

Agenda for Audit and Governance Committee Thursday, 18th September, 2025, 1.30 pm

Members of Audit and Governance Committee

Councillors: R Wood, I Barlow, K Bloxham, C Brown, C Burhop (Chair), R Collins, O Davey (Vice-Chair), C Fitzgerald, M Goodman, F King and Y Levine

Venue: Council Chamber, Blackdown House

Contact: Amanda Coombes;

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(or group number 01395 517546)

Tuesday, 9 September 2025



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1 Minutes of the previous meeting (Pages 3 - 6)

2 Apologies

3 Declarations on interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

4 Public speaking

Information on [public speaking](#) is available online

5 Matters of urgency

Information on [matters of urgency](#) is available online

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the Press) have been excluded. There are no items which officers recommend should be dealt with in this way.

Matters for Decision

7 **Internal Audit Activity Progress report** (Pages 7 - 16)

8 **Internal Audit Plan 2025-26 - SWAP** (Pages 17 - 33)

9 **External Auditor's Annual Report Year ending 31 March 2025** (Pages 34 - 75)

10 **External Audit Accounts 2024/25 - Finance Manager and Grant Thornton verbal update**

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Members of the public exercising their right to speak during Public Question Time will be recorded.

[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Audit and Governance Committee held at Council Chamber, Blackdown House on 24 July 2025

Attendance list at end of document

The meeting started at 2.30 pm and ended at 4.30 pm

1 Minutes of the previous meeting

The minutes of the Audit and Governance Committee held on 20 March 2025 were confirmed as a true record.

2 Declarations on interest

There were no declarations of interest.

3 Public speaking

There were no members of the public registered to speak.

4 Matters of urgency

There were no matters of urgency.

5 Confidential/exempt item(s)

There were no confidential or exempt items.

6 Internal Audit Annual Opinion 2024/25

The Assistant Director, SWAP Internal Audit Services, Lisa Fryer, presented the report which highlighted that the Internal Audit function played a central role in corporate governance by providing assurance to senior management and the Audit and Governance Committee.

Under the *Application Note: Global Internal Audit Standards in the UK Public Sector* issued by CIPFA, the chief audit executive (SWAP Assistant Director) must provide an overall conclusion on the effectiveness of the Council's internal control environment. This conclusion was the Internal Audit Annual Opinion. The Annual Opinion was informed by the work SWAP had completed as part of the 2024/25 Internal Audit Plan. Furthermore, the Annual Opinion supported production of the Council's Annual Governance Statement.

The Assistant Director, SWAP Internal Audit Services, advised that there was a good basis for the opinion as the Internal Audit Plan had been substantially delivered.

During the discussion, it was noted that advisory matters do not receive an assurance opinion. Items marked confidential in the report would be brought to a future meeting.

Concern was expressed regarding risks to business continuity for Strata and it was noted that Strata was audited separately by the Devon Audit Partnership. A report would be brought to a future Committee meeting.

RESOLVED:

That the Internal Audit Annual Opinion for 2024/25 be noted.

7 Internal Audit Progress Report - Quarter 4 2024-25

Connor McLaughlin Nester, SWAP, presented the Internal Audit Activity Progress Report for quarter 4, 2024-25 and highlighted key points from the report.

The Emergency Planning and Business Continuity Officer advised that recovery time objectives set out in service plans were being reviewed against those set out by Strata to ensure that there were no discrepancies.

During the discussion, it was noted that the InPhase performance management system was still not operational. The Information Governance Board had been tasked with oversight of responsibilities under the Transparency Code.

RESOLVED:

That the Committee note the progress against the 2024/25 Internal Audit Plan as of 3rd July 2025, and the findings reported.

8 External Audit Plan 2024 - 2025

The Key Audit Partner, Peter Barber, from Grant Thornton presented the External Audit Plan 2024 – 2025 and highlighted key points.

Discussion included the process whereby the Actuary for the Devon Pension Fund provided details of the net position for EDDC to ensure that this is properly reflected in EDDC's accounts.

The Chair thanked Mr Barber for his report and noted the progress being made.

RESOLVED:

That the External Audit Plan 2024 – 2025 be noted.

9 Risk Report quarter one 2025/26

Joanne Avery the Interim Performance & Risk Team Leader presented the Risk Information for the first quarter of 2025/26 financial year. This provided an overview of strategic and operational risks, and was supplied to allow the Committee to monitor the status of these risks. This followed the full review of risks by responsible officers during May/June 2025. Most of the reviews were completed by the responsible officers with the Interim Performance & Risk Team Leader. The report also provided a timetable for future reporting.

It was agreed that the Chair, the Vice-Chair, Cllr Goodman and Mr Rob Wood would meet with the Interim Performance and Risk Team Leader to consider the full risk register.

The Chair thanked the Officer for their report.

RESOLVED:

That the current status of the strategic and operational risks following the full risk review undertaken in May/June 2025 be noted.

10 **Draft Statement of Accounts 2024/25 including Annual Governance Statement**

The Finance Manager updated Members on the draft statement of accounts 2024/25 which were made available on the Council's website from 30 June 2025. The period of public inspection ran until the 11 August 2025. The appointed auditors Grant Thornton LLP were due to commence the 2024/25-year end audit in October 2025 and an expected close out by December 2025.

It was agreed that a session be arranged prior to the next Committee meeting to inform members of the accounts in greater detail as they are complex and prescribed. This could be undertaken as a Councillor Lunchtime Learning session as well as an Audit & Governance session.

RESOLVED:

1. That the draft statement of accounts 2024/25 had been signed by the S151 Officer and that it was noted that this had been brought to the Committee for comment.
2. That it was noted that the audited statement of accounts 2024/25 would be presented to the Committee for approval following completion of the audit.

11 **Financial Monitoring report update 2025/26 - verbal update**

The Finance Manager provided a verbal update regarding financial monitoring for quarter 1 to the end of June 2025. There were no material concerns or recommended actions. The Housing Revenue Account was materially on budget. Further information on financial monitoring was included on the Cabinet agenda for 30 July. A review of capital expenditure projects would be undertaken this year in light of local government reorganisation.

The Chair thanked the Finance Manager for the update.

12 **Audit and Governance Forward Plan**

Audit and Governance Committee Forward Plan items to be considered at the next committee included:

- Internal Audit Plan 2025-26
- Internal Audit Activity Progress report
- External Audit Progress report and Sector update
- External Audit Accounts 2024/25 verbal update
- Financial Monitoring report update 2025/26
- Treasury Position Review
- Strata Annual Internal Audit report 2024/25
- Partnership Review 2024
- External Auditor's Annual Report
- External Audit Committee update

- External Audit Accounts 2024/25 verbal update
- Annual Report - Delivery Plan for Fraud, Corruption & Compliance Strategy

It was noted that this would be a long agenda and consideration would be given to bringing forward the start time of the meeting to accommodate this.

Attendance List

Councillors present:

I Barlow
C Brown
C Burhop (Chair)
R Collins
O Davey (Vice-Chair)
C Fitzgerald
M Goodman
Y Levine

Councillors also present (for some or all the meeting)

J Loudoun
G Jung

Officers in attendance:

Peter Barber, Key Audit Partner, Grant Thornton
Lisa Fryer, Assistant Director, SWAP Internal Audit Services
Connor McLaughlin Nester, Senior Auditor, SWAP
Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
John Symes, Finance Manager
Matthew Blythe, Assistant Director Environmental Health
David Whelan, Anti-Social Behaviour & Community Safety Co-Ordinator
Alethea Thompson, Democratic Services Officer
Robert Wood, Independent Person

Councillor apologies:

K Bloxham
F King

Chair

Date:



Report to: Audit and Governance Committee

Date of Meeting 18 September 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

2025/26 Half 2 Internal Audit Plan

Report summary:

SWAP Internal Audit Services (SWAP) has prepared the proposed Internal Audit Plan for Half 2 of 2025/26 (1 October 2025 to 31 March 2026).

SWAP now requires formal approval from the Audit and Governance Committee to proceed with the Plan.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

The Audit and Governance Committee should consider and approve the 2025/26 Half 2 Internal Audit Plan.

