

Tuesday, 19 March 2024

AUDIT COMMITTEE

A meeting of **Audit Committee** will be held on

Wednesday, 27 March 2024

commencing at **2.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Committee

Councillor Penny (Chairman)

Councillor Brook (Vice-Chair)

Councillor Hutchings

Councillor Fellows

Councillor Long

Councillor Harvey

Councillor Maddison

A Healthy, Happy and Prosperous Torbay

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

AUDIT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 4 - 6)
To confirm as a correct record the Minutes of the meeting of the Audit Committee held on 24 January 2024.
3. **Declarations of interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **External Audit of Accounts** (Verbal Report)
To receive an update on the external audit of accounts.
6. **Addressing the Audit Backlog in England: Consultation** (Pages 7 - 40)
To note a report that provides an update on the recent Department for Levelling Up, Housing & Communities (DLUHC) consultation which sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog of audits and to put the system on a sustainable footing.
7. **Internal Audit Charter and Strategy** (Pages 41 - 60)
To note a report on the Internal Audit Charter and Strategy.

- 8. Internal Audit Plan 2024-25** (Pages 61 - 72)
To consider a report that sets out the Internal Audit Plan for 2024-25.
- 9. Risk Management Update** (Pages 73 - 89)
To consider a report that provides members an update on the Council's current risk position and overall risk management arrangements.
- 10. Performance Update: Collection of Council Tax & Non-Domestic Rates** (Pages 90 - 94)
To note the report on the above.
- 11. Audit Committee Work Programme 2024/2025** (Pages 95 - 96)
To note the Audit Committee work programme for 2024/2025.

Minutes of the Audit Committee

24 January 2024

:- Present :-

Councillor Penny (Chairman)

Councillors Fellows, Hutchings, Long, Maddison, Harvey and Strang

17. Apologies

It was reported that, in accordance with the wishes of the Liberal Democrat and Conservative Groups, the membership of the Committee had been amended for this meeting by including Councillors Harvey and Strang instead of Councillors Steve Darling and Brook.

18. Minutes

The Minutes of the meeting of the Audit Committee held on 13 December 2023 were confirmed as a correct record and signed by the Chairman.

The Director of Finance updated Members on discussions with the Council's external auditors, Grant Thornton, regarding the outstanding audits for 2021/2022 and 2022/2023 and confirmed with them that the audits for 2021/2022 will be completed and presented to Audit Committee with the Government backstop being utilised for the 2022/2023 accounts.

The Chairman informed Members that at the Audit Committee in December an update on the collection of Council Tax and NNDR was requested for the next meeting, given that there was only six weeks between the meetings of the Audit Committee the update had been deferred until the Committee meets on 27 March 2024.

19. Internal Audit - Half Year Report including the outcomes of the Follow Up on Areas Requiring Improvement

Members considered and noted the Internal Audit – Half Year Report including the outcomes of the follow up areas requiring improvement. The Head of the Devon Audit Partnership informed Members that the Internal Audit plan for 2023/24 was presented and approved in March 2023.

Members were advised that overall, and based on work performed to date during 2022/23, and Internal Audits experience from previous years, and the outcome of the Annual Follow Up exercise, the Head of Internal Audit's Opinion was one of 'Reasonable Assurance' on the adequacy and effectiveness of much of the Authority's internal control framework.

Members asked questions and received responses on the following areas:

- The appropriate time to audit the Coroners Service following the introduction of the new arrangements with Devon County Council;
- When was the management response to the audit report on Housing Options was expected;
- How did Internal Audit judge the appropriate pace for improvements and what action could they take to increase the pace of requested improvements; and
- Whether Internal Audit were on track to complete the Internal Audit Plan for 2023/2024.

20. Treasury Management Strategy 2024/25

The Audit Committee consider a report that set out the Treasury Management Strategy. Members were informed that the strategy aims to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2024/25 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.

Members raised questions and received responses in respect of:

- Interest rate sensitivity;
- Environmentally and socially responsible investments;
- How the Council decides whether to use internal funds or external borrowing;
- the collective balance of debt held by the Council; the Director Finance agreed to circulate further information.

Resolved:

The Audit Committee recommends to Council:

That:

- the Treasury Management Strategy for 2024/25;
- the Prudential Indicators 2024/25; and
- the Annual Minimum Revenue Provision Policy Statement for 2024/25

be approved.

