

TEIGNBRIDGE DISTRICT COUNCIL

INTERNAL AUDIT - ANNUAL AUDIT PLAN 2025-2026

"Internal auditing is an independent, objective, assurance activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes." *Global Internal Audit Standards.*

NB: Audit Plans should be considered flexible and adjustable, to address emerging risks, organisational changes, and revised priorities during the year.

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2025-26 Days
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Core Financial Systems Assurance

(Core systems are those areas that are fundamental to providing assurance for internal financial control)

MAIN ACCOUNTING & BUDGETARY CONTROL	ST02 ST14 ST24	All	Accounts for the Council's activities, provides essential financial control through reconciliation processes, and ensures budgetary requirements are met. Good financial management and budgetary control are key components of good governance.	10
PAYROLL	ST02 ST14 ST24	All	Ensures prompt and accurate payment of employees. To cover standard key controls. Specific request also to focus on the new rostering module introduced for Leisure service, post implementation check for assurance over accuracy of paid time.	10
BENEFITS AND COUNCIL TAX SUPPORT	ST02 ST14 ST24	4	Assesses the accuracy and timeliness of payments. Typically covers claims assessments, payments, overpayment recovery, fraud detection and governance.	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2025-26 Days
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Other Systems Assurance

HOUSING - TEMPORARY ACCOMMODATION	ST02 CP07	4	The audit will assess the extent to which the Council is meeting its statutory homelessness duties effectively . Ascertain whether correct processes are followed, ensuring the payments to providers are accurate according to length of stay, and appropriate decisions are made in line with legislation.	10
HOUSING - FINANCE	ST02 CP07	4	Review and test collection of income and debt recovery for all housing related finance (emergency accommodation, deposit/rental guarantees, leases etc.)	10
OMBUDSMAN - COMPLAINT CODE SELF ASSESSMENT	ST06 ST25	All	The Local Government and Social Care Ombudsman launched an updated Complaint Handling Codes, applicable from 1 April 2024, with the aim of making good practice in complaint handling clearer. Internal audit will assist with a self assessment of compliance against the Code.	10
DATA PROTECTION	CP14	All	To provide assurance on the extent to which the Council is complying with data protection legislation. A self assessment will be undertaken for independent validation by a third party.	10
BUSINESS CONTINUITY MANAGEMENT	ST19	All	A further audit to follow on from last year given the strategic importance of ensuring business continuity plans are comprehensive, documented and tested. The review will include Strata's Business Continuity Plans and IT Disaster Recovery Strategies as well as key supplier arrangements.	10
TEIGNBRIDGE SERVICES - WORKSHOPS	ST11	All	To provide assurance over the systems in place for incident management, including review, lessons learned, incident minimisation.	10
ETHICAL GOVERNANCE - DECLARATIONS OF INTEREST	CP11	All	External Audit Key Recommendation from the recent Grant Thornton VFM report issued in February 2025: an internal audit of declarations of interest should be arranged to identify any areas for improvement.	10
ENFORCEMENT	Various	All	Review of all enforcement activity - requested by Senior Leadership Team.	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2025-26 Days
CAR LOANS	ST02 CP07 ST24	All	To review to operation of the car loan scheme including accuracy of calculation and repayments. Car Loan balancing and debt recovery for leavers will be reviewed.	10
GREEN SPACES	Various	3	Review of service operations following internal assessment and improvement review, to ensure risks are managed and controls operating as intended.	10
RESORTS	Various	3	Review of arrangements in place for ensuring risks within this service area are managed.	10
PLANNING - FEES AND INCOME	CP07	4	Review process for collecting and accounting for planning fees for assurance over probity and ensuring income is maximised. Pre-application checks for income generation is a particular focus at present.	10
SELF BUILD	ST32	4	Review to include management of the self build register, compliance with legislative and procedural requirements, plot provision, allocation, planning permission and development processes.	10
COMMUNITY INFRASTRUCTURE LEVY (CIL) and SECTION 106 AGREEMENTS	ST32	3,4,5	Review of the management of Section 106 (planning obligations) and CIL charges in relation to chargeable developments, including application stage, charge collection, and associated spend.	10
LICENSING	CP07	All	To include fee validation and charge collection. To include all areas of licensing e.g. animal welfare, ski piercing etc. as well as taxi and premises licences.	10
PEST CONTROL	CP07	3	Charges were recently introduced for this service. Ensure risk are managed for efficient and effective operation of service.	10
PARKING	CP07	All	Follow up of previous audit recommendations and specific review of procedures for processing notices to owners.	10
CAR PARK DEBT RECOVERY	CP07	All	Fact finding investigation into the arrangements for debt recovery on penalty charge notices.	10
MAJOR PROJECTS	CP15	All	Major Projects - audit of end to end processes for high risk projects, to include compliance (CDM regs), decision logs, project completions, handovers, roles and responsibilities, appointment of external contractors,	10