Reason for recommendation:

The Audit and Governance Committee is responsible for approving the Internal Audit Plan.

Officer: Lisa Fryer, Assistant Director, SWAP Internal Audit Services – lisa.fryer@swapaudit.co.uk

Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational
- ☒ Finance
- ☐ Place, Infrastructure and Strategic Planning
- ☐ Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk

Links to background information N/A

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☒ Carbon neutrality and ecological recovery
- ☒ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

East Devon District Council

Proposed 2025/26 Half 2 Internal Audit Plan

page 9

The Internal Audit Plan: Summary

The Internal Audit Plan is a summary of the proposed audit coverage that SWAP will deliver in the 2025/26 financial year.

Delivering the Internal Audit Plan will enable SWAP to provide a comprehensive annual internal audit opinion.

Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective assessment of the council's risk management, governance, and control environment by evaluating its effectiveness.

Before the start of each financial year, SWAP works with senior management and members to create a proposed Internal Audit Plan.

The purpose of the Plan is to enable SWAP to provide an informed annual audit opinion, based on adequate coverage of key business objectives, risks, and risk management procedures.

Outcomes from our audits provide senior management and members with an independent judgment of the extent to which the council is adequately managing its current risks.

Internal audits are just one source of assurance. Internal audit outcomes should be considered alongside other sources as part of the 'three lines of defence' model. The key findings from our audits should also be considered alongside the Annual Governance Statement (AGS).

The council's senior management and the Audit and Governance Committee are responsible for confirming that the proposed Internal Audit Plan is adequate to provide independent assurance against the council's key risks.



The Internal Audit Plan: Approach

To develop the Plan, SWAP consulted senior management and members. Additionally, SWAP reviewed key documentation to gain a comprehensive understanding of the council's strategies, key objectives, risks, and risk management processes.

Approach to Internal Audit Planning for 2025/26

The factors considered in putting together the 2025/26 internal audit plan have been set out below:



Our approach to delivering the Internal Audit Plan is to stay flexible so we can respond to new and emerging risks. We have adopted an agile rolling plan. While this approach is continuous, planned work will only cover a six-month period, supported by a rolling backlog for future consideration. We will assess audit priorities with senior management and Audit and Governance Committee members.

The Internal Audit Plan: Risk Assessment

Conducting a documented risk assessment prior to developing an internal audit plan ensures that all relevant areas are sufficiently and appropriately considered.

Internal Audit Risk Assessment

Our 2025/26 Internal Audit Plan is based on a documented risk assessment, which SWAP will review regularly. The assessment covers EDDC's corporate and operational risks and priorities. Below is a summary of the risk areas considered:

Risk Assessment Considerations	
<u>Strategic Risks:</u> <ul style="list-style-type: none">• Local Government Reorganisation• Financial resource planning• Emergency planning and business continuity• Major contractor or partner failure• Climate change• Health and safety at work• Council Plan delivery• Housing Revenue Account• Increasing homelessness	<u>Local Issues:</u> <ul style="list-style-type: none">• Directorate strategies• Housing repairs and maintenance• Economic development• Regeneration and development planning• Waste and recycling services• Financial sustainability• Supplier resilience• Resourcing• Fraud prevention
<u>Core Areas of Recommended Coverage:</u> <ul style="list-style-type: none">• Financial Management• Health and safety• Planning, housing, environment and local economy• Governance (including risk and performance management)• Contracts, procurement and commissioning• Workforce• Technology, digital and security• Strategic asset management	<u>National Issues:</u> <ul style="list-style-type: none">• Climate change and sustainability• Fraud• Recruitment, retention and workforce planning• Procurement, contracts and commissioning• Health, safety and wellbeing• Strategic asset management• Planned and unplanned change• Cost of living crisis



The Internal Audit Plan: Risk Assessment

Following our SWAP Risk Assessment above, we have set out how the proposed 2025/26 Half 2 Plan presented in Appendix A provides coverage of the council's key corporate objectives and risks, as well as our core areas of recommended audit coverage.

Internal audit is only one source of assurance and should be considered in this context.

Internal Audit Coverage in Half 2 2025/26 – October 2025 to March 2026

Our aim is to produce an agile, risk-assessed work plan, containing key areas of coverage.

We maintain a rolling plan and continually update this as new areas of work are agreed. We risk assess all additions to the rolling plan. This means that lower risk or priority audits roll back to be delivered at a point in the future. The rolling plan is the basis of each six-monthly review, with audits agreed with senior management according to risk. This approach ensures the plan is flexible, and we can respond to new and emerging risks as they arise.

During preparation of the proposed Half 2 Internal Audit Plan, we:

- Reviewed previous suggestions included in the rolling plan (see **Appendix B**)
- Requested input from service Directors
- Discussed proposals with the Senior Leadership Team; and
- Agreed the final proposal with the Chief Executive Officer

This has been key to agreeing a programme of work that reflects corporate goals and associated risks.

We have set out the proposed Half 2 Internal Audit Plan in **Appendix A**.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always sit with management. As such, we cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.



The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes public sector partners throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated

Your Internal Audit Service

Conformance with the Global Internal Audit Standards (GIAS)

SWAP work is completed to comply with the GIAS, which set out the requirements for internal audit practice, and the Application Note for UK Public Sector Internal Audit, which sets out how public sector internal audit providers in the UK should interpret the GIAS.

At least every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity (EQA). Our last EQA took place in November 2024. This confirmed our conformance with the Public Sector Internal Audit Standards that were in place at that time.

Conflicts of Interest

We are not aware of any conflicts of interest with East Devon District Council that would impair our independence or objectivity.

Consultancy Engagements

As part of our internal audit service, we may accept consultancy engagements that have the potential to enhance risk management, add value, and improve the organisation's operations. Accepted consultancy work will contribute to our annual opinion and will be included in the Internal Audit Plan.

Approach to Fraud

Internal Audit may assess the adequacy of arrangements to prevent and detect irregularities, fraud, and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud, and irregularities rests with management, who should implement adequate internal control systems, including segregation of duties, and proper authorisation procedures.



Half 2 Internal Audit Plan 2025/26

Appendix A

Please note that the audit titles and high-level scopes listed below are only indicative at this stage for resource planning. At the start of each audit, we will hold an initial discussion with management to agree on the specific terms of reference, including the objective and scope of the review.

Audit	Planned Quarter	Rationale	Link to Strategic Risk	Audit Sponsor
Fees and Charges	3	The council has now established a fees & charges book. This audit will establish how fees are set, that fees are transparent and applied consistently, and to ensure there is an appropriate rationale for annual price increases. The review will also include benchmarking to identify areas that may be missing from the fees & charges book.	Adequacy of financial resource planning to deliver the Council's priorities	Chief Executive
Biodiversity Net Gain	3	There is a new requirement to enforce the achievement of a 10% biodiversity net gain (BNG) for new developments. There are also links to Corporate Plan actions to improve biodiversity in the district. This audit will establish how the council is managing the new BNG requirement.	Climate Change targets not achieved	Assistant Director Planning Strategy Assistant Director Countryside, Environment and Ecology
Community Asset Transfers	3	The Council Plan includes an action to encourage community asset transfers where there is a credible business case. This audit will consider the community asset transfer process, compliance with the process, and how this links to the council's wider strategic asset management.	Failure to ensure the delivery of the Council Plan	Assistant Director Place Assets and Leisure
Creditors	4	Key financial system last audited in 2021/22. Deferred from the 2024/25 Internal Audit Plan. The review will assess the council's processes for making accurate and timely payments to suppliers, including payment approval processes.	Adequacy of financial resource planning to deliver the Council's priorities	Director of Finance
Income Generation	4	This will be a cross-directorate review to consider the effectiveness of income generation approaches in discretionary services, e.g. cultural services.	Adequacy of financial resource planning to deliver the Council's priorities	Chief Executive
Risk Management	4	Key governance process not audited since 2021/22. The council has recently revised its risk management policy and strategic and operational risk registers. The review will assess the council's updated process.	Ensure robust decision making	Director of Finance

In addition to the programme of audits, we will also use our time provide support in the following areas during the second half of 2025/26.