21. Counter Fraud and Error Update

Members noted a report that provided an update on counter fraud activity undertaken for the period of 1 April 2023 to 30 November 2023, including reported fraud and irregularities.

22. Regulation of Investigatory Powers Act (RIPA) Update

Members noted an update on the Council's use of its powers in respect of the Regulation of Investigatory Powers Act (RIPA). Members were informed that although

Torbay Council had not undertaken any main RIPA authorisation since 2008 and had not authorised any requests for communications data since the Trading Standards service transferred to Devon County Council, the Council was still required to ensure that its policies, guidance and staff training was up to date.

Chairman/woman

Meeting: Audit Committee

Date: 27th March 2024

Wards affected: All Wards in Torbay

Report Title: Addressing the Audit Backlog in England: Consultation

Cabinet Member Contact Details:

Councillor Alan Tyerman, Alan.Tyerman@torbay.gov.uk

Director/Assistant Director Contact Details:

Malcolm Coe, Director of Finance Malcolm.coe@torbay.gov.uk and Paul Matravers, Head of Corporate Finance Paul.matravers@torbay.gov.uk

1. Purpose of Report

- 1.1 To provide an update on the recent Department for Levelling Up, Housing & Communities (DLUHC) consultation which closed on 7 March 2024. The consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog of audits and to put the system on a sustainable footing.
- 1.2 The council responded to the consultation and the consultation document published by DLUHC is included in appendix 1 for information.

2. Reason for Proposal and its benefits

- 2.1 This an update report which informs the committee of the proposals to address the ongoing challenges in respect of the audit backlog which is a national problem.
- 2.2 The report also gives the committee an indication of the impact on the delivery of the outstanding audit of accounts for the council, the potential outcomes and timescales for completion of the audits.

3. Recommendation(s) / Proposed Decision

- 3.1 That Audit Committee note the consultation response included in appendix 2.

Appendices

Appendix 1: Addressing the local audit backlog in England: Consultation

Appendix 2: Torbay Council response to consultation

Supporting Information

1. Introduction

- 1.1 The backlog in the publication of audited accounts of local bodies in England has grown to an unacceptable level.
- 1.2 In July 2023, the Minister for Local Government published a cross system statement setting out proposals to tackle the local audit backlog. Since then, organisations involved in the regulation and oversight of local body financial reporting and audit (“system partners”) have been working collectively to agree a proposed solution to clear the outstanding historical audit opinions and ensure that delays do not return.
- 1.3 A significant number of local audits remain outstanding. The number of outstanding opinions peaked at 918 on 30 September 2023. As at 31 December 2023, the backlog of outstanding audit opinions stood at 771.

2. Addressing the Audit Backlog

- 2.1 To clear the backlog of historical accounts and ‘reset’ the system, the Department for Levelling Up, Housing and Communities proposes putting a series of dates in law (the “backstop date”) by which point local bodies would publish audited accounts for all outstanding years.
- 2.2 These proposals have now been published for consultation with the Council’s response set out in Appendix 1. The deadline for submission was the 7 March 2024, the councils’ submission was made within the deadline.
- 2.3 The consultation comprises of the following:
 - DLUHC’s intentions for amending the Accounts and Audit Regulations including a joint statement providing context and explanation of the proposals and how their various elements are intended to interact;
 - NAO intentions for amending the Code of Audit Practice;
 - CIPFA LASAAC proposals for temporary changes to the Accounting Code to reduce burdens on those who prepare and audit local body accounts (not yet issued).

2.4 The proposed measures consist of three phases:

Phase 1: Reset

Legislating for a statutory backstop date for the publication of audited financial statements up to and including financial year 2022/23.

Auditors should issue opinions based on the work they have completed by the backstop date – which may lead to a modified or qualified opinion – and are expected to prioritise to ensure that their audit work provides as much assurance as possible ahead of the date.

Phase 2: Recovery

A series of statutory backstop dates covering the financial years 2023/24 to 2027/28 to allow auditors to rebuild assurance over a five-year period of local bodies' financial information, which has been subject to a modified opinion as part of the reset.

To reduce burdens on preparers and auditors, CIPFA will make temporary changes to the Code of practice on Local Authority Reporting.

Phase 3: Reform

The FRC, alongside DLUHC and other system partners, will continue to work to address systemic challenges in the local audit system and embed timely financial reporting and audit.

