

Teignbridge District Council

Audit Scrutiny

18 December 2024

Part 1

INTERNAL AUDIT PROGRESS REPORT

Purpose of Report

To advise members of the internal audit work completed and in progress.

Recommendation(s)

The Audit Scrutiny Committee is recommended to note the report.

Financial Implications

None. The internal audit service is currently within budget.

Legal Implications

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

Risk Assessment

Risks are taken into account when planning internal audit work.

Environmental / Climate Change Implications

None.

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Executive Member

Councillor Richard Keeling – Executive Member for Resources

1. INTRODUCTION / BACKGROUND

- 1.1 Internal audit provides an independent opinion on the Council's risk management, control environment, and governance. A [plan of audit work](#) was approved by members in August 2024. This report shows progress against that plan. It also summarises the findings of completed audits.

2. AUDIT PLAN PROGRESS 2023-2024

SYSTEM	STATUS	ASSURANCE
<u>Core Financial Systems</u>		
Main Accounting & Budgetary Control	Planned Q4	-
Creditor Payments	Planned Q4	-
Debtors	Planned Q4	-
Payroll	Planned Q4	-
<u>Other Systems / Projects</u>		
Housing Temporary Accommodation	June 2025	-
Housing Finance	June 2025	-
Housing Household Support Fund	Completed	Excellent
Procurement	Commenced	-
Ombudsman Complaint Code	Planned Q4	-
Democratic Services Review	On Hold	-
Data Protection	Planned Q4	-
Climate Change	Planned Q4	-
Business Continuity Management	In Progress	-
Emergency Planning	In Progress	-
Purchasing Cards (new system)	Completed	Good
Partnerships and Funding Arrangements	Completed	Good
Communications – Social Media	Planned Q4	-
Waste and Recycling	In Progress	-
Risk Management	Planned Q4	-
National Fraud Initiative	Ongoing	-
Fraud Risk Analysis	Ongoing	-
Governance	Ongoing	-

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

Key to Assurance Opinions:		
Excellent	★★★★	The areas reviewed were found to be well controlled, internal controls are in place and operating effectively. Risks against achieving objectives are well managed.
Good	★★★	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some areas for improvement have been identified.
Fair	★★	Basic control framework in place, but most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and require controls to be strengthened to achieve system objectives.
Poor	★	Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved.

2.3 Follow up checks are also undertaken to review progress with action plans agreed during audits. These are also included in the summary below.

3. CONCLUSION

Internal Audit work is progressing reasonably well and assurance has generally been positive.

Internal Audit Findings – Overview 18 December 2024

PROJECT TITLE	SUMMARY
<p>Partnership and Funding Arrangements</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>The governance framework for partnerships includes a partnership toolkit, partnership agreement template and assessment tool for service managers to utilise. The council's partnership register annual review is currently taking place. Service managers complete a partnership annual self-assessment declaration, and the outcome of these assessments is included within the Annual Governance Statement considered by the Audit Scrutiny Committee.</p> <p>There are a number of organisations which are independent from the council but have an impact on its service areas. In order to maintain effective partnerships, councillors sit on the various committees and forums that are responsible for them. For transparency purposes councillor representation at the outside bodies are shown on the council website, along with each councillor's register of interests.</p> <p>Funding is available for voluntary and community groups. Some are allocated through service level agreements with specific organisations, while many are simply one-off grants to voluntary bodies or communities through the Councillors' Community Fund. Voluntary sector grants are reviewed and reported to the Overview and Scrutiny on an annual basis. The sampling exercise of the voluntary sector funding arrangements concluded that the agreed funding amounts for 2024-2025 matched the signed one year service level agreements and receipt of quarterly monitoring information before the next quarterly payment made in advance.</p> <p>We sampled twelve partnerships gaining assurance that effective governance arrangements, performance monitoring and financial management were in place for all apart from the Teign Estuary and Coastal Partnership for which we are still awaiting the evidence.</p> <p>Recommendations included updating the partnership register to reflect that the South Devon and Dorset Coastal Authorities Group and associated South West Coast Group is no longer hosted by the council with no funding commitments. Also, for the South Devon Coastal Local Action Group the funding stream has ended, and the council no longer has any involvement. Furthermore, the council is no longer part of the Visit South Devon Board.</p>

PROJECT TITLE	SUMMARY
Follow Up Audits The effectiveness of audits is increased if agreed actions are implemented. The audit cycle allows for a follow up check to be made on any important recommendations at an agreed time after each review. Details of recently completed follow ups are shown below:	
Car Park Follow Up Audit Opinion: Good ☆☆☆	Original audit: February 2024 Followed up: November 2024 1 of the 10 recommendations actioned and implemented. A further update will be provided at the meeting.
Managing Health and Safety within the Council Audit Opinion: Fair ☆☆	Original audit: May 2024 Followed up: August 2024 and November 2024 5 of the 25 recommendations actioned and implemented. 20 remain on-going with progress being made. The responsible officer will be attending the meeting to give a further update.