Advice & Support	<ul style="list-style-type: none">• Committee Attendance & Reporting• Head of Audit role/planning• Action tracking and dashboard• Advisory role including fraud• Fraud bulletins and News round-up
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Report to: Audit and Governance Committee

Date of Meeting 18 September 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Internal Audit Activity Progress Report – Quarter 1 2025/26

Report summary:

This report outlines our progress in delivering the 2025/26 Half 1 Internal Audit Plan and provides a summary of outstanding internal audit actions as of 29 August 2025.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

The Audit and Governance Committee should note our progress against the 2025/26 Internal Audit Plan as of 29 August 2025, and the findings reported.

Reason for recommendation:

The Audit and Governance Committee is responsible for overseeing delivery of the Internal Audit Plan.

Officer: Lisa Fryer, Assistant Director, SWAP Internal Audit Services – lisa.fryer@swapaudit.co.uk

Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational
- ☒ Finance
- ☐ Place, Infrastructure and Strategic Planning
- ☐ Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk

Links to background information N/A

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☒ Carbon neutrality and ecological recovery
- ☒ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services







East Devon District Council

Report of Internal Audit Activity

Progress Report – Quarter 1 2025/26

Internal Audit – Quarter 1: ‘At a Glance’

The Headlines

	Reviews completed in the period <ul style="list-style-type: none"> 3 reviews (2 assurance audits and 1 support activity) have been finalised.
	2025/26 Internal Audit Plan progress to date <ul style="list-style-type: none"> 1 audit and 1 support activity have been completed. 1 audit is at draft report stage, 6 audits are in progress and 2 audits are being scoped. 55% of planned Half 1 reviews have either started or been completed.
	High Organisational Risks <ul style="list-style-type: none"> We have not found any High Organisational Risks since our last progress report.
	Action monitoring <ul style="list-style-type: none"> We monitor the council’s implementation of agreed actions through our audit management system. The council has 93 open agreed actions, compared to 108 in our last report.
	Plan changes in the period <ul style="list-style-type: none"> We have added the follow up audits we expect to take place this year to the Plan. We expect to complete 9 follow up audits this year, but this is dependent on the council implementing the agreed actions. We added and completed 1 support activity following a management request.
	Range of innovations and enhancements made to our internal audit process throughout the year <ul style="list-style-type: none"> Officers responsible for management actions now receive a monthly email highlighting any actions that are overdue or that have a timescale falling in the next 30 days. This is prompting officers to provide updates on AuditBoard independently.

Internal Audit Assurance Opinions 2025/26

	Aug	YTD
Substantial	0	0
Reasonable	1	1
Limited	1	1
None	0	0
Follow Up	0	0
Advisory & Other	1	1
Total	3	3

Internal Audit Agreed Actions 2025/26

	Aug	YTD
Priority 1	0	0
Priority 2	6	6
Priority 3	4	4
Total	10	10

Summary

As part of our rolling plan reports, we will detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contacts at SWAP in connection with this report are:

Lisa Fryer
Assistant Director
lisa.fryer@swapaudit.co.uk

Rich Clarke
Chief Executive Officer
rich.clarke@swapaudit.co.uk



Introduction

The Audit and Governance Committee approved the 2025/26 Half 1 Internal Audit Plan in March 2025. This report sets out our progress against the Plan. **Appendix E** summarises our progress as of 29 August 2025 and identifies new audits that we have added to the Plan since our last update to Committee.

Each completed audit includes its respective assurance opinion rating, together with the number and relative ranking of actions we have agreed with management.

We have applied the assurance opinion ratings set out in the SWAP Audit Framework Definitions detailed in **Appendix A**.

To help the Committee in its important monitoring and scrutiny role, **Appendix B** summarises our key findings from No and Limited assurance opinion audits. There is one new Limited assurance audit highlighted in this report.

We conduct follow-up audits for all No and Limited assurance audits. Follow-up audits assess whether the council has completed agreed actions. Outcomes from completed follow-up audits are summarised in **Appendix C**. We have not completed any follow-up audits since our last update to the Committee.

It is important that the council implements agreed actions to address the problems set out in our reports. To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking. The council's current position is set out in **Appendix D**.

Where there are findings that we believe pose a high organisational risk to the council, we summarise these findings separately. We did not find any high organisational risks in this reporting period.

Internal Audit Progress Update

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

The internal audit plan agreed is based on our risk-based approach to help ensure that resources are focused where internal audit can offer the most value and insight. A key source of information is the Council's strategic risk register.



Internal Audit Plan coverage of strategic risks

This table maps our completed and planned audits against the council's strategic risks. As the year builds and more work is completed, coverage across key risk areas will increase. "Planned Coverage" includes audits that have not yet concluded or have not been started. Where a strategic risk is not linked to a specific audit, it may still be covered through the action tracking process (see **Appendix D**).

Strategic Risk	Completed Coverage	Planned Coverage
Devolution and Local Government Review		
Adequacy of financial resource planning to deliver the Council's priorities	Fraud eLearning Module	Fraud Risk Assessment, Bank Reconciliation
Adequate emergency planning and business continuity		
Business failure of a major contractor or significant partner	Supplier Resilience	Contract Management
Climate Change targets not achieved		
Ensure robust decision making	Development Management	Ethical Governance Follow Up, Performance Follow Up
Failure to adequately protect staff health and safety at work		Corporate Health & Safety
Failure to ensure that our corporate property portfolio is fully compliant with legal requirements		
Failure to ensure the delivery of the Council Plan		Community Safety
HRA budget issues		Damp & Mould, Fire Safety
Impact of the economic situation on our residents		
Increasing homelessness		
Recruitment and retention issues		Agency Staff and Consultants (IR35) Follow Up
Risk of significant data breach or significant non-compliance with relevant legislation		
Risks in Partnership Working		Strategic Partnerships Follow Up
Maintaining positive relationships		
Poor data retention		

Internal Audit Progress Update

Given a risk-based approach is followed, it is important to demonstrate that agreed actions are implemented to reduce risks reported.



Monitoring of Agreed Actions

It is important that the council addresses the problems set out in our reports.

To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking.

The council's current position is set out in **Appendix D**, which includes:

- a dashboard summarising the total number of open, self-assessed complete and closed actions
- a table showing the number and status of actions for individual audits; and
- details of overdue Priority 1 and Priority 2 actions

Most of the agreed actions are for audits that took place in 2023/24 or 2024/25. There are a small number of actions from earlier periods. We will continue to monitor these actions until they are completed.

We conduct follow-up audits for all No and Limited assurance audits. These reviews assess whether the council has completed agreed actions.

Where we have performed a follow-up and concluded that actions are outstanding, we continue to monitor those actions until they are completed.

Internal Audit Progress Update

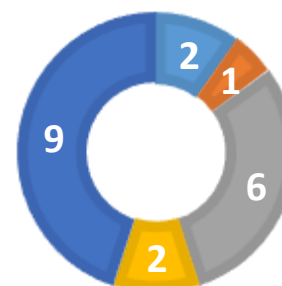
We need adequate audit coverage to provide our annual opinion.



Year to Date Progress

2025/26 HALF 1 INTERNAL AUDIT PLAN PROGRESS

■ Complete ■ Draft ■ Fieldwork ■ Scoping ■ Planned



The chart above summarises our progress against the 2025/26 Half 1 Internal Audit Plan. The agreed Half 1 Plan included 11 reviews. Since the Half 1 Plan was agreed:

- one audit has been replaced following a senior management request
- one audit has been removed, but it has been replaced in the proposed Half 2 Plan; and
- we have added one additional support activity and nine anticipated follow up reviews

This leaves an agreed Half 1 Plan comprised of 20 reviews. As of 29 August 2025, 2 reviews (10%) have been completed, 1 review (5%) is at draft report stage, fieldwork has started on 6 reviews (30%) and 2 are being scoped (10%). As such, 55% of planned reviews have either started or have been completed.

The table above does not include four reviews that were originally part of the 2024/25 Internal Audit Plan. One of these reviews is now complete, one is at draft stage and two are in progress.