2.5 Details of the proposals for each phase is provided below:

Phase 1: Reset

The key elements within the reset phase of the proposal are as follows:

- (a) The backstop dates will be deadlines by which authorities must publish audited accounts, and auditors would be required to issue an opinion based on the work they have been able to complete to enable authorities to meet the publication deadline. The proposed date for accounts up to 2022/23 is 30 September 2024.
- (b) Auditing standards already provide for the impact of backstop dates. System partners will provide clear explanations of what the different types of audit opinions mean, especially to clarify that modified / disclaimed opinions attributable to the backstop date do not necessarily indicate significant financial reporting or financial management issues in the audited body.
- (c) Reporting on VFM arrangements will remain a high priority, focussing on enabling auditors to produce a single commentary on VFM arrangements covering all outstanding periods for 2022/23 and earlier years.
- (d) There are expected to very limited exemptions (if any) for either authorities or auditors.

(e) The Government indicate an intention to publish a list of local bodies and their auditors which do not meet the backstop date.

2.6 There does not appear to be any minimum expectations for the work that auditors would need to carry out at individual authorities, so that there would be a minimum level of assurance provided by the auditor.

The Joint Statement promises an expectation that auditors will complete as much audit work as possible by the backstop date. The promise is also made that the NAO, working with the FRC, will produce statutory guidance and any additional advice needed to ensure the reset works as intended.

Phase 2: Recovery

The acknowledged problem of the Reset phase is that for, authorities impacted by the backstop, auditors will not have the assurance from closing balances that would normally support opening balances for 2023/24. Auditors will therefore need to perform sufficient testing on opening balances to rebuild assurance.

To prevent this recovery work causing delays to future audits, the proposals involve further backstop dates for all years up to and including 2027/28, in consideration that recovery work may take a number of years as modified opinions/disclaimers are rolled forward. The backstop dates within the Recovery phase are proposed as follows:

- **2023/24:** 31 May 2025
- **2024/25:** 31 March 2026
- **2025/26:** 31 January 2027
- **2026/27:** 30 November 2027
- **2027/28:** 30 November 2028

For Value for Money (VFM) it is proposed that the Audit Code identifies that auditor's Annual Report is issued in draft to those charged with governance by 30 November each year (from 2023/24 onwards), irrespective of the position on the audit. This will enable auditors to report the majority of the VFM arrangements work on a timely basis.

Phase 3: Reform

There are no firm proposals put forward at this stage for Phase 3, but the government has made the following commitment:

‘A commitment to establishing the Audit, Reporting and Governance Authority as system leader for local audit when Parliamentary time allows;

- CIPFA LASAAC’s has a workstream looking at long-term reforms to financial reporting based on the needs of accounts users;
- HM Treasury will shortly be setting out the outcome of the thematic review into the valuation of non-investment assets;
- the FRC intends to publish its Local Audit Workforce Strategy during 2024, including plans to increase the supply of suitably skilled auditors, including changes to Key Audit Partner requirements;
- the government has successfully procured the development of a Local Audit Qualification which will shortly be launched by CIPFA;
- CIPFA and the Local Government Association are working on a workforce strategy for local government finance teams.

3. Options under consideration

3.1 Not applicable

4. Financial Opportunities and Implications

4.1 There are no direct financial implications arising for the council as a result of this report.

5. Legal Implications

5.1 The addressing the local audit backlog in England: consultation proposals seek to amend the Accounts and Audit (England) Regulations 2015, via a series of dates (the “backstop date”) by which point local bodies would publish audited accounts for all outstanding years

6. Engagement and Consultation

6.1 Not applicable

7. Purchasing or Hiring of Goods and/or Services

6.1 Not applicable

8. Tackling Climate Change

8.1 Not applicable

9. Associated Risks

9.1 Treasury Management associated risks are managed by compliance with the CIPFA code.

10. Identify the potential positive and negative impacts on specific groups

10.1

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X
People with caring Responsibilities			X
People with a disability			X
Women or men			X
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			X
Religion or belief (including lack of belief)			X
People who are lesbian, gay or bisexual			X
People who are transgendered			X
People who are in a marriage or civil partnership			X
Women who are pregnant / on maternity leave			X
Socio-economic impacts (Including impact on			X

child poverty issues and deprivation)			
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			X

11. Cumulative Council Impact

11.1 Not applicable

12. Cumulative Community Impacts

12.1 Not applicable

Addressing the local audit backlog in England: Consultation

Published 8 February 2024

Topic of this consultation:

Local audit is both a vital and independent source of assurance and a key element of the checks and balances within the local accountability framework. The backlog in the publication of audited accounts of local bodies in England has grown to an unacceptable level.

