (ST40, ST41)
- Flood risk and resilience (ST44, ST45)
- Climate change obligations (ST31)

## 11. 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 Projects Assurance Board meets monthly to review major projects, including key risks and issues.

Strategy Theme	Project	Service	Responsible Officer	Risk and Opportunities Register
The Way We Work	Modern 25 Programme	Strategy & Partnerships	Amanda Pujol	Yes
Economy EC.4	Future High Street Fund project: Market Improvements	Assets	Tom Phillips	Yes

Economy EC.2	Newton Abbot Town Centre Masterplan	Strategy & Partnerships Assets	Michelle Luscombe Tom Phillips	Yes
Homes H.10	Local Authority Housing Fund; Refugee Accommodation	Housing	Chris Trowell	Yes
Homes H.8	Centrepont Youth Homelessness Project	Housing	Jon Lloyd-Owen	Yes
Environment EN.3	Waste Transfer Station	Environmental	Chris Braines	Yes
Infrastructure IN.8	Leisure Centre Upgrades	Leisure	James Teed	Yes

## 12. ALIGNMENT TO ONE TEIGNBRIDGE

The One Teignbridge strategy sets 5 core priorities:

- Communities
- Economy
- Environment
- Homes
- Infrastructure

Management of strategic and corporate risk underpins these priorities by identifying threats to delivery. Below is a worked example of how current identified risks are aligned to each theme. As part of the development of a Risk Action Plan, and once the One Teignbridge governance arrangements are fully established, a series of workshops will be arranged to facilitate a full review and update of our corporate and strategic risk register.

### Example Mapping

One Teignbridge Priority	Linked Risks (from audit report)	Insight
Communities	Health & Safety (ST11), workforce risks	Impacts safe, inclusive communities
Economy	Financial sustainability (ST02)	Affects ability to invest and support growth
Environment	Flooding (ST44/45), climate risks	Directly ties to climate commitments
Homes	Planning / delivery risks, housing pressures	Affects housing delivery targets
Infrastructure	Programme delivery (CP15), asset risks	Impacts delivery of services and facilities

### **13. ALTERNATIVE OPTIONS**

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

### **14. 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 2026/27

No headings

Filtered by Prefix: Include Risk Prefix: ST, CP

**Key to Performance Status:**

Risks:	<b>Review overdue (0+)</b>	<b>Very High (20+)</b>	<b>High (10+)</b>	<b>Medium (5+)</b>	<b>Low (1+)</b>
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Printed by: Sarah Knight      SPAR.net      Print Date: Wednesday, June 10, 2026 18:04

Risks						
Status	Code	Title	Risk Impact	Risk Likelihood	Executive Member	Risk Responsible Officer
High (12)	ST11	<u>Failure to Comply with Health &amp; Safety Legislation</u>	4 - High	3 - Medium	Corporate Strategy, Partnerships & Governance	Paul Nicholls, Charles Perryman
High (12)	ST46	<u>Failure of ICT security measures leading to a cyber attack</u>	4 - High	3 - Medium	Corporate Strategy, Partnerships & Governance	Sue Heath, Amanda Pujol
Medium (9)	CP01	<u>Attacks on Staff</u>	3 - Medium	3 - Medium	Corporate Strategy, Partnerships & Governance	David Eaton, Paul Nicholls, Charles Perryman
Medium (9)	CP09	<u>Staff health and wellbeing (was Staff Absence/Stress/Morale)</u>	3 - Medium	3 - Medium	Corporate Strategy, Partnerships & Governance	Claire Gierth
Medium (9)	ST29	<u>Failure to maintain sufficient management capacity &amp; capability</u>	3 - Medium	3 - Medium	LGR & Devolution	Claire Gierth, Ellie Willcocks
Medium (9)	ST17	<u>Inability to Recruit and Retain Staff</u>	3 - Medium	3 - Medium	Corporate Strategy, Partnerships & Governance	Claire Gierth
Medium (9)	CP08	<u>Future proofing the workforce (was Failure to</u>	3 - Medium	3 - Medium	Corporate Strategy,	Claire Gierth

		<b><u>Improve Staff Capability and Capacity)</u></b>			Partnerships & Governance	
Medium (9)	ST08	<b><u>Economic Uncertainty</u></b>	3 - Medium	3 - Medium	Economy, Estates & Major Projects	Gwydion Batten, Neil Blaney, Gordon Bryant
Medium (9)	ST32	<b><u>Non Compliance with Section 106 Agreements and CIL notices</u></b>	3 - Medium	3 - Medium	Planning & Building Control	Neil Blaney, Alex Lessware
Medium (9)	ST40	<b><u>Local Plan - Infrastructure Delivery Delay</u></b>	3 - Medium	3 - Medium	Planning & Building Control	Alex Lessware
Medium (8)	ST02	<b><u>Failure to control and manage finance</u></b>	4 - High	2 - Low	Corporate Strategy, Partnerships & Governance	Gwydion Batten, Gordon Bryant
Medium (8)	CP11	<b><u>Breach of Code of Conduct by Members</u></b>	2 - Low	4 - High	Corporate Strategy, Partnerships & Governance	Charlie Fisher
Medium (8)	ST26	<b><u>Poor Public Relations Management</u></b>	4 - High	2 - Low	Economy, Estates & Major Projects	Michelle Luscombe
Medium (8)	ST20	<b><u>Poorly Managed Election</u></b>	4 - High	2 - Low	Corporate Strategy, Partnerships & Governance	Anna Rudloff
Medium (8)	CP16	<b><u>Lack of Effective Risk Management</u></b>	4 - High	2 - Low	Corporate Strategy, Partnerships & Governance	Sarah Knight
Medium (8)	ST44	<b><u>Flood risk management</u></b>	4 - High	2 - Low	Environmental Services	Neil Blaney, Richard Rainbow
Medium (6)	CP12	<b><u>Breach of Code of Conduct by Staff</u></b>	2 - Low	3 - Medium	Corporate Strategy, Partnerships & Governance	Claire Gierth
Medium (6)	ST25	<b><u>High Levels of Customer Dissatisfaction</u></b>	3 - Medium	2 - Low	Corporate Strategy, Partnerships & Governance	Tracey Hooper, Emma Ingle, Amanda Pujol
Medium (6)	ST19	<b><u>Poor or Ineffective Business Continuity Management</u></b>	3 - Medium	2 - Low	Corporate Strategy, Partnerships & Governance	Sarah Knight