Appendix A: SWAP Audit Framework and Definitions

Audit Assurance Definitions

No	The review identified fundamental gaps, weaknesses, or non-compliance, which require immediate action. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.
Substantial	The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Organisational Risk Assessment Definitions

Assessment	Organisational Risk & Reporting Implications
High	Our audit work includes areas that we consider have a high organisational risk and potential significant impact. Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.
Medium	Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.
Low	Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Categorisation of Actions

In addition to the organisational risk assessment it is important to know how important the individual management actions are. Each action has been given a priority rating with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.


Appendix B: No and Limited Assurance Audits

Supplier Resilience – Final Report – July 2025








Audit Objective To establish if the council has effective arrangements for assessing the business resilience of suppliers and ensuring continuity in the event of supplier failure.

Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium
	The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.	Priority 1	0	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
		Priority 2	5		
		Priority 3	1		
		Total	6		

Key Conclusions

	The council's contract register is incomplete. None of the contracts we reviewed in this audit were in the contract register, though one has since been added. This means there is reduced corporate oversight over contracts and potential supplier risks.	<p>We reviewed the risk that the council is unable to secure ongoing provision of contracted services, impacting its ability to provide services, its finances or its reputation.</p> <p>To do this we assessed the following control areas:</p> <ul style="list-style-type: none">• Council oversight of key contracts with third parties• Supplier management policies and procedures• Pre-procurement checks, including criticality, financial stability, business continuity, disaster recovery and insurances• Post-procurement monitoring of the above• Council services maintain continuity plans, recovery plans and exit strategies
	The council has not established a clear policy setting out the checks that should take place at procurement or during the life of the contract. While officers can access procurement advice and some guidance and templates, there needs to be a clearer framework for officers to follow.	
	The contract managers we interviewed told us they were not conducting regular checks on supplier financial health or insurance status. While the council has a credit checking facility, this is not being used to regularly monitor the financial health of significant suppliers.	
	Current guidance, templates and the council's conditions of contract do not consistently require suppliers to have and share business continuity plans (BCPs) with the council. Internal service BCPs do not always refer to key contracts or set out how the council would respond to unexpected supplier failure.	
	Contract managers have regular meetings with their suppliers to monitor their performance and reported that they could raise resilience concerns through these forums. Officers can access guidance on the minimum insurance cover suppliers should hold, and insurance requirements have been included in the council's standard terms and conditions.	

Other Relevant Information

Our testing focused on four of the council's most significant contracts: Ian Williams (housing maintenance), Suez (waste and recycling collection), Leisure East Devon (leisure centre management) and Latchams (annual billing and elections printing). We acknowledge that the council procured the first three contracts more than five years ago, therefore they may not reflect current procurement practice. Similarly, the Latchams contract was procured by Strata on the council's behalf, so may have been subject to different requirements. The council has agreed to complete 5 actions by 31 March 2026. The sixth action was already agreed in the recent Local Government Transparency Code audit, so we will monitor the action record from that review.

Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found here (www.swapaudit.co.uk/audit-framework-and-definitions).

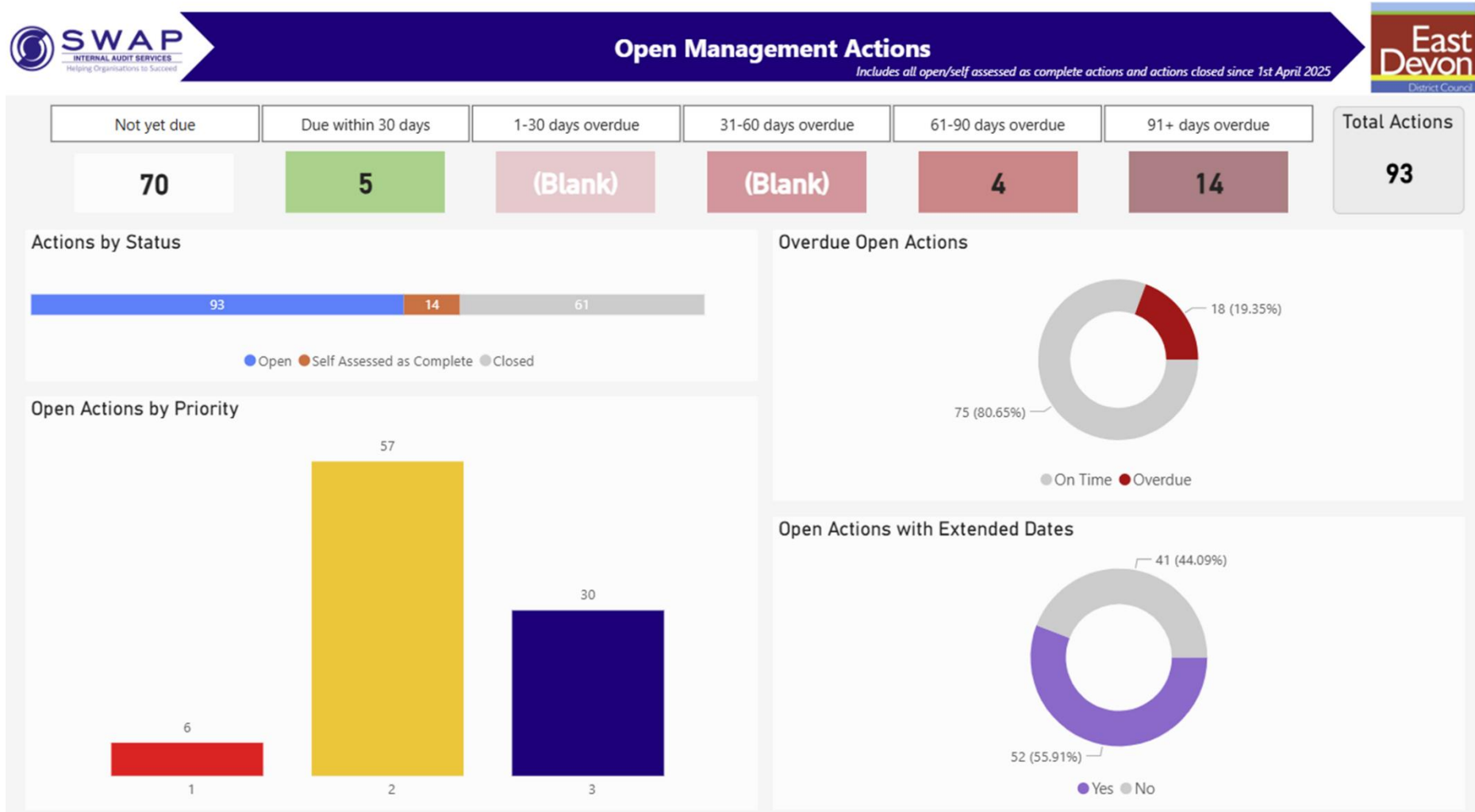
Appendix C: Follow-up Audits

There are no follow-up audits to highlight in this report.

Appendix D: Monitoring of Agreed Actions

The dashboard below summarises the council's position as of **29 August 2025**. There are 93 open management actions, compared to 108 in our last Committee report.

Our records show that the council has completed 61 actions since the start of 2025/26. 14 actions have been self-assessed as complete and are awaiting follow up.



Appendix D: Monitoring of Agreed Actions

The table below summarises the status of agreed actions by audit, as of 29 August 2025. Committee Members can access a separate report that includes the full detail of open Priority 1 and Priority 2 actions, and the latest progress update we have received, via the Modgov Councillor Library.

