

Teignbridge District Council

Audit Scrutiny

17 December 2025

Part 1

INTERNAL AUDIT PROGRESS REPORT

Purpose of Report

To advise the internal audit work completed and progress against the audit plan.

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.

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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 June 2025. Progress against the plan and results of completed audits is monitored by the Audit Committee.

2. AUDIT PLAN PROGRESS 2024-2025

SYSTEM	STATUS	ASSURANCE
<u>Core Financial Systems</u>		
Payroll	Jan/Feb 2026	-
Main Accounting / Budgetary Control	Q4	-
Housing Benefit / Council Tax Support	Q4	-
<u>Other Systems / Projects</u>		
Resorts	Completed	Reasonable
Declarations of Interest	Completed	Reasonable
Pest Control	Completed	Reasonable
Car Loans	Completed	Reasonable
Parking (Notice to Owners review)	Completed	Reasonable
Housing – Temporary Accommodation	Q4	-
Housing – Finance	Q4	-
Business Continuity (Follow Up)	Q4	-
Teignbridge Services Workshops	Q4	-
Enforcement	Q4	-
Green Spaces	Q4	-
Planning – Fees and Income	Q4	-
Self Build Register and Compliance	Q4	-
Major Projects	Q4	-
Data Protection	Q4	-
Licensing	Feb/Mar 2026	-
Risk Management	Jan/Feb 2026	-
Ombudsman Complaint Code	April 2026	-
National Fraud Initiative	Ongoing	-
Fraud Risk Analysis	Ongoing	-
Governance	Ongoing	-

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

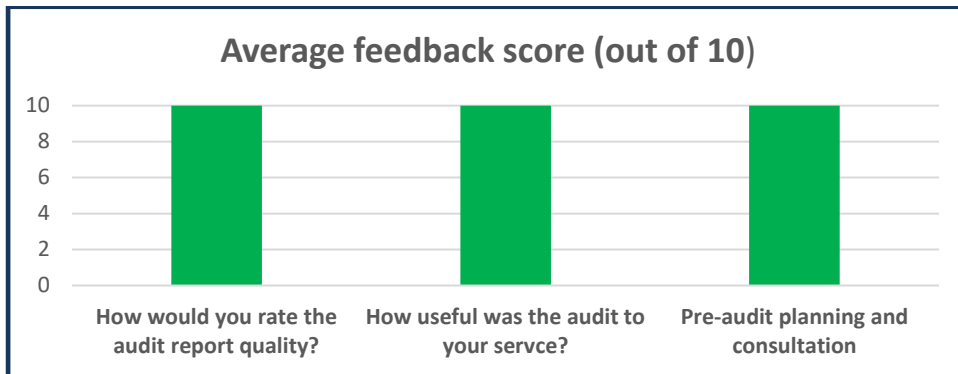
Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

2.3 In addition to the planned audits above, we remain involved in the Covid-19 business support grant work having referred another case to the Department for Business and Trade (DBT) for non-payment of an agreed recovery repayment plan, together with the evidence (awaiting outcome). We have completed the DBT return summarising the current position of any outstanding Covid-19 Business Support Grant repayments giving details of repayments and debt referrals already submitted

2.4 Follow up checks on all completed audits are undertaken to review progress with action plans agreed during the original audit. These are included in the summary below. Progress with these is also monitored by the Council's Corporate Governance Group.

3. Audit Quality

A short satisfaction survey is issued to service managers on the completion of each audit. Maximum scores have been received for all completed audits when asked for their views on the following areas:



3. CONCLUSION

The 5 completed audits have provided reasonable assurance that there are reliable controls operating. The remainder are planned to commence in Q4 pending agreement of timing and terms of reference with service managers.

Members are recommended to note the report.