Medium (6)	ST41	<b><u>Local Plan - Planned Development Delayed or Not Happening</u></b>	2 - Low	3 - Medium	Planning & Building Control	Alex Lessware, Helen Williams
Medium (6)	ST37	<b><u>Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose</u></b>	3 - Medium	2 - Low	Corporate Strategy, Partnerships & Governance	Colin Sutherland
Medium (6)	ST42	<b><u>Failure to deliver the Council Strategy</u></b>	3 - Medium	2 - Low	LGR & Devolution	Michelle Luscombe, Philip Shears
Medium (6)	CP15	<b><u>Project management</u></b>	3 - Medium	2 - Low	Corporate Strategy, Partnerships & Governance	Sarah Knight
Medium (6)	ST45	<b><u>Flood risk resilience</u></b>	3 - Medium	2 - Low	Environmental Services	Michelle Luscombe, Richard Rainbow
Medium (6)	CP17	<b><u>Health and Safety Compliance for Housing Stock</u></b>	2 - Low	3 - Medium	Housing & Homelessness	Jon Lloyd-Owen, Chris Trowell
Medium (6)	ST09	<b><u>Inadequately prepared to manage the impacts of a major emergency in the District</u></b>	3 - Medium	2 - Low	Environmental Services	Rebecca Hewitt
Low (4)	ST14	<b><u>Fraud and Corruption</u></b>	2 - Low	2 - Low	Corporate Strategy, Partnerships & Governance	Sue Heath
Low (4)	CP07	<b><u>Failure to Collect or Loss of Income</u></b>	2 - Low	2 - Low	Corporate Strategy, Partnerships & Governance	Sue Heath
Low (4)	CP05	<b><u>Contractor Poor Performance/Failure</u></b>	2 - Low	2 - Low	Corporate Strategy, Partnerships & Governance	Rosie Wilson
Low (4)	ST43	<b><u>Failure to adopt Teignbridge Local Plan</u></b>	4 - High	1 - Very Low	Planning & Building Control	Neil Blaney, Rebecca Hewitt, Michelle Luscombe
Low (3)	CP13	<b><u>Safeguarding</u></b>	3 - Medium	1 - Very Low	Corporate Strategy,	Rebecca Hewitt

					Partnerships & Governance	
Low (3)	ST24	<b><u>Finance - Breach of Financial Instructions &amp; Contract Rules</u></b>	1 - Very Low	3 - Medium	Corporate Strategy, Partnerships & Governance	Gwydion Batten, Gordon Bryant, Martin Flitcroft, Philip Shears
Low (3)	ST28	<b><u>Major damage to our physical premises and/or working environment</u></b>	3 - Medium	1 - Very Low	Corporate Strategy, Partnerships & Governance	Sarah Knight, Michelle Luscombe
Low (3)	CP14	<b><u>Non-compliance with Data Protection Legislation</u></b>	3 - Medium	1 - Very Low	Corporate Strategy, Partnerships & Governance	Sue Heath
Low (1)	ST31	<b><u>Climate Change - the impact of not reducing our energy use and contribution to CO2 emissions</u></b>	1 - Very Low	1 - Very Low	Environmental Services	William Elliott, Richard Rainbow
Low (1)	ST06	<b><u>Statutory Requirements Not Met</u></b>	1 - Very Low	1 - Very Low	Corporate Strategy, Partnerships & Governance	Ola Sobowale



<p><b>Risk Code: CP05</b>  Unmitigated  Status: Medium (6)  Mitigated Status:  Low (4)</p>	<p><b>Contractor Poor Performance/Failure</b>  Contractor poor performance/failure resulting in the Council being put under unnecessary risk of failing to deliver public services and not achieving efficiency or value for money.</p>	<p>Risk Responsible Officer: Rosie Wilson  Mitigation:</p> <ul style="list-style-type: none"> <li>Action ongoing Actively promote the ten year Council Strategy when talking to suppliers/contractors</li> <li>Action ongoing All new procurements have a standardised approach with standardised tendering practices</li> <li>Action ongoing Contract Procedure Rules are in place and are reviewed annually</li> <li>Action ongoing Contracts are awarded to suppliers demonstrating the right mix of quality and value for money</li> <li>Action ongoing Factors that are proportionate to the nature of the contract will be evaluated at the tender stage</li> <li>Action ongoing Put relevant accreditation checks in place</li> <li>Action ongoing Seek quality assurance from contractors/suppliers</li> <li>Action ongoing The Corporate Procurement Officer (CPO) supports all procurements over the value of £50,000</li> <li>Action ongoing Training is provided, which emphasises the importance of value for money in procurement</li> </ul>
<p><b>Risk Code: CP07</b>  Unmitigated  Status: High (12)  Mitigated Status:  Low (4)</p>	<p><b>Failure to Collect or Loss of Income</b>  Failure to collect income due to poor internal control or loss of income due to fraud.</p>	<p>Risk Responsible Officer: Sue Heath  Mitigation:</p> <ul style="list-style-type: none"> <li>Action ongoing Anti Fraud Theft and Corruption Strategy</li> <li>Action ongoing Bank Reconciliation / Waybill Reconciliation / Budget &amp; SD Arrears Monitoring</li> <li>Action ongoing Cashless Council</li> <li>Action Code of Conduct</li> </ul>