ID	Audit Title	Audit Opinion	Period	Open Actions			Self-Assessed Complete	Closed	Total Actions
				On Time	Overdue	Total			
713	IT Governance and Security Risk Overview	Advisory	2022/23		2	2		4	6
1088	Debtors (Accounts Receivable)	Reasonable	2022/23			0	1	1	2
1347	Out of Hours Schemes	Limited	2022/23	2		2		3	5
1518	Information Governance Policies and Compliance with Retention Policy	Limited	2023/24	8		8	2	3	13
1519	Emergency Planning	Limited	2023/24	1		1		7	8
1566	Housing Whistleblowing Concerns Follow Up	Advisory	2023/24	2		2		1	3
1838	Strategic Partnerships	Limited	2023/24	1		1		6	7
1839	Performance Management	Limited	2023/24	6		6	1		7
2087	Climate Change	Reasonable	2022/23	3		3		1	4
2327	Volunteer Management	Limited	2023/24		1	1		7	8
2662	Housing Electrical Safety	Limited	2023/24	1		1	4	4	9
2746	Procurement Cards	Limited	2024/25	3		3		7	10
2748	Corporate Property Health & Safety	Reasonable	2024/25		4	4		1	5
2751	Planning Application Fees	Substantial	2024/25			0	1	1	2
2753	Treasury Management	Reasonable	2024/25	1		1		5	6
2754	Supplier Resilience	Limited	2024/25	5		5		1	6
2755	Ethical Governance	Limited	2024/25	5		5		4	9
2757	Temporary Accommodation	Reasonable	2024/25	6		6		6	12
2759	Business Continuity	Limited	2024/25	9		9			9
2761	Disabled Facilities Grant (DFG) Process	Reasonable	2024/25	2		2		4	6
3026	Investigation 3026	Investigation	2024/25		11	11		1	12
3124	Establishment System Controls	Advisory	2024/25	1		1		2	3
3271	Confidential Review 3271	Advisory	2024/25	4		4	5		9

Appendix D: Monitoring of Agreed Actions

ID	Audit Title	Audit Opinion	Period	Open Actions			Self-Assessed Complete	Closed	Total Actions
				On Time	Overdue	Total			
3382	Housing Voids	Reasonable	2024/25	7		7		1	8
3384	Local Government Transparency Code	Limited	2024/25	7		7		6	13
3990	Development Management – Compliance with the Scheme of Delegation	Reasonable	2025/26	1		1		3	4
				75	18	93	14	79	186

Under the Global Internal Audit Standards, when an agreed management action becomes overdue, we must obtain an explanation from the action owner and document this.

We contacted all officers with agreed actions that would become overdue on or before 29 August 2025. We received a series of updates and, where needed, officers have submitted revised timescales.

Following these updates, as of 29 August 2025 there are 18 total overdue actions, broken down as follows:

Priority	Overdue Actions
Priority 1	1
Priority 2	9
Priority 3	8
Total	18

This includes 11 overdue actions from a confidential review, the details of which we cannot include in this report. We are in contact with the relevant service and expect to receive progress updates before the Committee meeting.

The following table sets out the reportable Priority 2 action that was overdue on 29 August 2025, and the most recent update we have received.

Appendix D: Monitoring of Agreed Actions

Overdue Priority 2 Management Actions

AP#	Year	Audit Title	Issue and Agreed Action	Original Timescale	Current Timescale	Progress Status	Progress update
3565	24/25	Volunteer Management	<p><u>There is no formal health and safety training as part of the volunteer's induction.</u></p> <p>Volunteer leads will be advised to liaise with Health & Safety to complete a risk assessment for their volunteer roles. This will ascertain the training requirement for each role. H&S will produce a volunteer handbook to accompany the updated policy.</p>	30/04/2024	31/01/2025	Overdue	<p>June 2025:</p> <p>The updated Use of Volunteers Policy specifies that the supervisor must ensure that the volunteer is aware of the relevant risk assessment and control measures in place, and that the council will provide training to lone workers. HR has produced a new checklist for supervisors which includes two prompts to share health and safety information with volunteers.</p>

We have contacted the Health and Safety team to obtain a further update for this action.

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Organisational Risk Assessment	Total Actions	1 = Major	↔	3 = Low
						Priority Rating		
						1	2	3
2024/25 Internal Audit Plan								
Assurance	Supplier Resilience	Final	Limited	Medium	6	0	5	1
Other	Investigation 3852	Draft						
Assurance	Budget Monitoring	Fieldwork						
Follow Up	Strategic Partnerships	Fieldwork						
2025/26 Internal Audit Plan								
Complete								
Assurance	Development Management – Compliance with the Scheme of Delegation	Complete	Reasonable	Low	4	0	1	3
Other	NEW: Fraud eLearning Module	Complete	N/A	N/A	0	0	0	0
Reporting								
Follow Up	NEW: Establishment Control	Reporting						
Fieldwork								
Assurance	Contract Management	Fieldwork						
Assurance	Corporate Health & Safety	Fieldwork						
Follow Up	NEW: Housing Electrical Safety	Fieldwork						
Advisory	Fraud Risk Assessment	Fieldwork						
Follow Up	NEW: Agency Staff and Consultants (IR35)	Fieldwork						

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Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Organisational Risk Assessment	Total Actions	1 = Major	↔	3 = Low
						Priority Rating		
						1	2	3
Follow Up	NEW: Volunteer Management	Fieldwork						
Scoping								
Assurance	Bank Reconciliation	Scoping						
Assurance	Housing Landlord Compliance – Damp & Mould	Scoping						
Planned								
Advisory	Fraud Provision	Planned						
Assurance	Community Safety and Anti-Social Behaviour	Planned						
Assurance	Housing Landlord Compliance – Fire Safety	Planned						
Assurance	Section 106 and Community Infrastructure Levy (CIL)	Planned						
Follow Up	NEW: Ethical Governance	Planned						
Follow Up	NEW: Out of Hours Schemes	Planned						
Follow Up	NEW: Performance Management	Planned						
Follow Up	NEW: Procurement Cards	Planned						
Follow Up	NEW: Investigation 3026	Planned						
Deferred and Removed								
Assurance	Pest Control Service	Deferred	Replaced by Corporate Health & Safety.					
Assurance	Finance Provision	Removed	Confirmed not needed. This will be replaced by a H2 Plan audit.					

East Devon District Council

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Interim Auditor's Annual Report
Year ending 31 March 2025

3 September 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

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Introduction

This report brings together a summary of all the work we have undertaken for East Devon District Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024/25

National		Past	Present	Future		
	Funding Not Meeting Need	The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.		Financial Sustainability		Funding Reform
	Workforce and Governance Challenges	Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.		External Audit Backlog		Reorganisation and Devolution
Local						

East Devon District Council (the Council) is a district council with a population of around 148,000 residents. Recent data indicates that the population is expected to increase by 19,992 (13%) by 2031. East Devon is a largely rural area but also has market and coastal towns, including the new community of Cranbrook. The population of East Devon has an older age profile with an average age of 51.3 years compared to the national average of 40.4 years. This trend is set to grow with the 65+ age range forecast to increase more than any other age range, growing from 30.1% of the population in 2017 to 32.5% by 2027. An ageing population impacts on the provision of public services, health care, housing, the labour market and economic growth within the local area.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

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Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

In summary, our work has identified a continued positive direction of travel during 2024/25 with the Council making further progress since last year in strengthening VFM arrangements. Whilst stakeholders can take assurance from these improvements further work is required to develop fully effective arrangements.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Significant weakness in relation to the financial health of the Housing Revenue Account (HRA). One key recommendation and three improvement recommendations raised.	One risk of significant weakness identified in relation to the financial health of the Housing Revenue Account.	R The HRA budget for 2024/25 was rebased in July 2024 due to unanticipated overspends in the prior year. This has resulted in further deterioration in reserves and balances at 31 March 2025. Whilst good progress has been made as confirmed in the 2024/25 outturn position, reserves are low, so this remains a significant weakness for 2024/25.
Governance	R Significant weakness identified in relation to accounts preparation and the audit process. One key recommendation and five improvement recommendations raised.	One risk of significant weakness identified in relation to accounts preparation and audit.	TBC The Draft 2024/25 financial statements were produced ahead of the end of June 2025 deadline. We will conclude our judgements on whether the Council is able to fully support the audit process later in the year, once the post-statements audit is in progress. We raise one improvement recommendation around timeliness of responses to Internal Audit recommendations.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified. Four improvement recommendations raised in relation to improving economy, efficiency and effectiveness.	One risk of significant weakness identified in relation to standards of service provision for housing.	A There has been no General Fund key performance indicator data shared with any committee since December 2023. A new key performance indicator reporting system is in the process of being upgraded. We raise one improvement recommendation around the introduction of the new system.

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendation(s) made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

The Council recorded a small underspend (£0.712 million) against budget on the General Fund for 2024/25 and has further strengthened General Fund balances in year.

