

Teignbridge District Council

Audit Scrutiny

25 March 2026

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. The [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 2025-2026

SYSTEM	STATUS	ASSURANCE
<u>Core Financial Systems</u>		
Payroll	Completed	Reasonable
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	TOR completed	-
Risk Management	Completed	Reasonable
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:

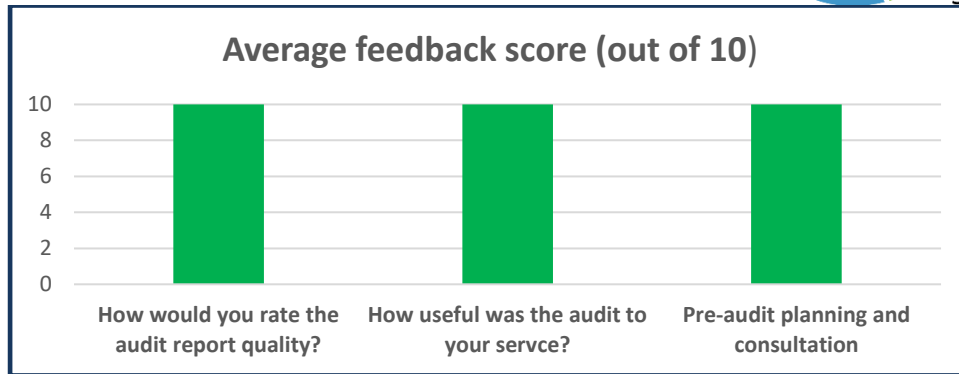
Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management 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 Unplanned work undertaken during this period includes liaison with Housing to ensure controls are embedded and data managed appropriately for the Crisis and Resilience Fund scheme, and a final reconciliation of Covid grants with the Dept for Business and Trade. The case referred to in our previous Audit Committee report has been accepted by DBT who will pursue the remainder of the debt.

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.

3. Audit Quality

A short satisfaction survey is issued to service managers on the completion of each audit. We are pleased that maximum scores have been maintained since the our last report in December 2025.



3. CONCLUSION

Completed audits have provided reasonable assurance that risks are managed and controls operating for the areas reviewed. The remainder of the work is in the process of being planned for April / May 2025.

Members are recommended to note the report.

Internal Audit Findings Summary - 25 March 2026

PROJECT TITLE	SUMMARY
Risk Management Audit Opinion: Reasonable Assurance	There is a risk management strategy in place which outlines the council's policy and approach to risk management. It details the process, roles and responsibilities and monitoring and reporting. This strategy is now due its two-year review. A corporate risk register is held within the council's Service, Performance and Risk monitoring system (Spar.net). Detail on the risk, unmitigated and mitigated scores, mitigations, responsible officer, and reviews is recorded. The service groups in the Spar.net strategic and corporate risk register have been aligned with the new management structure and the new risk scoring matrix introduced from January 2026. Risk responsible owners have been requested to review the unmitigated scores for their strategic and corporate risks and complete an updated risk review for each to align with the report submission and publication requirements. A risk management workshop has been delivered by the Devon Assurance Partnership for the Senior Management Team on 18 March 2026 and focussing on the identification, management, and assessment of strategic risks including an overview of the council's current risk management framework and how it is applied. The sampling exercise of strategic risks having a high mitigated risk score gave the assurance that appropriate mitigations actions are being actively managed. Recommendations have been included for the risk management strategy to be reviewed, ensure that the Spar.net automated reminder facility is fixed and undertake a full review of the strategic risks now the new management restructure / operating model / council strategy has been finalised to ensure that they align with the new council's priorities and vision.

PROJECT TITLE	SUMMARY
Payroll Audit Opinion: Reasonable Assurance	The council uses iTrent, a fully integrated HR and Payroll system, for the management of employee information. Access to the system is segregated between the HR and Payroll staff. The sampling of the parameter data set within the iTrent system for 2025-2026, e.g. annual pay increase, tax and NI rates, pension contribution rates, new pay, and grading structure were accurate. Sampling exercises gave assurance of accurate payroll calculations for the 2025-2026 pay award agreed at 3.2% (pro-rotta for part-time employees) backdated to 1 April 2025 were included in the August pay run. Also, for the new pay and grading structure introduced on 1 September 2025 backdated and included in the October pay run. The sampling exercise of starters, leavers, sickness, redundancy, and adjustments to pay were all accurately input into the payroll system promptly matching the supporting documentation and calculated correctly. The Payroll Specialist has strengthened internal controls by producing iTrent payroll validation reports prior to payroll processing to identify any potential incorrect or missing information that may lead to incorrect pay or deductions. Other key controls are in place – namely monthly reconciliations to ensure the payroll system agrees to the Financial Management System (FMS), and there is a separation of duties between Payroll and Finance. However, the monthly reconciliations need to be independently reviewed and authorised. This control was agreed to be implemented from February 2026. There is appropriate separation of duties for the Bacs (Smarter Pay system) payment runs.