		<p>ongoing</p> <p>Action ongoing Employee References</p> <p>Action ongoing Financial Instructions</p> <p>Action ongoing Income Handling Procedures</p> <p>Action ongoing Internal Audit Function</p> <p>Action ongoing PCIDSS</p> <p>Action ongoing Property / Estates Income</p> <p>Action ongoing Prosecution of Offenders</p> <p>Action ongoing Secure Collection</p> <p>Action ongoing Staff Training</p> <p>Action ongoing Whistleblowing Policy</p>
<p><b>Risk Code: CP08</b> Unmitigated Status: Medium (9) Mitigated Status: Medium (9)</p>	<p><b><u>Future proofing the workforce (was Failure to Improve Staff Capability and Capacity)</u></b> A lack of suitable staff with the relevant competencies, including senior managers, to meet future Council service provision needs</p>	<p>Risk Responsible Officer: Claire Gierth Mitigation:</p> <p>Action ongoing Annual Learning and Development Needs Survey</p> <p>Action ongoing CPD &amp; personal development support</p> <p>Action ongoing Monitoring of salary levels</p> <p>Action ongoing Staff performance Reviews</p> <p>Action ongoing Succession planning</p>
<p><b>Risk Code: CP09</b> Unmitigated Status: High (12) Mitigated Status: Medium (9)</p>	<p><b><u>Staff health and wellbeing (was Staff Absence/Stress/Morale)</u></b> Poor workforce wellbeing leading to low morale, stress and absence and increased pressure on other staff which</p>	<p>Risk Responsible Officer: Claire Gierth Mitigation:</p> <p>Action ongoing Benchmarking with other LA's</p>

	<p>may result in reduced work productivity and loss of reputation as a good employer.</p>	<p><b>Action ongoing</b> Monitoring of staff absence rates &amp; reporting to SLT / CMT</p> <p><b>Action ongoing</b> Promotion of health &amp; wellbeing</p> <p><b>Action ongoing</b> Regular meetings with trade unions and staff forum</p> <p><b>Action ongoing</b> Staff engagement</p> <p><b>Action ongoing</b> Supporting managers to support staff</p> <p><b>Action ongoing</b> Systems &amp; procedures for short &amp; long term absences</p>
<p><b>Risk Code: CP11</b>  <b>Unmitigated</b>  <b>Status: High (12)</b>  <b>Mitigated Status: Medium (8)</b></p>	<p><b><u>Breach of Code of Conduct by Members</u></b>  Breach of code of conduct by Members bringing the Council into disrepute.</p>	<p>Risk Responsible Officer: Charlie Fisher  Mitigation:</p> <p><b>Action ongoing</b> A database is kept of members interests</p> <p><b>Action ongoing</b> Members' induction training</p> <p><b>Action ongoing</b> Members sign up to the code</p> <p><b>Action ongoing</b> Ongoing Guidance to Members</p> <p><b>Action ongoing</b> Regular Reminders to Members</p> <p><b>Action ongoing</b> Standards Committee appointment</p>
<p><b>Risk Code: CP12</b>  <b>Unmitigated</b>  <b>Status: Medium (9)</b>  <b>Mitigated Status: Medium (6)</b></p>	<p><b><u>Breach of Code of Conduct by Staff</u></b>  Breach of code of conduct by staff leading to possible fraud, dishonesty, loss of reputation, poor performance.</p>	<p>Risk Responsible Officer: Claire Gierth  Mitigation:</p> <p><b>Action ongoing</b> Benchmarking with other LA's</p> <p><b>Action ongoing</b> Code of Conduct review &amp; guidance issue</p> <p><b>Action ongoing</b> Continuous monitoring and improvement</p> <p><b>Action</b> Induction for new staff and</p>

		<p>ongoing managers</p> <p>Action ongoing Investigations undertaken</p>
<p><b>Risk Code: CP13</b>  Unmitigated Status: Medium (8)  Mitigated Status: Low (3)</p>	<p><b>Safeguarding</b>  All children, young people and adults have the right to be safe, happy and healthy and deserve protection from abuse. The council is committed to safeguarding from harm all children, young people and adults with care and support needs using any council services and involved in any of their activities, and to treat them with respect during their dealings with the council, our partners and contractors.</p>	<p>Risk Responsible Officer: Rebecca Hewitt  Mitigation:</p> <p>Action ongoing Communication of safeguarding</p> <p>Action ongoing Compliance with the Safeguarding Policy</p> <p>Action ongoing DBS checks</p> <p>Action ongoing Existing staff with frequent contact with vulnerable people will receive Safeguarding Training .</p> <p>Action ongoing Joint Working</p> <p>Action ongoing Raise awareness of Safeguarding Policy with all existing staff</p> <p>Action ongoing Safeguarding Policy Review</p> <p>Action ongoing Safeguarding protection policy in place</p> <p>Action ongoing Safeguarding training</p>
<p><b>Risk Code: CP14</b>  Unmitigated Status: Medium (9)  Mitigated Status: Low (3)</p>	<p><b>Non-compliance with Data Protection Legislation</b>  The Council has a duty to comply with the GDPR, DPA and DWP memorandum of understanding, which includes processing data lawfully and securely, informing individuals how their data will be processed and rights for individuals to access their data and request correction or in some cases deletion of their data. These cover all personal data including name, address, date of birth, telephone number, bank details, location data, Internet Protocol (IP) addresses and cookie IDs, plus sensitive personal data such as race, ethnicity, political opinions, physical or</p>	<p>Risk Responsible Officer: Sue Heath  Mitigation:</p> <p>Action ongoing A dedicated Data Protection Officer to help promote GDPR compliance.</p> <p>Action ongoing Advice and process for third party use of our data, not under contract</p> <p>Action ongoing Data Protection clauses in our contracts</p> <p>Action ongoing Data Protection Impact Assessment (DPIA)</p>