The Council has proactively taken steps to return the Housing Revenue Account (HRA) to financial sustainability as 2024/25 progressed. This included rebasing the 2024/25 HRA budget in July 2024. Other actions include making changes to staffing; rolling out training; engaging for the preparation of an Asset Management Strategy; and preparing to move to a planned rolling programme of maintenance to reduce dependency on reactive repairs work.

Whilst the revised HRA budget was achieved, reserves have been further depleted during 2024/25 and this area remains a significant weakness.

The Council is currently restructuring to create a Project Office that can oversee savings delivery corporately.



Governance

Relationships between officers and members appear to be working well, facilitating decision making. For example, complaints that the Standards Committee received updates on fell from 33 in November 2023 to 9 in January 2025.

The Draft 2024/25 financial statements were produced ahead of the end of June 2025 deadline. We will conclude our judgements on whether the Council is able to fully support the audit process later in the year, once the post-statements audit is in progress.

There are other positive findings around governance: The Local Government Association carried out a review of progress with previous recommended actions in November 2024 and was able to report that 89% of all previous recommendations around governance, scrutiny and standards have now been implemented by the Council.

However, Management should be prompted to respond in a timely fashion to internal audit recommendations.



Improving economy, efficiency and effectiveness

There has been no General Fund key performance indicator data shared with any committee since December 2023. We are aware that progress against the Council's action plan has been shared instead; and that the key performance indicator reporting system is in the process of being upgraded. The new upgraded system will need time to be fully embedded.

A new partnerships policy was adopted in November 2024.

Internal Audit have indicated that almost all recommendations on electrical safety in the housing stock have been actioned by the Council.

During a strategic review of leisure, the Council identified that break clause arrangements in one thirty-year contract needed clearer wording. An amendment was agreed with the contract partner to bring wording inline with best practice. We see this as an example of the Council being vigilant in its approach to contract management.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
Opinion on the Financial Statements	The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. We have held regular meetings with finance officers supplemented with some early work on disclosures ahead of our post-statements visit due to commence at the beginning of October 2025. We are aiming to complete our post-statements audit by the end of December 2025.
Use of auditor’s powers	We will update our findings in this area later in the year once financial statements audit completed.



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03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

We have yet to complete our audit of the 2024/25 financial statements. The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline.

We have held regular meetings with finance officers supplemented with some early work on disclosures ahead of our post-statements visit due to commence early October 2025. Specifically, we have:

- Uploaded working paper listings to Management in March 2025; reviewed the requests in August 2025, in advance of the post-statements audit; followed up with queries; chased outstanding working papers.
- Met with the Capital Accountants to discuss the assumptions we will test as part of the Property, Plant and Equipment and Council Dwellings calculations and audit evidence needed.
- Discussed with Management some of the matters identified in the prior year audit such as the Bank Reconciliation. Samples have been selected and returned to the Council for this year's work..
- Scheduled in time for other early sample selection.

However, much is still to do, and we do not under-estimate the challenge ahead for the Council to be able to fully support the audit process over the forthcoming months.

We are aiming to complete our post-statements audit by the end of December 2025.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We will conduct our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

Our findings will be reported, in due course, in our Audit Findings report.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have not commenced our work on the review of the Annual Governance Statement. Once complete our findings will be reported, in due course, in our Audit Findings report.



04 Value for Money commentary on arrangements

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Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

page 47



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
page 48 identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>The Council incurred a small underspend (£0.712 million) against budget on the General Fund for 2024/25 and has further strengthened General Fund balances in year. The General Fund Balance stood at £4.8 million at the end of 2024/25. This is at the upper end of the General Fund’s preferred minimum prudent amount.</p> <p>For the HRA, we reported a significant weakness in arrangements for financial sustainability in 2023/24 due to significant, unplanned overspends that adversely affected reserves and balances. Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result the Council proactively rebased the 2024/25 budget in July 2024. This impacted on the Council's ability to finance the HRA capital programme and resulted in an increase in HRA borrowings and a reduction in HRA reserves by the end of the year.</p> <p>The Council was proactive during 2024/25 in taking steps to return the HRA to financial sustainability as the year progressed. This included making changes to staffing; rolling out training; engaging for the preparation of an Asset Management Strategy; and preparing to move to a planned rolling programme of maintenance to reduce dependency on reactive repairs work. However, it will take time for these measures to take full effect. Whilst the revised HRA budget was achieved for 2024/25, the overall reduction in reserves and increase in borrowing still needs time to be addressed, as can be seen on page 16 of this report.</p>	R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating																				
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them (continued)	<p>As the table below shows, HRA reserves fell in 2024/25 and HRA borrowings increased. We note that the Council had assessed the minimum prudent amount on the HRA reserve to be £3.1 million (or £2.1 million after allowing for headroom). By the end of 2024/25, the balance stood at £1.764 million – and had therefore fallen below the Council’s minimum prudent amount. We further note that it was only after the end of the year that an up-to-date Stock Condition Report for the HRA was available to officers to inform future budgeting for the HRA.</p> <table><tr><th></th><th>31 March 2024 £</th><th>31 March 2025 £</th><th>Direction of travel</th></tr><tr><td>HRA General Reserve</td><td>3,100,000</td><td>1,764,000</td><td>↓</td></tr><tr><td>HRA Earmarked Reserves</td><td>982,995</td><td>162,194</td><td>↓</td></tr><tr><td>Right to Buy/ Capital Receipts Reserve</td><td>6,096,493</td><td>5,703,470</td><td>↓</td></tr><tr><td>HRA Borrowing</td><td>87,212,823</td><td>92,515,479</td><td>↓</td></tr></table>		31 March 2024 £	31 March 2025 £	Direction of travel	HRA General Reserve	3,100,000	1,764,000	↓	HRA Earmarked Reserves	982,995	162,194	↓	Right to Buy/ Capital Receipts Reserve	6,096,493	5,703,470	↓	HRA Borrowing	87,212,823	92,515,479	↓	R
	31 March 2024 £	31 March 2025 £	Direction of travel																			
HRA General Reserve	3,100,000	1,764,000	↓																			
HRA Earmarked Reserves	982,995	162,194	↓																			
Right to Buy/ Capital Receipts Reserve	6,096,493	5,703,470	↓																			
HRA Borrowing	87,212,823	92,515,479	↓																			

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result HRA reserves and balances have fallen further during the year and HRA borrowings have increased. There are steps already underway to rebuild financial sustainability, but it will take time for these to embed into normal business practice and for full financial turnaround to be achieved. In the meantime, a new Stock Condition Report became available shortly after the end of 2024/25 and needs to be taken into account in future planning.

Evidence: HRA financial reports; discussion with officers.

Impact: Reduced financial sustainability in the HRA. The HRA General Reserve is currently lower than its assessed minimum prudent amount.

Key recommendation 1

KR1:

Steps taken so far to rebuild sustainability in the HRA should be advanced, reflecting the outcome of the recent Stock Condition Report and should be embedded into business practice. This should include planning into the medium term to ensure deemed minimum balances are reinstated. The Council estimates that it will take a number of years to recover the HRA financial position which should include reserves and balances back at prudent levels and in year expenditure not exceeding income.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<div>plans to bridge its funding gaps and identify achievable savings</div>	<p>The Council's plans for Transformation are contained within its Financial Sustainability Model. Savings have traditionally been driven by service reviews carried out by individual services. However, the Council is currently restructuring to create a Project Office that can oversee savings more corporately. In specific areas, for example around leisure, there have been workshops during the year to involve members in future decisions around efficiency.</p> <p>The latest ten-year medium term financial plan indicates that budget gaps after ten years could be met with service cuts. In the run up to potential re-organisation, it will be important that current opportunities for efficiency now continue to be actively explored and promoted. This is already occurring. For example, the Council has undertaken good work around increasing efficiency in the future leisure contract, regardless of the fact it will run after local government reorganisation is expected. This is proactive and a good example to follow in other areas of the Council's business as the wider changes to the political landscape of Devon are agreed.</p>	<div>G</div>