Internal Audit Findings Summary - 17 December 2025

PROJECT TITLE	SUMMARY
<p>Resorts</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The Resorts team are responsible for the supervision and management of beaches and resort grounds within the control of the council. This work includes beach and resort cleaning, safety management, inspections and first aid provision to keep visitors safe, as well as the management of golf facilities, working with RNLI lifeguards and operating a public office seven days a week.</p> <p>There is a five-year RNLI lifeguard provision contract in place to patrol Teignmouth and Dawlish Warren beaches in the summer. Information is available on the council's beach webpages of when the lifeguards are patrolling (May to September, seven days per week) and a link to the Environment Agency's Swimflo website informing of pollution risk forecasts. Bathers can then make informed decisions regarding avoiding times or locations where the risk of pollution is higher than normal. Statutory water quality and RNLI hazard signage is displayed at the designated bathing water sites.</p> <p>The RNLI providing a lifeguard and first aid service acts as a control measure in the resort work based and site risk assessments. These risk assessments also include the beach cleaning, public rescue equipment and scheduled safety inspection regime with compliance evidence of completion. There are safe working procedures for the use of equipment and emergency action plans in place for bathing water quality pollution incidents. In addition, the RNLI carry out risk assessments every five years for Teignmouth and Dawlish Warren beaches which are updated annually. The mitigations include provision of public rescue equipment, signage and providing a lifeguard service.</p> <p>It is essential that the appropriate health and safety training has been completed, and safety workwear provided before new employees commence their work duties. Recommendations have been included to strengthen internal controls around inductions, so seasonal staff receive their induction training within two weeks of employment including completing the mandatory e-Learning modules, as well as receiving role appropriate health and safety training as identified in the resort risk assessments.</p>

PROJECT TITLE	SUMMARY
<p>Car Loans</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The council operates an assisted car purchase scheme which provides car loans to eligible staff. Under the scheme, interest is charged at 1% above the Bank of England base rate and is fixed at the time of the loan for its duration. Monthly repayments are deducted from the employee's salary.</p> <p>The sampling exercise gave the assurance that car loans had been correctly calculated and based on the correct loan period for the age of the vehicle. All had signed agreements detailing the principal loan, monthly repayments and loan period with the correct monthly instalment amount being deducted by salary.</p> <p>It also highlighted some car loan application forms not being authorised by a service manager, however, all advances were approved by the Director for Corporate Services before payment. Sampling also found some instances of missing supporting documents such as sales invoices and insurance information and two anomalies on interpretation of scheme conditions e.g %age of loan to salary ratio.</p> <p>Most car loans are repaid in full when employees leave the council as per the Financial Instructions, but some cases have been set up as a sundry debtor arrangement to continue with monthly repayments (currently nine cases). This is for the principal loan only, interest for the loan period should be included.</p> <p>Recommendations included for a cost benefit / risk analysis to be completed to inform the Strategic Leadership Team if the current car loan scheme is still financially viable for the council. If continuing with the scheme, for a council car loan policy to be introduced clarifying the criteria. Also, to review the car loan agreement to ensure it is robust including measures to recoup any outstanding debts if an employee is unable to pay their debt.</p>
<p>Members Declaration of Interests</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The council's members code of conduct requires all members to provide a record of their interests in a public register and declare any interest in any matter being discussed at meeting, not participate in any discussion or vote on the matter and not remain in the room unless granted a dispensation.</p>

PROJECT TITLE	SUMMARY
	<p>Disclosable pecuniary interests and other registrable interests (e.g. membership of outside bodies) must be registered within 28 days of taking office, and for any new interest or change to a registered interest declared within 28 days of awareness. Failure to register or disclose a disclosable pecuniary interest is a criminal offence under the Localism Act 2011.</p> <p>The sampling exercise gave the assurance that the register of interests for each member is published on the council's website. These were completed within 28 days of taking office or being re-elected, however, several registers of interests have not been updated since. It highlighted that some members are not including appointments to outside bodies, and being part of a parish, town or county council within their register of interests. Furthermore, 30% of the sampled cases withheld their home addresses to be published under s.32 of the Localism Act 2011, however, addresses were still shown under s. 4 'Land' in their registers which should have been redacted.</p> <p>Sampling of committee meeting records assured us that declarations of interests are being made at meetings and on comparison to the contents within the members current register of interests no further declarations should have been made. It did highlight that where an interest is declared and not already included in the members register of interests this should be updated within 28 days of the meeting. Additional sampling of previous committee meetings highlighted a minority of members declaring a prejudicial interest but continuing to speak and remain in committee meetings (this may be seen as bias even though resolved as a majority vote), others took no part in the discussion and abstained from voting but remained present (should not observe the vote) or left the meeting at the start of the agenda item.</p> <p>Recommendations included for the Democratic Services Manager to arrange additional training on non-participation in committee meetings when declaring a prejudicial interest; refresher training on the importance of keeping register of interests up to date; completion of an annual review following up on any anomalies and to redact sensitive interests; to raise awareness of the need to update the register within 28 days of a declaration at a meeting; inclusion of a link to members guidance on declaring interests and members who have membership of county, town and parish councils within committee meeting agendas. Additionally having a central public register of interests of all members to identify any potential conflicts of interest when Democratic Services officers review agenda items before a council meeting so they can proactively brief members on matters where an interest is evident.</p>