	<p>mental health conditions, religious or philosophical beliefs, trade union membership, sexual life/sexual orientation, genetic and biometric data.</p>	<p>Action ongoing Data protection training</p> <p>Action ongoing Information Asset register</p> <p>Action ongoing Personal data consent management</p> <p>Action ongoing Personal data processing</p> <p>Action ongoing Process or procedure in place to report, respond to and review a data breach.</p> <p>Action ongoing Promotion of data protection awareness and GDPR</p> <p>Action ongoing Records retention schedule</p> <p>Action ongoing Service Data Guardians</p> <p>Action ongoing Technical measures to ensure data security</p>
<p><b>Risk Code: CP15</b>  Unmitigated Status: High (12)  Mitigated Status: Medium (6)</p>	<p><b>Project management</b>  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.</p>	<p>Risk Responsible Officer: Sarah Knight  Mitigation:</p> <p>Action ongoing Corporate project management method</p> <p>Action ongoing Effective monitoring and reporting of project risks</p> <p>Action ongoing Key council projects risk management list</p> <p>Action ongoing Project assurance</p> <p>Action ongoing Project lessons learned</p> <p>Action ongoing Project management expertise</p> <p>Action ongoing Project risk management by services</p> <p>Action ongoing Project risk reporting to SLT and Audit Scrutiny</p>

		<p><b>Action ongoing</b> Risk information provided for all key decisions</p>
<p><b>Risk Code: CP16</b>  <b>Unmitigated Status: High (12)</b>  <b>Mitigated Status: Medium (8)</b></p>	<p><b><u>Lack of Effective Risk Management</u></b>  The Council fails to manage its risks properly which impacts on its ability to achieve its goals.</p> <p><b>Note re Actions Needed:</b>  The corporate Risk Management Strategy is due for review and work has begun to accomplish this. The functionality of the SPAR.net risk management system is not compatible with the version of Microsoft now in use; whilst a workaround has been established it is not currently possible to generate automated risk review reminders, and a system upgrade may be needed. Work continues to investigate available options.</p>	<p>Risk Responsible Officer: Sarah Knight  Mitigation:</p> <p><b>Action ongoing</b> Audit of Risk Management Arrangements</p> <p><b>Action ongoing</b> Review of Strategic and Corporate Risks and new emerging risks and opportunities</p> <p><b>Action ongoing</b> Risk Management Arrangements for Partnerships</p> <p><b>Action needed</b> Risk Management is Embedded</p> <p><b>Action needed</b> Risk Management Strategy</p> <p><b>Action ongoing</b> Risk Management Training</p>
<p><b>Risk Code: CP17</b>  <b>Unmitigated Status: High (12)</b>  <b>Mitigated Status: Medium (6)</b></p>	<p><b><u>Health and Safety Compliance for Housing Stock</u></b>  Non Compliance of Health and Safety Regulations in respect of Teignbridge District Council Housing Stock</p>	<p>Risk Responsible Officer: Jon Lloyd-Owen, Chris Trowell  Mitigation:</p> <p><b>Action ongoing</b> All compliance reports on SaM system</p> <p><b>Action ongoing</b> Annual inspections for Albany House &amp; Luscombe Terrace</p> <p><b>Action ongoing</b> KPIs reported quarterly to SLT</p> <p><b>Action ongoing</b> Management and maintenance contracts monitored quarterly</p>
<p><b>Risk Code: ST02</b>  <b>Unmitigated Status: High (15)</b>  <b>Mitigated Status: Medium (8)</b></p>	<p><b><u>Failure to control and manage finance</u></b>  Budget restraints/lack of finances, due to local &amp; national changes in service demand that effect levels of spend or income leading to a budget imbalance</p>	<p>Risk Responsible Officer: Gwydion Batten, Gordon Bryant  Mitigation:</p> <p><b>Action ongoing</b> Annual Business Plans</p> <p><b>Action ongoing</b> Budget Preparation</p>

		<p>Action ongoing Budget Report</p> <p>Action ongoing Budget Review</p> <p>Action ongoing Budget Risk Analysis</p> <p>Action ongoing General Reserves Monitoring</p>
<p><b>Risk Code: ST06</b>  Unmitigated Status: Medium (9)  Mitigated Status: Low (1)</p>	<p><b>Statutory Requirements Not Met</b>  Government requirements not being met</p>	<p>Risk Responsible Officer: Ola Sobowale  Mitigation:</p> <p>Action ongoing Commit adequate resources to achieving government requirements and reporting schedules</p> <p>Action ongoing Council's planned programme of Audit inspections</p> <p>Action ongoing Ensure a current up to date set of Financial Procedure Rules are maintained</p> <p>Action ongoing Ensure appointment of appropriate professional and technical Officers</p> <p>Action ongoing Ensure that the Council's Constitution is fit for purpose</p> <p>Action ongoing Formal reports to Executive/Council/Committee to be reviewed by Legal &amp; Finance</p> <p>Action ongoing Provision of in-house legal training</p>
<p><b>Risk Code: ST08</b>  Unmitigated Status: Medium (9)  Mitigated Status: Medium (9)</p>	<p><b>Economic Uncertainty</b>  Changes to the macro-economic situation will impact upon our ability to deliver our Council Strategy and may lead to increased unemployment, a collapse of the housing market and an increased demand on Council services e.g. housing benefits.</p>	<p>Risk Responsible Officer: Gwydion Batten, Gordon Bryant  Mitigation:</p> <p>Action ongoing Annual Review of the Council Strategy</p> <p>Action ongoing Assessing the Disposal/Acquisition of Assets</p> <p>Action Budget Set</p>

		<p>ongoing</p> <hr/> <p>Action ongoing Council Reserves</p> <hr/> <p>Action ongoing Financial Management</p> <hr/> <p>Action ongoing Monitor the Economic Situation</p> <hr/> <p>Action ongoing Responding to redundancies</p> <hr/>
<p><b>Risk Code: ST09</b>  <b>Unmitigated</b>  <b>Status: Very High (20)</b>  <b>Mitigated Status: Medium (6)</b></p>	<p><b><u>Inadequately prepared to manage the impacts of a major emergency in the District</u></b>          Inadequately prepared to manage the impacts of an emergency affecting the public, business environment and/or organisation. An inadequate or inappropriate response to a major or environmental emergency affecting the civil community or the Council itself.</p>	<p>Risk Responsible Officer: Rebecca Hewitt          Mitigation:</p> <hr/> <p>Action ongoing Appointment of Emergency Planning Officer</p> <hr/> <p>Action ongoing Devon Emergency Planning Services</p> <hr/> <p>Action ongoing Multi agency working and intelligence sharing</p> <hr/> <p>Action ongoing Publication and regular review of the Corporate Emergency Plan &amp; Business Continuity Plan</p> <hr/> <p>Action ongoing Publication of the Corporate Emergency Plan</p> <hr/> <p>Action ongoing Reciprocal support agreement with other Devon LA's</p> <hr/> <p>Action ongoing Research and Consultation on Emergency Response Procedures</p> <hr/> <p>Action ongoing Training of Council staff</p> <hr/>