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Planned spend is consistent with the Council's corporate priorities. Prior year overspends on the Housing Revenue Account are being addressed through the budget process; changes to team members; and updated training for team members so that they are clear on which spend is or is not legally required.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Medium-Term Financial Plan is consistent with other corporate plans.</p> <p>On the capital programme, month 9 data showed that there had been significant slippage in the planned General Fund capital spend (from a budget of £35 million to a forecast of £22 million). Affected areas included spend through the Economy and Regeneration directorate (£4.7 million) and through Street Scene (£8 million). We note that within the Economy and Regeneration team, there were difficulties in identifying projects to proceed with that met the required funding criteria. Within Street Scene, there were examples of new part funding from other sources being identified in the year. Overall, the information provided to Cabinet was granular and oversight over the programme was good.</p> <p>The capital programme for 2025/26 anticipates the overall value of the capital programme increasing back to around £31 million.</p>	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Financial risks are monitored and shared with the Audit and Governance Committee via the corporate risk register. The most recent corporate risk register included two financial risks: One around sufficiency of resources to deliver corporate resources, and one around the Housing Revenue Account Balance. The Corporate Risk Register records planned mitigations. We note that the Council assessed the Housing Revenue Account Balance risk as RED both before and after mitigation. Given that by the end of 2024/25 the Housing Revenue Account Balance is forecast to stand at £1.776 million whereas the minimum prudent amount even without allowing for headroom stands at £2.1 million, the decision to record this risk as RED/ RED on the register seems reasonable.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<div>page 54</div> <p>monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Council used a SPAR.net system for collecting, assessing and managing risk during 2024/25. The Council's Risk Management Policy states that the risk register will be shared bi-annually with the Audit and Governance Committee. For 2024/25 it was only shared once - in January 2025. However, progress on a project to replace the current system was shared twice in the year (September 2024 and January 2025). There were risk training and workshop events through the year for directors, assistant directors and corporate managers. Furthermore, officers inform us that a new risk and performance management system went live on 3rd April 2025. As an interim, before the system went live, details were recorded on spreadsheets, with all data being held and monitored there.</p> <p>The Internal Audit service is provided by the South-West Audit Partnership, and the relationship works well. We note however that there have been some delays by the Council in implementing Internal Audit recommendations. For 2024/25, there were 123 open recommendations to address by the end of Quarter 3. There is work across the Council to introduce better dashboard reporting once a new risk and performance management system is introduced. Stronger prompting to management to action internal audit recommendations should be explored as part of this work. By year end, Internal Audit reported that 40% of their recommendations had been actioned.</p>	A

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: For 2024/25, there were 123 open recommendations to address by the end of Quarter 3. There is work across the Council to introduce better dashboard reporting once a new risk and performance management system is introduced. Stronger prompting to management to action internal audit recommendations should be explored as part of this work.

Evidence: Internal audit progress reports and discussion with officers.

Impact: Slow implementation of internal audit recommendations increases risk of control weakness becoming significant.

Improvement Recommendation 1

IR1: Management should be prompted to respond in a timely fashion to internal audit recommendations.



Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
approaches and carries out its annual budget setting process	<p>Notwithstanding the overall budget underspend by year end on the General Fund, we note that there were some areas of variance through the year. For example, at the end of month 9, areas reporting variances against budget of between 10% and 35% included corporate business services; economy and regeneration; strategic development and partnerships; sustainable homes; and finance. At year end , two areas were reporting variances of 20% against budget – finance; and sustainable homes and communities. The Council has asked Internal Audit to carry out a review of variances causes, with a view to strengthening budget setting arrangements in the future.</p> <p>We note that for the Housing Revenue Account, a new Stock Condition Report and thirty-year business plan will be available for the 2026/27 budget setting process.</p>	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>The Council has not had an audited set of financial statements since 2020/21 and production of the draft accounts was often late, this resulted in a significant weakness in this area in the prior year. The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. Whilst we have yet to commence our post-statements audit of the 2024/25 financial statements, early signs are much more positive than the prior year. We have held regular meetings with finance officers supplemented with some early work on disclosures ahead of our post-statements visit due to commence in early October 2025. We are aiming to complete our post-statements audit by the end of December 2025. We will reserve judgement on the 2024/25 arrangements in this area until later in the year when the post-statements audit will be fully underway. Our final judgement will be reported in our final 2024/25 Auditors Annual Report.</p> <p>We note that Cabinet received regular budget and treasury monitoring data throughout 2024/25. We note that by the end of 2024/25, the General Fund had made total loans of some £15.8 million to the Housing Revenue Account to minimise the need for new external borrowing at a time of raised interest rates.</p>	TBC

- G

No significant weaknesses or improvement recommendations.
- A

No significant weaknesses, improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>There are positive findings around governance:</p> <ul style="list-style-type: none">- The Local Government Association carried out a review of progress with previous recommended actions in November 2024 and was able to report that 89% of all previous recommendations around governance, scrutiny and standards have now been implemented by the Council;- A new Chief Executive Officer was appointed to the Council in May 2024 (the role previously having been shared by three key officers). Senior officers and members have worked well together on exploring budget improvements;- East Devon District Council (EDDC) is one of eight councils in Devon to have submitted a joint proposal to the government for reorganisation. The EDDC leader and senior officers played a key role in co-ordinating the work for this proposal with the other Councils involved; and- The Audit and Governance Committee meets regularly; has access to appropriate training; and has approved the recruitment of two new independent members (the first of whom took up post at the end of 2024/25).	G

- G

No significant weaknesses or improvement recommendations.
- A

No significant weaknesses, improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>There are arrangements for compliance with legislative and regulatory standards rest on the Constitution; the Monitoring Officer; and Contract Procedure rules.</p> <p>There are arrangements in place for complaints to be made against members where necessary. However, we are pleased to note that the number of complaints being dealt with by the Standards Committee is much lower now (9 updated in January 2025) than was the case in previous years (33 updated in November 2023), which suggests that most relationships are working well.</p> <p>We note that the Constitution was in the process of being updated at the time we completed our work.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	There has been no General Fund key performance indicator data shared with any committee since December 2023. We are aware that progress against the Council's action plan has been shared instead; and that the key performance indicator reporting system is in the process of being upgraded. The new upgraded system will need time to be fully embedded.	A
evaluates the services it provides to assess performance and identify areas for improvement	The Council has responded well and at pace to recommendations made by Centre for Governance and Scrutiny and the LGA Peer Review. Internal Audit reported in July 2025 that almost all issues raised by the Regulator for Social Housing on electrical safety have now been addressed.	G
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Council has effective arrangements for partnership working in place. A new Partnerships Policy was introduced in November 2024, and this includes defined arrangements for monitoring and review of partnership working. The Council is proactive in making sure that strategic partnerships remain fit for purpose. For example, it commissioned a strategic review of the Science Park partnership in 2024/25 and is now engaged in reviewing best future arrangements for waste and leisure partnerships.	G
commissions or procures services, assessing whether it is realising the expected benefits	Budgetary approval has been granted for the recruitment of a new in-house procurement officer. Updating and streamlining arrangements will be part of the new officer's remit. During a strategic review of leisure, the Council identified that break clause arrangements in one thirty-year contract needed clearer wording. An amendment was agreed with the contract partner to bring wording inline with best practice. We see this as an example of the Council being vigilant in its approach to contract management.	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: There has been no General Fund key performance indicator data shared with any committee since December 2023. However, we are aware that the key performance indicator reporting system is being upgraded.

Evidence: Reports to committees; discussion with officers.

Impact: Gap in performance reporting to members.

page 60

Improvement Recommendation 2

IR2: The new upgraded key performance indicator system needs to be embedded within the business and used in 2025/26.