SYSTEM OR ACTIVITY TO BE AUDITED	Risk*	Priority*	(*see risk & priority keys below)	2025-26 Days
Risk Based Auditing				
RISK MANAGEMENT	CP16	All	<p>This project covers risk management and sample testing the mitigations within the Council's Risk Registers.</p> <p>The processes in place (mitigations) to manage high scoring risks will be verified to ensure that they are operating in practice and provide assurance that key risks are being managed.</p>	10
ICT Systems				
ICT SYSTEMS / CYBER SECURITY	ST46 ST37	All	<p>Teignbridge's ICT services are delivered by Strata and audited by the Devon Assurance Partnership (DAP).</p> <p>The Strata audit plan for 2025-2026 is focussed on Cyber Security and Service Standards. We place reliance on the work undertaken by DAP to avoid duplication</p> <p>Strata have recently completed the Cyber Assessment Framework (CAF) on behalf of all three Councils. In summary the assessment found Cyber risk is managed very well, which provides independent assurance. CAF is likely to become the default IT security standard for local government and has already been mandated for central government by 2030.</p> <p>This allocation of time has been included to pick up any risks we may need assurance on outside the Strata audit plan, and for work needed to address the new mandatory " Topical Requirement" for Cyber Security recently issued under the Global Internal Audit Standards.</p> <p>The Business Continuity audit above may overlap some of DAP's planned work in which case we will ensure any duplication is avoided depending on the timings of each assignment.</p>	10

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Fraud / Special Investigations / Other Requested Work

COUNTER FRAUD	ST14	All	Fraud risk assessment; Anti Fraud & Corruption Strategy; Whistleblowing Policy; Anti Money Laundering Policy.	10
CONTINGENCY	-	All	Contingency for fraud, irregularity and other investigative work or ad hoc requests for projects.	15

Governance Work

CORPORATE GOVERNANCE	-	All	Review and assessment of governance arrangements. Collating supporting evidence to support the Annual Governance Statement. Monitoring of the Council governance improvement action plan following recommendations from the LGA Peer Review, external auditors Grant Thornton, and the Council's own governance statement.	20
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Advice / Consultancy

ADVICE AND CONSULTANCY	-	All	Allowance for time spent on providing general advice to officers, management and members.	20
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Other (Non Audit) Work

ANNUAL GOVERNANCE STATEMENT (AGS)	-	All	Assist in production of the AGS following Governance Review above.	5
FINANCIAL INSTRUCTIONS and CONTRACT PROCEDURE RULES	ST24	All	Provision of advice to officers and dealing with Waivers / Exemptions.	15
NATIONAL FRAUD INITIATIVE (NFI) DATA MATCHING	ST14	All	The Audit and Information Governance Manager performs the NFI Key Contact Role and co-ordinates the investigation of matches.	10

Audit Management & Administration

AUDIT ADMINISTRATION and KNOWLEDGE	-	General admin: team meetings / corporate meetings / training etc.	10
AUDIT FOLLOW UP	-	Involves ensuring previously agreed actions have been implemented.	10

TOTAL RESOURCES REQUIRED 2025-2026	355
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Resource Available (days):

Internal: Auditor and Audit Manager:	200
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External Resource:	155
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TOTAL RESOURCES AVAILABLE 2025-2026	355
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KEY TO THE COUNCIL'S PRIORITIES (Source: Council Strategy - "One Teignbridge" - February 2025)

Priority 1: COMMUNITY - Listening and responding to communities and local issues

Project 2: ECONOMY - Working with businesses and partners to support our local economy

Project 3: ENVIRONMENT - Protecting our environment and supporting communities and landscapes and responding to the challenge of change

Project 4: HOMES - Take action to tackle the housing crisis and strive to give everyone the chance to live in a safe warm home

Project 5: INFRASTRUCTURE - Providing with partners, the services, facilities and travel networks that our residents and business need

"All": This encompasses elements that underpin all priorities such as: effective spending; increased income; being customer focussed; working in new / smarter ways; continuously improve efficiency; delivering services fairly.

KEY TO THE COUNCIL'S RISKS (Source: Strategic and Corporate Risks Registers - Spar.net)

Ref	Risk Description	Score
Strategic Risks		
ST06	Statutory Requirements Not Met	9
ST11	Failure to Comply with Health & Safety Legislation	9
ST46	Failure of ICT security measures leading to a cyber attack	9
ST02	Failure to control and manage finance	6
ST08	Economic Uncertainty	6
ST09	Inadequately prepared to manage the impacts of a major emergency in the District	6
ST14	Fraud and Corruption	6
ST17	Inability to Recruit and Retain Staff	6
ST19	Poor or Ineffective Business Continuity Management	6
ST20	Poorly Managed Election	6
ST26	Poor Public Relations Management	6
ST29	Failure to maintain sufficient management capacity & capability	6
ST37	Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose	6
ST40	Local Plan - Infrastructure Delivery Delay	6
ST41	Local Plan - Planned Development Delayed or Not Happening	6
ST42	Failure to deliver the Council Strategy	6
ST43	Failure to adopt Teignbridge Local Plan	6
ST44	Flood risk management	6
ST45	Flood risk resilience	6
ST24	Finance - Breach of Financial Instructions & Contract Rules	4
ST25	High Levels of Customer Dissatisfaction	4
ST31	Climate Change - the impact of not reducing our energy use and contribution to CO2 emissions	4
ST32	Non Compliance with Section 106 Agreements and CIL notices	4

Corporate Risks		
CP01	Attacks on Staff	6
CP05	Contractor Poor Performance/Failure	6
CP07	Failure to Collect or Loss of Income	6
CP09	Staff health and wellbeing (was Staff Absence/Stress/Morale)	6
CP11	Breach of Code of Conduct by Members	6
CP13	Safeguarding	6
CP15	Project management	6
CP16	Lack of Effective Risk Management	6
CP17	Health and Safety Compliance for Housing Stock	6
CP08	Future proofing the workforce (was Failure to Improve Staff Capability and Capacity)	4
CP12	Breach of Code of Conduct by Staff	4
CP14	Non-compliance with the Data Protection Act and General Data Protection Regulations	4