<p><b>Risk Code: ST11</b>  <b>Unmitigated</b>  <b>Status: Very High (20)</b>  <b>Mitigated Status: High (12)</b></p>	<p><b><u>Failure to Comply with Health &amp; Safety Legislation</u></b>          Failure to comply with Health and Safety Legislation leading to damage of property or equipment, loss, injury or death of staff or public, risk of corporate manslaughter, prosecution, loss of reputation and high insurance costs.</p> <p><b>Notes re Actions Needed:</b>  <i>Refer to section 9 of the main report</i></p>	<p>Risk Responsible Officer: Paul Nicholls, Charles Perryman          Mitigation:</p> <ul style="list-style-type: none"> <li><b>Action needed</b> Adequate Health and Safety resources available</li> <li><b>Action needed</b> Approved Policies and procedures in place</li> <li><b>Action ongoing</b> Health and Safety communication</li> <li><b>Action ongoing</b> Health and Safety Manager provided</li> <li><b>Action needed</b> Health and Safety training</li> <li><b>Action ongoing</b> Overview of compliance</li> <li><b>Action needed</b> Risk assessments in place</li> <li><b>Action needed</b> Safety audits</li> <li><b>Action ongoing</b> Systems to report, record, monitor accident and near miss reports</li> </ul>
<p><b>Risk Code: ST14</b>  <b>Unmitigated</b>  <b>Status: High (12)</b>  <b>Mitigated Status: Low (4)</b></p>	<p><b><u>Fraud and Corruption</u></b>          Risk of fraud and leading to loss and / or reputational damage to the Council.</p>	<p>Risk Responsible Officer: Sue Heath          Mitigation:</p> <ul style="list-style-type: none"> <li><b>Action ongoing</b> Anti Fraud and Theft Strategy and Whistleblowing Policy</li> <li><b>Action ongoing</b> Anti Fraud, Theft and Corruption Strategy</li> <li><b>Action ongoing</b> Bank Reconciliations</li> <li><b>Action ongoing</b> Financial Instructions and Contract Procedure Rules</li> <li><b>Action ongoing</b> Fraud Risk Analysis</li> <li><b>Action ongoing</b> Internal Audit</li> <li><b>Action ongoing</b> Raising awareness of the Council's position of non-</li> </ul>

		<p>tolerance to fraud &amp; corruption</p> <p>Action ongoing References are obtained for new employees</p> <p>Action ongoing Report a Fraud web form</p> <p>Action ongoing Staff and Member Codes of Conduct</p> <p>Action ongoing Suppliers Notified of Whistleblowing Policy</p>
<p><b>Risk Code: ST17</b>  Unmitigated  Status: High (12)  Mitigated Status:  Medium (9)</p>	<p><b>Inability to Recruit and Retain Staff</b>  Getting the right people in the right job at the right time' so that any loss of staff does not have a significant or prolonged impact on service delivery and continuity.</p>	<p>Risk Responsible Officer: Claire Gierth  Mitigation:</p> <p>Action ongoing Benchmarking with other LA's</p> <p>Action ongoing Consistent management to create 'Team Teignbridge'</p> <p>Action ongoing Council operates a pay agreement</p> <p>Action ongoing Enhancing recruitment practices</p> <p>Action ongoing Salary levels are monitored to ensure Council remains competitive.</p> <p>Action ongoing Screening of potential new employees</p> <p>Action ongoing Staff performance reviews</p> <p>Action ongoing Voluntary Redundancy Programme</p> <p>Action ongoing Work Force planning</p>
<p><b>Risk Code: ST19</b>  Unmitigated  Status: High (12)  Mitigated Status:  Medium (6)</p>	<p><b>Poor or Ineffective Business Continuity Management</b>  Inability to provide Council services</p>	<p>Risk Responsible Officer: Sarah Knight  Mitigation:</p> <p>Action ongoing Business Continuity Planning</p> <p>Action ongoing Management of service business continuity</p>

		<p>Action ongoing Regular business continuity health checks</p>
<p><b>Risk Code: ST20</b> Unmitigated Status: High (15) Mitigated Status: Medium (8)</p>	<p><b>Poorly Managed Election</b> Poorly managed election leading to embarrassment, loss of reputation and High Court challenge.</p> <p><b>Notes re Action Needed:</b> Elections coordinator post currently vacant due to retirement, resource to be appointed.</p>	<p>Risk Responsible Officer: Anna Rudloff Mitigation:</p> <p>Action ongoing Elections project plan</p> <p>Action ongoing Electoral guidance followed</p> <p>Action ongoing Electoral law &amp; systems training</p> <p>Action ongoing External Performance Plan</p> <p>Action ongoing Key staff elections training</p> <p>Action ongoing Planning meetings</p> <p>Action needed Qualified Council Election's Co-ordinator</p> <p>Action ongoing Refresher/Awareness Training</p> <p>Action ongoing Risk Management workshop</p>
<p><b>Risk Code: ST24</b> Unmitigated Status: Medium (9) Mitigated Status: Low (3)</p>	<p><b>Finance - Breach of Financial Instructions &amp; Contract Rules</b> Finance - non adherence to Financial Instructions &amp; Contract Rules due to a lack of understanding of financial procedures leading to qualification on accounts, poor inspection reports, fraud, loss of income, poor Value for Money and poor budgetary control.</p>	<p>Risk Responsible Officer: Gwydion Batten, Gordon Bryant, Martin Flitcroft, Philip Shears Mitigation:</p> <p>Action ongoing Automated controls included in corporate systems</p> <p>Action ongoing Bank and Waybill Reconciliations undertaken by Financial Services</p> <p>Action ongoing Finance System Training</p> <p>Action ongoing Financial Instructions Awareness and Contract Procedure Rules training</p> <p>Action ongoing Financial Instructions Format</p>