05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendation raised in 2024/25

page 62

	Recommendation	Relates to	Management Actions
KR1	Steps taken so far to rebuild sustainability in the HRA should be advanced, reflecting the outcome of the recent Stock Condition Report and should be embedded into business practice. This should include planning into the medium term to ensure deemed minimum balances are reinstated. The Council estimates that it will take a number of years to recover the HRA financial position which should include reserves and balances back at prudent levels and in year expenditure not exceeding income.	Financial sustainability (page 17)	<p>Actions: Good progress has been made, and a suite of regular reports are presented to the Housing Review Board to evidence progress against the financial position, stock condition updates, and the business plan which includes financial sustainability measures and evidence.</p> <p>Responsible Officer: Director for Housing and Health; and Director for Finance.</p> <p>Due Date: Ongoing, latest position reported 1st July 2025.</p>

Improvement recommendations raised in 2024/25

page 63

	Recommendation	Relates to	Management Actions
IR1	Management should be prompted to respond in a timely fashion to internal audit recommendations.	Governance (page 22)	Actions: Actions already taken with improved organisational awareness, reporting and responsibility. Latest report to Audit and Governance Committee 24 th July 2025 showed a continuing improved position with 49 actions closed since last reported. This will be kept under review by SLT. Responsible Officer: SLT Due Date: Ongoing, with quarterly reporting to the Audit and Governance Committee.
IR2	The new upgraded key performance indicator system needs to be embedded within the business and used in 2025/26.	EEE (page 27)	Actions: There is currently a live project being implemented. There have been difficulties with the supplier which has delayed progress and the Council is currently reviewing its options moving forward. Responsible Officer: Director for Governance. Due Date: March 2026.

06 Follow up of previous Key recommendations

page 64

Follow up of 2023/24 Key recommendations

Prior Recommendation		Raised	Progress	Current status	Further action
page 65	KR1	2023/24	Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result HRA reserves have fallen in value and HRA borrowings have increased in value. There are steps already underway to rebuild financial sustainability, but it will take time for these to embed into normal business practice and achieve the financial turnaround hoped for. We raise a new key recommendation for 2024/25.	Superseded	N/A. We raise a new key recommendation on page 17 of this report.
	KR2		Accounts for 2021/22, 2022/23 and 2023/24 were all backstopped. There had been issues with the timelines of accounts preparation. The Council created a new post to support faster closing on draft accounts preparation for 2024/25. Recruitment to that post is ongoing. A draft statement of accounts for 2024-25 has been published. We will conclude our judgements on whether the Council is able to fully support the audit process later in the year, once the post-statements audit is in progress.	TBC	TBC

07 Appendices

page 66

Appendix A: Responsibilities of the Council

page 67

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

**A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

page 69

Prior Recommendation		Raised	Progress	Current position	Further action
IR1	The Council should take corrective action to avoid the significant in-year cost of service variations against budget experienced in 2023/24. Where such variations are identified the Council should set out more clearly the longer-term impacts of those variances including its reasoning for how those impacts have been assessed.	2023/24	Internal Audit has been engaged to review budget setting arrangements with a view to reducing future variances.	Closed	N/A
IR2	The Council’s financial planning arrangements should be further strengthened by ensuring that the newly emerging financial risks associated with the new waste and recycling contract and payments to the Leisure Services contractor LED are managed appropriately.	2023/24	Proposals for new service delivery models for the waste contract are ongoing, and members are sited on developments. For the leisure contract, the Council is in discussion with its contract partner.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

page 70

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Council should ensure that the new Asset Management Plan is in place prior to the 2025/26 budget planning round.	2023/24	Work is ongoing to develop General Fund and Housing Revenue Account Asset Management Strategies.	Closed	N/A
IR5	The Council should fully implement the recommendations from the LGA Peer Challenge and the CFGS governance review.	2023/24	LGA Peer Reviewers concluded in November 2024 that 89% of recommended Actions had been implemented. This included recommendations around the Scrutiny Function which had been made by the Centre for Governance and Scrutiny.	Closed	N/A
IR5	The Council should consider changes to further enhance its risk management arrangements	2023/24	A project has been ongoing throughout 2024/25 to introduce a new risk management system from April 2025. Officers inform us that the new system is now live.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

page 71

Prior Recommendation		Raised	Progress	Current position	Further action
IR6	An annual Counter Fraud Plan should be presented to Audit and Governance Committee annually for approval and an annual counter fraud report should be presented to Audit and Governance Committee to provide detail of the activities and outcomes of counter fraud work.	2023/24	A Counter Fraud Plan and Delivery Report was shared with the Audit and Governance Committee in November 2024. An arrangement has been agreed for annual presentation thereafter.	Closed	N/A
IR7	The Council should consider including the following mandated sections into committee reports - equalities, public health, safeguarding, climate change, HR, property , crime and disorder, procurement and risk.	2023/24	Current templates include equalities and climate impacts and some limited information around financial and legal impacts. A new template has been developed and is about to go live.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

page 72

	Prior Recommendation	Raised	Progress	Current position	Further action
IR8	The Council should ensure the continued effectiveness of the Audit and Governance Committee by conducting a self-assessment exercise, in line with the Chartered Institute of Public Finance and Accounting's (CIPFA) methodology.	2023/24	The Audit and Governance Committee shared the results of a self assessment exercise they had undertaken in November 2024. Arrangements are now being implemented for an annual report; annual evaluation; the recruitment of independent members; and introducing independent meetings with the auditors.	Closed	N/A
IR9	<p>The Council need to embed the improvements in performance management recommended in our 2022/23 Auditors Annual Report and the 2023/24 internal audit report on performance management .</p> <p>The Council should endeavour to report performance information to members in a timely fashion</p>	2023/24	A new key performance indicator system is being developed. Action plan progress has ben shared with committee in the meantime.	Superseded. We raise a new improvement recommendation for 2024/25.	N/A. We raise a new improvement recommendation on page 27 of this report.

Appendix C: Follow up of 2023/24 improvement recommendations

page 73

	Prior Recommendation	Raised	Progress	Current position	Further action
IR10	An update report is presented to Housing Review Board to update them on progress against agreed improvements in complaint handling in the Housing department	2023/24	Quarterly key performance indicator data shared with the Housing Review Board includes data on overall satisfaction with complaints handling.	Closed	N/A
IR11	The Council should embed the recommendation of the internal audit report on strategic partnerships issued during 2023/24.	2023/24	A new partnerships policy was adopted in November 2024. The Council is taking a proactive and strategic approach towards partnerships in the science park, waste and leisure areas.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

page 74

Prior Recommendation		Raised	Progress	Current position	Further action
IR12	<p>We would recommend that the Council should place a focus on the following:</p> <p>ensure that any enhancements to procurement and contact management arrangements are completed in line with required timescales to meet the requirements of the 2023 Procurement Act and embedded as business as usual.</p> <p>report periodically (at least annually) to members at a public meeting, such as Audit and Governance Committee the number and extent of waivers and exemptions.</p>	2023/24	Budgetary approval has been granted for the recruitment of a new in-house procurement officer. Updating and streamlining arrangements will be part of the new officer's remit.	Closed	N/A



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Audit and Governance Committee**18 September 2025****Audit and Governance Committee****Forward Plan 2025/26**

Date of Committee	Report	Lead Officer
20 November 2025	<ul style="list-style-type: none"> Internal Audit Plan Progress report 2025/26 External Interim Auditor's Annual Report 2023/24 External Audit Progress report and Sector update External Audit Committee update Financial Monitoring report update 2025/26 and Treasury Position Review External Audit Accounts 2024/25 verbal update Partnership Review 2024 Annual Report - Delivery Plan for Fraud, Corruption & Compliance Strategy Strata Annual Internal Audit report 2024/25 	SWAP Grant Thornton Finance Manager Finance Manager/GT Assistant Director - People & Performance Assistant Director Revenues, Benefits & Customer Services DAP

29 January 2026	<ul style="list-style-type: none"> • Risk Policy update • Statement of Accounts Annual Government Statement 2024/25 • 'Time for change' - External Auditor updates • Financial Monitoring report update 2025/26 and Treasury Position Review • External Audit Accounts 2024/25 verbal update 	<p>Director of Finance</p> <p>Grant Thornton</p> <p>Finance Manager</p> <p>Finance Manager/GT</p>
19 March 2026	<ul style="list-style-type: none"> • Annual Audit Plan 2024/25 and Review of Internal Audit Charter • Internal Audit Plan Progress • External Auditor's Annual Report • External Audit Committee update • Partnership Review 2025 • Accounting Policies Approval • Financial Monitoring report update 2025/26 • External Audit Accounts 2024/25 verbal update 	<p>SWAP</p> <p>Grant Thornton</p> <p>Assistant Director - People & Performance</p> <p>Finance Manager</p> <p>Finance Manager/GT</p>