

# Teignbridge District Council

## Audit Committee Annual Report 2025-2026

March 2026

### 1. Introduction

The Audit Committee is a key component of the Council's governance framework, providing independent, high-level assurance on governance, risk management and internal control. Chartered Institute of Public Finance Accountants (CIPFA) guidance emphasises that all local government bodies should adopt the principles of effective audit committees to support sound governance, internal control, financial management and reporting.

This Annual Report sets out how the Committee has discharged its responsibilities during 2025/26 with regard to the CIPFA guidance and the Council's Constitution, particularly the Audit Committee's Terms of Reference.

### 2. Committee Purpose and Governance

In line with CIPFA expectations, the Committee provides:

- Independent assurance on the adequacy of governance, risk and control arrangements
- Oversight of internal audit, external audit, and financial reporting including the annual governance statement

The full terms of reference are within the Council's Constitution [here](#) (Section 3.6).

### 3. Membership and Meetings

- **Chair:** Councillor Sally Morgan
- **Vice Chair:** Councillor Robert Steemson
- **Councillors:** Michael Jackman, Stephen Purser, Mike Ryan, Kevin Smith, and Andrew Swain (past members Bill Thorne and John Radford served part of the year)
- **Independent Member:** Paul Dodd (joined September 2025)

During 2025/26 the Committee met six times, with all meetings quorate. The Committee were pleased to welcome Paul Dodd in September 2025 as independent member, reflecting CIPFA's emphasis on independence, skills and knowledge.

## **4. Work of the Committee During 2025/26**

### **4.1 Governance and Internal Control:**

- Reviewed and updated Audit Assurance rating for the work of internal audit, bringing these into line with CIPFA guidance.
- Revised the Committee's terms of reference to reflect best practice, changing from Audit Scrutiny to Audit Committee in July 2025.
- Appointed the independent member following a robust recruitment exercise.
- Maintained oversight of internal and external audit plans and work.
- Received specific briefings from officers for areas of functions where internal audit had identified weaknesses and approved action plans.
- Monitored the progress against the Council's consolidated governance improvement plan.
- Reviewed and approved the Annual Governance Statement ensuring it was commensurate with the Committee's knowledge and understanding of the governance framework and results of its work.
- Reviewed and approved the Final Accounts, Treasury Management lending list and results.
- Approved the Council Tax base.
- Reviewed Exemptions and Waivers to the Council's Financial Instructions and Contract Procedure Rules.
- Received the annual Regulation of Investigatory Powers Act (RIPA) monitoring report.

### **4.2 Risk Management**

The Committee scrutinised risk management arrangements and received the Corporate and Strategic Risk registers for review, challenging the adequacy of mitigations where required. This supports CIPFA's expectation for audit committees to maintain high-level oversight of risk management. The Committee also requested the frequency of risk reports to be increased to every meeting due to the importance of regular scrutiny.

### **4.3 Counter Fraud, Whistleblowing and Cyber Security**

The Committee maintained oversight of the Fraud Risk Assessment which identifies fraud risks within the Council's functions and the mitigations in place to manage them. As with internal audit work, specific officers can be asked to provide briefings on areas for additional assurance, for example a specific cyber security briefing from Strata's security specialist. The results of the Council's independent assessment against the Local Government Cyber Assessment Framework were also reviewed.

The Anti Fraud and Corruption and Whistleblowing Policies are within the remit of the Committee and updates approved when required. A minor update to the Whistleblowing policy has been made to reflect the new Employment Rights Act.

#### 4.4 Self-Assessment and Effectiveness Review

A Self-Assessment workshop, facilitated by the Devon Assurance Partnership, evaluated the Committees purpose, function, membership and effectiveness against CIPFA best practice.

<b>Areas Covered</b>	<b>IA Rating</b>
<b>Audit Committee Purpose and Governance</b>	<b>Substantial</b>
<ul style="list-style-type: none"><li>- <i>Terms of reference compliance with the 2022 CIPFA Position</i></li><li>- <i>Annual Report by the Committee</i></li></ul>	
<b>Functions of the Committee</b>	<b>Substantial</b>
<ul style="list-style-type: none"><li>- <i>Terms of reference compliance with the 2022 CIPFA Position</i></li></ul>	
<b>Membership and Support</b>	<b>Reasonable</b>
<ul style="list-style-type: none"><li>- <i>Establishing and maintaining a skills matrix</i></li><li>- <i>Establishment of formal training plan</i></li></ul>	
<b>Effectiveness of the Committee</b>	<b>Reasonable</b>
<ul style="list-style-type: none"><li>- <i>Action plan for improvement</i></li><li>- <i>Performance measures &amp; Added Value</i></li></ul>	

Member training was undertaken during the year, to ensure they remained informed and current. The training was also facilitated by Devon Assurance Partnership.

#### Forward Plan

The Forward Plan can be seen [here](#). The committee will continue its focus on ensuring good governance is embedded, whilst mindful of the impacts of the impending Local Government Reorganisation.

#### Conclusion

The Audit Committee believes it has fulfilled its responsibilities in accordance with CIPFA's principles and has contributed significantly to the robustness of the Council's governance, risk management and control environment.

The input of Members, officers and the Independent Member, to the work of the Committee are much appreciated.

**Councillor Sally Morgan, Chair of the Audit Committee**