		<p>Action ongoing Financial Instructions Monitoring</p> <p>Action ongoing Internal Audit / Procurement Officer Advice / Waiver Requests</p> <p>Action ongoing Monthly Management Accounts</p> <p>Action ongoing Procurement Officer</p> <p>Action ongoing Trained professional staff responsible for compiling annual accounts</p>
<p><b>Risk Code: ST25</b>  Unmitigated  Status: High (12)  Mitigated Status:  Medium (6)</p>	<p><b>High Levels of Customer Dissatisfaction</b>  Inadequate customer contact standards and poor customer service leading to increased complaints and loss of reputation.</p>	<p>Risk Responsible Officer: Tracey Hooper, Emma Ingle, Amanda Pujol  Mitigation:</p> <p>Action completed Annual Business Plans</p> <p>Action completed Complaints Review Board</p> <p>Action completed Customer Comments and Complaints system (Firmstep)</p> <p>Action completed Customer Journey Mapping</p> <p>Action completed Customer Management</p> <p>Action completed Customer Service Standards</p> <p>Action ongoing Customer Services training for reception staff to NVQ level 3 or similar</p> <p>Action completed Customer Standards &amp; Principles</p> <p>Action completed Introduction of new Customer Feedback and Complaints Policy</p> <p>Action completed Introduction of quality assessments</p> <p>Action Staff induction training and</p>

		<p>completed staff handbook</p> <p>Action completed Technical Training</p>
<p><b>Risk Code: ST26</b>  Unmitigated Status: High (12)  Mitigated Status: Medium (8)</p>	<p><b>Poor Public Relations Management</b>  Impact on reputation due to negative media coverage or social media posts</p>	<p>Risk Responsible Officer: Michelle Luscombe  Mitigation:</p> <p>Action ongoing Advising and supporting Members &amp; other service areas on marketing, comms and PR</p> <p>Action ongoing Comms Catch-ups</p> <p>Action ongoing Development of Communications Strategy to support strategic objectives.</p> <p>Action ongoing Devon Communications Group</p> <p>Action ongoing Raising awareness of good communications and reputation management</p> <p>Action ongoing Social Media Policy</p> <p>Action ongoing Using insights and data on social media, media, website and e-newsletter engagement</p>
<p><b>Risk Code: ST28</b>  Unmitigated Status: Medium (8)  Mitigated Status: Low (3)</p>	<p><b>Major damage to our physical premises and/or working environment</b>  Major damage to our physical premises and/or working environment.</p>	<p>Risk Responsible Officer: Sarah Knight, Michelle Luscombe  Mitigation:</p> <p>Action ongoing Business Continuity Plan</p> <p>Action ongoing Identification of alternative premises</p> <p>Action ongoing Risk Analysis of Councils premises and infrastructure</p> <p>Action completed Salvage Plan</p>
<p><b>Risk Code: ST29</b>  Unmitigated Status: High (12)</p>	<p><b>Failure to maintain sufficient management capacity &amp; capability</b>  Failure to maintain sufficient</p>	<p>Risk Responsible Officer: Claire Gierth, Ellie Willcocks  Mitigation:</p>

<p>Mitigated Status: Medium (9)</p>	<p>management capacity &amp; capability to deliver business as usual &amp; implement change New income generation opportunities and a greater commercial focus leading to increased financial and reputational risk. Changes to services leading to poor service delivery</p>	<p>Action ongoing Annual business efficiency and service transition reviews</p> <p>Action ongoing Continuing review of staffing</p> <p>Action ongoing Due diligence</p> <p>Action ongoing External Officer networking and using the learning from others</p> <p>Action ongoing Internal and external auditing</p> <p>Action ongoing Leadership training programmes for managers and supervisors</p> <p>Action ongoing Meetings with Exec Member /Leader that identify strengths, weaknesses, opportunities &amp; threats</p> <p>Action ongoing Regular individual, team &amp; service performance monitoring by Managers</p> <p>Action ongoing Rescheduling of work due to high levels of demand from new &amp; changing priorities</p> <p>Action ongoing Staff have the necessary skills for future new models of service delivery</p> <p>Action ongoing Systems &amp; procedures &amp; policies to deal with underperformance/lack of capability</p>
<p>Risk Code: ST31 Unmitigated Status: Medium (9)</p>	<p><b>Climate Change - the impact of not reducing our energy use and contribution to CO2 emissions</b></p> <p>The impact of not reducing our energy use and contribution to the levels of CO2. If unchecked, the Council's energy use will continue to rise unabated and will create:-</p> <ul style="list-style-type: none"> <li>• unnecessary financial pressure</li> <li>• loss of reputation as a community leader</li> <li>• loss or reduction of the Zero Heroes T10 Council Strategy programme</li> </ul>	<p>Risk Responsible Officer: William Elliott, Richard Rainbow</p> <p>Mitigation:</p> <p>Action completed Deliver energy reduction projects to reduce our carbon footprint</p> <p>Action ongoing Green travel options for staff</p> <p>Action Increase reliance on</p>
<p>Mitigated Status: Low (1)</p>		