PROJECT TITLE	SUMMARY
<p>Pest Control</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>The sampling exercise gave the assurance that each of the service requests submitted to the contractor had been paid for and only related to rats and mice treatment at domestic properties within Teignbridge. Service requests from residents in receipt of council tax reduction were correctly granted a 50% discount. However, it highlighted that £72.00 is still being charged rather than the approved fees and charges for 2025-2026 of £75.00.</p> <p>The cross-referencing exercise gave the assurance that the number and amount of online rat and mice service requests matched the application records shown in the financial management system from 1 April 2025. Two service requests were raised outside of the online facility by directly contacting the Environmental Protection team. One made a telephone payment and the other a sundry debtor payment. Explanations were provided for these, in that it is important not to delay taking action for an infestation.</p> <p>The quality control check made on 28 August 2025 for July highlighted a missed payment for service request 25/05097/ECRATC which was submitted to the contractor on 23 July 2025. A sundry debtor invoice was raised and the resident made payment on 16 September 2025. The VAT was coded incorrectly as 'Outside Scope' rather than 20%. Steps have been taken to correct this isolated error and improvements have also been instigated to include more details in the feed from the Firmstep online service request into the financial management system to show both the reference and full customer name to improve the audit trail and aid reconciliation.</p> <p>The audit gave assurance that service requests submitted to the contractor were actioned within the specification of the contract, for example, the first visit within two working days and revisited within seven days until the resident was satisfied with the outcome.</p> <p>During the audit the Head of Neighbourhoods instigated changes to the website and online Firmstep form to reflect the charge increase to £75.00 and further agreed for the VAT element of the sundry debtor invoice to be reviewed; to ensure telephone service requests are paid in full before being submitted to the contractor; amend the payment reference to include the surname and Firmstep reference number; and consider use of a resident user satisfaction survey to monitor the effectiveness of the pest control service contract.</p>

PROJECT TITLE	SUMMARY
<p>Parking – Notice to Owners</p> <p>Audit Opinion: Reasonable Assurance</p>	<p>As part of its civil parking enforcement duties, the Council issues Penalty Charge Notices (PCNs) to vehicles found in contravention of parking restrictions.</p> <p>When a PCN remains unpaid after 28 days, the Council initiates the next stage of enforcement by issuing a Notice to Owner (NtO). This formal legal document is sent to the registered keeper of the vehicle, as identified through the Driver and Vehicle Licensing Agency (DVLA).</p> <p>The NtO serves two primary purposes:</p> <ul style="list-style-type: none"> • to notify the vehicle owner of the outstanding penalty, and, • to provide the opportunity to either pay the full charge or submit a formal appeal <p>If a representation is submitted, the Council is required to review the case and respond with a decision. Should the representation be rejected, the vehicle owner has the right to escalate the matter to the Traffic Penalty Tribunal, an independent adjudication body. The NtO process is therefore a key control in the PCN process as failure to issue and manage NtOs in line with statutory requirements could result in failure of the parking enforcement function.</p> <p>This audit assessed the effectiveness, compliance and resilience of the NtO process.</p> <p>Findings were positive with a reasonable assurance opinion issued due to the following factors:</p> <ul style="list-style-type: none"> • NtOs are managed in accordance with statutory requirements under the Traffic Management Act 2004 • clear instructions are issued the DVLA used for registered keeper data as expected, and • rejected representations were issued within deadlines with separation of duties between initial challenges and formal representations <p>Recommendations included:</p> <ul style="list-style-type: none"> • Formally documenting or process mapping operational procedures • Mitigating against the single point of failure from one key officer • Regular reviews of user access to the Taranto system • Consideration of quality assurance checks on the NtO process although it is recognised this is dependent on available resources

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. (Please note assurance ratings relate to the original audits and therefore use our previous score system Excellent/ Good/Fair/Poor).	
Business Continuity Audit Opinion: Fair ☆☆	Original audit: March 2025 Followed up: June 2025 and September 2025 3 of the 10 recommendations actioned and implemented. Progress is being made for the remaining seven recommendations. These include enhancing the detail in the service level business continuity plans around cyber security and key suppliers to ensure that contracts include business continuity clauses and business continuity arrangements so delivery of services can continue in a disruptive event. Also, to educate and embed business continuity across the council.
Procurement Audit Opinion: Fair ☆☆	Original audit: April 2025 Followed up: July 2025 and October 2025 5 of the 16 recommendations actioned and implemented. Progress is being made for the remaining eleven recommendations with one partially complete, four ongoing, six outstanding and one a target date of December 2025. These include adding new procurement risks to Spar.net, members briefing on The Procurement Act, creating a new contract management toolkit for procurement champions, produce contract financial information from FMS and bi-annual updates to Audit Committee and SLT.