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).	
Resorts Audit Opinion: Reasonable Assurance	Original audit: August 2025 Followed up: February 2026 6 of the 11 recommendations actioned and implemented. Recommendations outstanding include: • reviewed risk assessments awaiting sign off • new staff to complete mandatory e-learning modules within two weeks of employment including lone working • completion of fire risk assessments for assets used by resort staff as their workplace • additional mitigations for risks to be added to the Spar.net risk system.
Pest Control Audit Opinion: Reasonable Assurance	Original audit: November 2025 Followed up: February 2026 4 of the 6 recommendations actioned and implemented. Progress is being made on the remaining two recommendations: • one is dependent on Strata completing the work request to amend the links between the FMS and Firmstep systems • the other is introduction of a pest control resident user satisfaction survey.

PROJECT TITLE	SUMMARY
Car Loans Audit Opinion: Reasonable Assurance	Original audit: September 2025 Followed up: December 2025 All 7 recommendations are outstanding. Six are dependent on the outcome of the Strategic Leadership Team report being produced by the Head of Human Resources and Organisational Development. Target date for completion of recommendations is March 2026. The strategic review was recommended to cover procedures for leavers and debt recovery, and review of the car loan agreement and the indemnity bond requirement. The remaining recommendation has not been agreed at this stage due to lack of resources but it related to additional staff being able to cover car loan calculations as this is limited to one person currently with specialist knowledge of the scheme, hence single point of failure.
Car Parks – Notice to Owners Audit Opinion: Reasonable Assurance	Original audit: September 2025 Followed up: December 2025 and February 2026 2 of the 5 recommendations actioned and implemented. The remaining recommendations include: • implementing formal contingency and quality assurance procedures • finalising the completion and implementation of the operating manual. Additional resources have been appointed to enable these recommendations to be completed.
Members Declaration of Interests Audit Opinion: Reasonable Assurance	Original audit: October 2025 Followed up: December 2025 11 of the 12 recommendations actioned and implemented. The remaining partially agreed recommendation to have a central public register of interests has not been taken forward at this stage.

PROJECT TITLE	SUMMARY
Business Continuity Audit Opinion: Fair ☆☆ (As noted above, this and the remaining ratings below, are from the old score system Excellent/Good/Fair/Poor used in last year's audits)	Original audit: March 2025 Followed up: June 2025, September 2025 and December 2025 6 of the 10 recommendations actioned and implemented. Tactical Emergency Planning training was delivered by the Devon Emergency Planning Partnership (DEPP) on 5 September 2025 and recovery training on 20 November 2025. The remaining recommendations 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. There is now a team approach to emergency planning and business continuity management. Processes and protocols are being reviewed with updated frameworks in place and cascaded to all staff involved in response and recovery by April 2026. The 'One Teignbridge' council strategy action plan includes under Community: Priority Projects and Actions: C.6 (Ensure strategic emergency planning and business continuity protocols are up to date and all necessary staff are trained in response and recovery). Key PIs are training exercises completed per year and % services completed business continuity plan annually.
Procurement Audit Opinion: Fair ☆☆	Original audit: April 2025 Followed up: July 2025, October 2025, December 2025 and February 2026 8 of the 16 recommendations actioned and implemented. Procurement champions have been identified across nine departments who are currently undertaking the Government Commercial College contract management foundation level accreditation programme. The remaining recommendations include: • adding new procurement risks to Spar.net, • members briefing on The Procurement Act • creating a new contract management toolkit for procurement champions • producing contract financial information from FMS and an annual update to Audit Committee and SLT in October 2026.

PROJECT TITLE	SUMMARY
Managing Health and Safety within the Council Audit Opinion: Fair ☆☆	Original audit: May 2024 Followed up: August 2024, November 2024, January 2025, July 2025, November 2025 and February 2026. 13 of the 25 recommendations actioned and implemented. Eight 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, maintenance of DSE register and H&S training records) and the lone worker monitoring system provided by Vatrix being implemented. Four recommendations continue as ongoing tasks: programme of inspection / audit, fire risk assessments, attendance of service team meetings to raise staff awareness, and continuation of health and safety training.
Social Media Audit Opinion: Good ☆☆☆	Original audit: June 2025 Followed up: September 2025 and February 2026 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. This is due to be completed in March 2026. Also, for a social media recovery plan exercise to take place to ensure it works in practice.
Car Parks Audit Opinion: Good ☆☆☆	Original audit: February 2024 Followed up: November 2024, February 2025, October 2025, December 2025 and February 2026 2 of the 10 recommendations actioned and implemented. The remaining recommendations relate to:

PROJECT TITLE	SUMMARY
	• ongoing enforcement recovery • finalising the review of the individual car park risk assessments and written procedures • ensuring signed contracts in place from the outcome of the counting house review and • update of the council's website. The responsible officer will be attending the meeting to provide an update on the enforcement position as requested by members at the December meeting.