		<p>ongoing renewable energy resources</p> <p>Action ongoing Monitor all utilities consumption (electricity, gas, water)</p> <p>Action ongoing Promote and encourage behaviour that reduce our environmental impact</p> <p>Action ongoing Using technology to reduce miles travelled by the workforce to deliver services</p>
<p><b>Risk Code: ST32</b> Unmitigated Status: High (12) Mitigated Status: Medium (9)</p>	<p><b><u>Non Compliance with Section 106 Agreements and CIL notices</u></b> Non Compliance with Section 106 Agreements and CIL notices</p>	<p>Risk Responsible Officer: Neil Blaney, Alex Lessware Mitigation:</p> <p>Action completed Legal Follow up of non-payment</p> <p>Action ongoing Meetings with departments</p> <p>Action ongoing Monitor issue of relevant CIL notices and receipt of CIL monies</p> <p>Action ongoing Monitor monies received from time constrained S106 agreements and not yet spent</p>
<p><b>Risk Code: ST37</b> Unmitigated Status: High (12) Mitigated Status: Medium (6)</p>	<p><b><u>Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose</u></b> 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.</p>	<p>Risk Responsible Officer: Colin Sutherland Mitigation:</p> <p>Action ongoing Annual auditing</p> <p>Action completed Good communication</p> <p>Action completed ICT Requirements Board review meetings</p> <p>Action ongoing Monitoring and review of performance</p> <p>Action ongoing Robust governance</p> <p>Action ongoing Strata and Teignbridge DC Business Continuity Plans</p>

		<p>Action ongoing Strata Business plan approved annually</p>
<p><b>Risk Code: ST40</b> Unmitigated Status: High (12) Mitigated Status: Medium (9)</p>	<p><b><u>Local Plan - Infrastructure Delivery Delay</u></b> Infrastructure delay; risk of not delivering infrastructure as per the Infrastructure Delivery Plan required for the successful delivery of the commitments in the Local Plan</p>	<p>Risk Responsible Officer: Alex Lessware Mitigation:</p> <p>Action ongoing Direct Involvement</p> <p>Action ongoing Funding Streams</p> <p>Action completed Ongoing Review of Infrastructure Delivery Plan</p> <p>Action ongoing Planning Application Process</p> <p>Action ongoing S.106 and Planning Conditions</p> <p>Action ongoing Work with Stakeholders</p>
<p><b>Risk Code: ST41</b> Unmitigated Status: Medium (6) Mitigated Status: Medium (6)</p>	<p><b><u>Local Plan - Planned Development Delayed or Not Happening</u></b> Planned development is delayed or does not happen due to an economic downturn, infrastructure provision delay, unexpected delivery costs, landowners sitting on land and developers having different priorities. This could lead to a loss of infrastructure funding, shortage of employment and housing development, failure on the Housing Delivery Test or 5 Year Housing land supply, leading to a possible loss of appeals.</p>	<p>Risk Responsible Officer: Alex Lessware, Helen Williams Mitigation:</p> <p>Action completed Achievable Allocations</p> <p>Action ongoing Infrastructure Investment</p> <p>Action completed Viability Evidence</p> <p>Action ongoing Work with Developers, Landowners, Councillors and other Stakeholders</p>
<p><b>Risk Code: ST42</b> Unmitigated Status: High (12) Mitigated Status: Medium (6)</p>	<p><b><u>Failure to deliver the Council Strategy</u></b> 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 &amp; direction, a lack of engagement of staff, unforeseen</p>	<p>Risk Responsible Officer: Michelle Luscombe, Philip Shears Mitigation:</p> <p>Action ongoing Budget planning</p> <p>Action ongoing Clear links to other Council and partner strategies and plans</p>

	<p>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.</p>	<p>Action ongoing Communication planning</p> <p>Action completed Ensure adequate staff resources</p> <p>Action ongoing Overall project and programme oversight</p> <p>Action ongoing Partnership relationship management</p> <p>Action ongoing Programme Managers/Business Managers meetings with Portfolio Holders</p> <p>Action ongoing Project planning</p> <p>Action ongoing Regular progress monitoring</p>
<p><b>Risk Code: ST43</b>  <b>Unmitigated</b>  <b>Status: High (16)</b>  <b>Mitigated Status: Low (4)</b></p>	<p><b>Failure to adopt Teignbridge Local Plan</b>  Councillors do not agree to the plan's contents or the Inspectors Main Modifications. or The Local Plan Inspector finds the local plan unsound or legally flawed and cannot recommend its adoption or Plan making is delayed by changes to national policy / regulations, or local issues arising from matters such as Duty to Cooperate.</p>	<p>Risk Responsible Officer: Neil Blaney, Rebecca Hewitt, Michelle Luscombe  Mitigation:</p> <p>Action completed Appropriate SEA and HRA</p> <p>Action completed Conformity with GESP</p> <p>Action completed Consultation</p> <p>Action completed Critical review of plans and policies</p> <p>Action completed Duty to cooperate agreements</p> <p>Action completed Duty to cooperate processes</p> <p>Action completed Evidence</p> <p>Action completed National Planning Policy</p> <p>Action completed Political support</p> <p>Action Qualified staff</p>

		<p>completed</p> <p>Action completed Review other plans</p> <p>Action completed Training</p>
<p><b>Risk Code: ST44</b></p> <p>Unmitigated Status: High (12)</p> <p>Mitigated Status: Medium (8)</p>	<p><b>Flood risk management</b></p> <p>A lack of appropriate flood risk management of Council land and/or property. A lack of management of flood risk associated with new development through increased surface water runoff or development in flood risk areas through the lack of planning guidance. A lack of working with partners such as the Environment Agency, Devon County Council and other Risk Management Authorities.</p>	<p>Risk Responsible Officer: Michelle Luscombe, Richard Rainbow</p> <p>Mitigation:</p> <p>Action ongoing - Local Flood Risk Management Strategy</p> <p>Action ongoing Coastal flood and Erosion works</p> <p>Action ongoing Flood risk management schemes</p> <p>Action ongoing Planning guidance and application review</p> <p>Action ongoing Regular meetings with key partners</p>
<p><b>Risk Code: ST45</b></p> <p>Unmitigated Status: High (12)</p> <p>Mitigated Status: Medium (6)</p>	<p><b>Flood risk resilience</b></p> <p>A lack of flood risk management plans including supporting of Community Plans and Emergency Flood Response plans. A lack of flood risk resilience associated with new development through increased surface water runoff or inappropriate development in flood risk areas through the lack of planning guidance. A lack of working with partners such as the Environment Agency, Devon County Council and other Risk Management Authority.</p>	<p>Risk Responsible Officer: Michelle Luscombe, Richard Rainbow</p> <p>Mitigation:</p> <p>Action ongoing Local Flood Risk Management Strategy</p> <p>Action ongoing Local Resilience Forum</p> <p>Action ongoing Planning Guidance and Review</p> <p>Action ongoing Promotion of Flood Resilience schemes</p>
<p><b>Risk Code: ST46</b></p> <p>Unmitigated Status: Very High (20)</p> <p>Mitigated Status: High (12)</p>	<p><b>Failure of ICT security measures leading to a cyber attack</b></p> <p>Failure to identify, assess and put in place ICT security measures that protect from cyber attack the network and information systems that support essential service delivery. This could lead to financial loss, service delivery failure, disruption, damage/corruption of data a loss in public confidence and reputation</p>	<p>Risk Responsible Officer: Sue Heath, Amanda Pujol</p> <p>Mitigation:</p> <p>Action ongoing Acceptable Use Policy</p> <p>Action ongoing Business Continuity Plan</p> <p>Action ongoing Cyber security awareness training</p>

