

Teignbridge District Council

Audit Scrutiny

16 April 2025

Part 1

INTERNAL AUDIT PROGRESS REPORT

Purpose of Report

To advise members of the internal audit work status.

Recommendation(s)

The Audit Scrutiny Committee is recommended to note the report.

Financial Implications

None. The internal audit service is within budget.

Legal Implications

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

Risk Assessment

Risks are taken into account when planning internal audit work.

Environmental / Climate Change Implications

None.

Report Author

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Executive Member

Councillor John Parrot – Executive Member for Corporate Resources

1. INTRODUCTION / BACKGROUND

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

2. AUDIT PLAN PROGRESS 2024-2025

SYSTEM		STATUS	ASSURANCE
<u>Core Financial Systems</u>			
Main Accounting / Budgetary Control	DAP	In progress	-
Creditor Payments	TDC	In progress	-
Debtors	DAP	In progress	-
Payroll	TDC	In progress	-
<u>Other Systems / Projects</u>			
Housing Temporary Accommodation	DAP	June 2025* see below	-
Housing Finance	DAP	June 2025* see below	-
Housing Household Support Fund	TDC	Completed	Excellent
Procurement	DAP	Draft report issued	-
Ombudsman Complaint Code	TDC	Deferred* see below	-
Democratic Services Review	DAP	Draft report issued	-
Data Protection	(TBC)	TBC	-
Climate Change	DAP	In progress	-
Business Continuity Management	TDC	Completed	Fair
Emergency Planning	TDC	Completed	Good
Purchasing Cards (new system)	TDC	Completed	Good
Partnerships & Funding Arrangements	TDC	Completed	Good
Communications – Social Media	TDC	Starting 23 April 25	-
Waste and Recycling	DAP	Completed	Good
Risk Management	TDC	Draft Report Issued	-
National Fraud Initiative	TDC	Ongoing	-
Fraud Risk Analysis	TDC	Ongoing	-
Governance	TDC	Ongoing	-

2.2 The two housing audits of temporary accommodation and finance planned for June 2025, have been requested to be postponed, due to implementation of a new housing system. These will therefore be carried forward to next year's plan. The Ombudsman Complaint Code self-assessment is pending confirmation from the service that this can go ahead which is dependent on them going live with an overarching policy, but is also likely to be later in the year. The Data Protection should be audited independently and is pending sourcing of this also when resources permit.

2.3 An additional requested audit of the Transparency Code is currently in progress aimed at ensuring the Council is compliant with the Code's requirements. We have also supported completion of returns to Department for Business and Trade (DBT) and provision of referral evidence for outstanding debt cases from Covid business support grant schemes.

2.4 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.

2.5 Follow up checks are undertaken to review progress with action plans agreed during audits. These are included in the summary below. A new Corporate Governance Group has been introduced in the Council, comprising Strategic Leadership Team members, the Monitoring Officer and

Audit Manager. Outstanding audit actions are also a standing item on the agenda of this group.

3. CONCLUSION

Internal Audit work is ongoing, and with the exception of those areas mentioned above, remaining work is expected to be completed in time to inform the annual assurance opinion. A further update will be given at the meeting when two of the above draft reports should be finalised, allowing opinions to be disclosed.

Internal Audit Findings – Overview 16 April 2025

PROJECT TITLE	SUMMARY
<p>Business Continuity</p> <p>Audit Opinion: Fair ☆☆</p>	<p>The Emergency Planning and Business Continuity Officer is currently working with the Heads of Service to complete their service level business continuity plans with a target for completion of 31 March 2025, including the identification of key suppliers. The new draft Corporate Business Continuity Plan includes the council's critical business operations and recovery time objective, i.e. 24 hour or less recovery time as identified by the Emergency Planning and Business Continuity Officer and Service Leads on reviewing the existing pre-identified prioritised services. Also, whilst working with Strata, Exeter, and East Devon partner councils to inform the priority service areas for the draft Strata IT Disaster Recovery Response Plan.</p> <p>A new comprehensive draft Strata IT Disaster Recovery Response Plan has been produced which was last updated on 20 November 2024 after a plan walkthrough on 4 November 2024 with the Strata management team and systems specialists. A tabletop test was planned for February 2025 to further develop the plan and follow up the actions identified from the walkthrough; however, the Strata Head of Security and Compliance has confirmed that this will now be after April 2025 due to resources.</p> <p>In addition, there is a draft Strata Cyber Incident Response Plan, last updated April 2024. A cyber event was held in January 2025 with the three councils and Strata, facilitated by the Devon Assurance Partnership, working through a ransomware scenario and how the parties would respond to this. A report is to be provided to the council leadership teams, which will include a comment on whether cyber resilience is adequately covered in the business continuity plans.</p> <p>However, until the council's service level business continuity plans have been completed and tested through exercising in conjunction with the Strata IT Disaster Recovery Response Plan and the Strata Cyber Incident Response Plan, there is no assurance that they are valid and work in practice.</p> <p>Other recommendations include gaining assurance that business continuity arrangements are in place with key suppliers including digital and communications so that acceptable standards of delivery of services can continue in a disruptive event, to educate and embed business continuity across the council ensuring that key officers are fully trained and aware of their responsibilities. Also, staff awareness of the incident response protocol.</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 and January 2025. 2 of the 10 recommendations actioned and implemented. The responsible officer will be attending the meeting to provide an update.
Partnership and Funding Arrangements Audit Opinion: Good ☆☆☆	Original audit: May 2024 Followed up: August 2024 and November 2024, and January 2025. 3 of the 7 recommendations actioned and implemented. The responsibility of the partnership register is now under the Head of Strategy and Partnerships who has confirmed that arrangements will be made to update and maintain this register.