PROJECT TITLE	SUMMARY
Managing Health and Safety within the Council Audit Opinion: Fair ☆☆	<p>Original audit: May 2024</p> <p>Followed up: August 2024, November 2024, January 2025, July 2025 and November 2025.</p> <p>13 of the 25 recommendations actioned and implemented. Progress is being made for the remaining twelve recommendations which include exploring the functionality of the iTrent learning management module to be used as the central training record for training and qualifications for each employee and having sufficient competent fire risk assessors within the council.</p> <p>Six recommendations are dependent upon the new health and safety management system provided by Evotix (incident reporting, service risk assessments, corporate risk assessment register, completion of display screen equipment (DSE) assessments and maintenance of DSE register) and the lone worker monitoring system provided by Vatrix. Both systems are in the final stages of procurement with STRATA and planned for implementation in Q4 2025/26.</p> <p>Four recommendations continue as ongoing tasks: programme of inspection / audit, fire risk assessments, attendance of service team meetings to raise staff awareness, continuation of health and safety training. Lone worker and personal safety, risk assessments, asbestos awareness and duty to manage training has taken place during November 2025. A HR Learning and Development Coordinator has recently been appointed to facilitate ongoing corporate training.</p>
Purchasing Card Audit Opinion: Good ☆☆☆	<p>Original audit: September 2024</p> <p>Followed up: April 2025, July 2025 and October 2025</p> <p>4 of the 7 recommendations actioned and implemented. The remaining three recommendations are dependent upon the introduction of virtual cards which were to be implemented by 31 July 2025 but due to other financial priorities and the Principal Technical Accountant leaving the authority on 1 August 2025 this project has been handed over to the Finance Systems and Transaction Manager. A business case is being collated by the Business Transformation Team.</p>

PROJECT TITLE	SUMMARY
Creditors Audit Opinion: Good ☆☆☆	<p>Original audit: April 2025</p> <p>Followed up: October 2025</p> <p>2 of the 3 recommendations actioned and implemented. The remaining one recommendation now has a target date of April 2026 relating to the publishing of Payment Compliance Notices. The government guidance now states contracting authorities will need to publish their first payments compliance notice by 29 April 2026 for the reporting period from 1 October 2025 to 31 March 2026 and continue to do so for each successive reporting period.</p>
Social Media Audit Opinion: Good ☆☆☆	<p>Original audit: June 2025</p> <p>Followed up: September 2025</p> <p>3 of the 5 recommendations actioned and implemented. The remaining two recommendations relate to officers with social media access to sign up to the social media policy which is a mitigation recorded in Spar.net to be completed by 31 December 2025. Also, for a social media recovery plan exercise to take place to ensure it works in practice.</p>
Car Parks Audit Opinion: Good ☆☆☆	<p>Original audit: February 2024</p> <p>Followed up: November 2024, February 2025 and October 2025</p> <p>2 of the 10 recommendations actioned and implemented. Progress is being made for the remaining eight recommendations which relate to ongoing enforcement recovery, a review of the individual car park risk assessments, putting in place written procedures and service level agreements from the outcome of the counting house review and the update of the council's website.</p>
Waste & Recycling Audit Opinion: Good ☆☆☆	<p>Original audit: February 2025</p> <p>Followed up: May 2025 and October 2025</p>

PROJECT TITLE	SUMMARY
	<p>11 of the 17 recommendations actioned and implemented. Progress is being made for the remaining six recommendations. These include the Participation Improvement Project to increase recycling rates. Tenders for work on the new waste transfer station to enable collection of flexible plastics and cartons. Ongoing work to collate a record of all staff training in the absence of a corporate system. Process mapping for missed collections to automate rather than rely on excel spreadsheets. Process mapping complaints with the new proposed complaint system being able to report trend analysis.</p>
<p>Emergency Planning</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: January 2025</p> <p>Followed up: July 2025 and November 2025</p> <p>3 of the 4 recommendations actioned and implemented. The remaining recommendation relates to the review of the mutual aid agreement which has been paused until clarity is provided on the Local Government reorganisation's impact on the Devon Emergency Planning Partnership (DEPP) in early 2026. The Head of Neighbourhoods has confirmed that the current mutual aid agreement is suitable to use in an emergency. Target date of March 2026.</p>