		<p>Action ongoing Cyber security risk management regime</p> <p>Action ongoing ICT cyber security lead</p> <p>Action ongoing Incident response policy</p> <p>Action ongoing Internal audit review</p> <p>Action ongoing Strata Monthly Report</p> <p>Action ongoing User awareness</p>
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**Teignbridge District Council  
Audit Committee  
29 June 2026  
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:

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

Contract Procedure Rules exemptions:

<b>1</b>	<b>SINGLE SUPPLIERS</b> 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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<b>2</b>	<p><b>PROTOTYPES AND DEVELOPMENT</b> When procuring a prototype or other novel good or service that is designed or developed at the request of the contracting authority.</p>
<b>3</b>	<p><b>ADDITIONAL OR REPEAT GOODS, SERVICES OR WORKS</b> 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).</p> <p>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).</p>
<b>4</b>	<p><b>COMMODITIES</b> 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.</p>
<b>5</b>	<p><b>URGENCY</b> 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.</p>
<b>6</b>	<p><b>LEGISLATION</b> Where any Procurement Legislation or other legislation prevents a procurement process being followed</p>
<b>7</b>	<p><b>INCREASED COSTS / LOSS OF INCOME</b> The Council would incur significant avoidable costs or lose significant income.</p>
<b>8</b>	<p><b>ADVANTAGEOUS TERMS ON INSOLVENCY</b> 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.</p>

### 3 WAIVERS / EXEMPTIONS

3.1 The following waivers and / or exemptions have been processed since the 25 March 2026 monitoring report:

Proposing Officer	Proposal / Reason	Approval
<p>Director of Corporate Resources</p>	<p><b>Interim Head of Legal</b></p> <p>Interim Head of Legal Services to be supplied through Venn Group to cover vacant Head of Legal role from April to October. This will allow for a difficult to recruit role to be covered until outcome of Local Government Reorganisation (LGR) is known, with the potential to enter into a shared services arrangement.</p> <p><b>Value:</b> £70,200</p> <p><b>Reason:</b> Limited market / single supplier / urgent action: Venn Group is experienced in providing interim management services for local government. Venn Group were approached due to difficulty in recruiting this specialist role from the existing agency provider Comensura.</p>	<p>Managing Director and Head of Paid Services</p>

## Waiver / Exemption Analysis:

Waivers									
No. of Waivers / Exemptions									
Prior year				This period					
2023-2024	2024-2025	2025-2026	Dept	YTD	June	Sept	Dec	Mar	
6	5	5	Strategy & Partnerships	0	0				
0	0	0	Neighbourhoods	0	0				
0	0	0	Building Control	0	0				
4	1	0	Development Management	0	0				
0	0	1	Legal & Democratic Services	1	1				
2	0	2	Human Resources	0	0				
1	0	0	Financial Services & Audit	0	0				
0	1	2	Assets	0	0				
3	0	0	Customer & Digital	0	0				
3	0	1	Environmental Services	0	0				
5	3	2	Housing	0	0				
1	0	0	Leisure	0	0				
<b>25</b>	<b>10</b>	<b>13</b>	<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Value of Waivers / Exemptions									
Prior year				This period					
2023-2024	2024-2025	2025-2026	Dept	YTD	June	Sept	Dec	Mar	
£645,041.00	£177,826.00	£303,362.87	Strategy & Partnerships	£0.00	£0.00				
£0.00	£0.00	£0.00	Neighbourhoods	£0.00	£0.00				
£0.00	£0.00	£0.00	Building Control	£0.00	£0.00				
£206,867.00	£68,610.00	£0.00	Development Management	£0.00	£0.00				
£0.00	£0.00	£40,000.00	Legal & Democratic Services	£70,200.00	£70,200.00				
£58,800.00	£0.00	£103,620.00	Human Resources	£0.00	£0.00				
£32,800.00	£0.00	£0.00	Financial Services & Audit	£0.00	£0.00				
£0.00	£21,600.00	£425,409.90	Assets	£0.00	£0.00				
£51,190.00	£0.00	£0.00	Customer & Digital	£0.00	£0.00				
£131,900.00	£0.00	£90,000.00	Environmental Services	£0.00	£0.00				
£176,000.00	£282,974.00	£140,000.00	Housing	£0.00	£0.00				
£50,046.00	£0.00	£0.00	Leisure	£0.00	£0.00				
<b>£1,352,644.00</b>	<b>£551,010.00</b>	<b>£1,102,392.77</b>	<b>Total</b>	<b>£70,200.00</b>	<b>£70,200.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<p>Note: 2023-2024 Strategy &amp; Partnerships includes Community Safety for three years £244,000 for delivery of projects under UKSPF and coastal monitoring for six years £202,041 for accommodation and IT costs</p>									

## 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.