This consultation seeks views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing.

This document should be read in conjunction with the [Joint Statement](#) from system partners, including the Department for Levelling Up, Housing and Communities.

Scope of this consultation:

The proposals covered by this consultation relate specifically to 'Category 1' Authorities. Category 1 bodies encompass local authorities, but also police and fire bodies, as well as bodies such as National Parks Authorities, waste authorities and Passenger Transport Authorities.

More specifically, in accordance with the [Accounts and Audit Regulations 2015](#), a "Category 1 authority" means a relevant authority that either—

(a) is not a smaller authority; or

(b) is a smaller authority that has chosen to prepare its accounts for the purpose of a full audit in accordance with the Local Audit (Small Authorities) Regulations 2015.

For the definition of "relevant authority", see [section 2 of the Local Audit and Accountability Act 2014](#).

For the definition of a "smaller authority", see [section 6 of the Local Audit and Accountability Act 2014](#).

Geographical scope:

The questions in this consultation relate to local bodies in England, as defined above.

Basic information

In accordance with section 32 of the Local Audit and Accountability Act 2014, there is a statutory duty to consult the following entities in relation to amendments to the Accounts and Audit Regulations 2015:

- the Comptroller and Auditor General,
- such representatives of relevant authorities as the Secretary of State thinks appropriate, and
- the recognised supervisory bodies

This is an open consultation, and we welcome the views of any individual or entity interested in the proposals, including all Category 1 authorities (as defined above), audit firms, and other organisations which form part of the local audit framework.

Body/bodies responsible for the consultation:

The Local Government Performance Division in the Department for Levelling-Up Housing and Communities is responsible for conducting this consultation.

Duration:

This consultation will be open from 8 February. It will be open for 4 weeks for public participation and will close on 7 March 2024.

Enquiries:

For enquiries about the consultation please contact: localaudit@levellingup.gov.uk

How to respond:

You can respond to this consultation through our [online consultation platform](#). We strongly encourage responses via the online survey. Using the online survey greatly assists our analysis of the responses, enabling more efficient and effective consideration of the issues raised for each question.

Alternatively you can email your response to the questions in this consultation to localaudit@levellingup.gov.uk

If you are responding in writing, please make it clear which questions you are responding to.

Written responses should be sent to:

Consultation on Addressing the Local Audit Backlog
FAO Elizabeth Parckar/Local Audit Team
Department for Levelling Up, Housing and Communities
Local Government Performance Division
Fry Building
2 Marsham Street
London, SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name
- your position (if applicable)
- the name of organisation (if applicable)
- an address (including postcode)
- an email address
- a contact telephone number

Introduction

Local audit is both a vital and independent source of assurance and a key element of the checks and balances within the local accountability framework.

A significant number of local audits in England are outstanding. The government, working with the Financial Reporting Council (FRC) and other system partners, is taking steps to clear the backlog and put the system on a sustainable footing moving forward.

This consultation seeks views on proposed legislative changes to the Accounts and Audit Regulations 2015 (the 2015 Regulations). These are central to cross-system proposals agreed by the Department for Levelling-Up Housing and Communities (DLUHC), the FRC, the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW), and Public Sector Audit Appointments (PSAA).

Given the requirement for concerted action, system partners have published a joint statement explaining the package of measures and how the various elements are intended to interact. This [Joint Statement](#) provides vital context for this consultation and should be reviewed before responding to the questions below.

As the Joint Statement explains, the wider package of measures consists of 3 stages:

- Phase 1: Reset involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024
- Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles
- Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit

These are not proposals we take lightly, but these are exceptional times. All system partners, including the government, share the conviction that bold steps are necessary to reset the system.

The [NAO is also consulting](#), in parallel to this consultation, on related changes to the Code of Audit Practice. Further detail on the NAO's proposals can also be found in the [Joint Statement](#).

CIPFA LASAAC will consult on temporary changes to the Code of Practice on Local Authority Accounting for 2023/24 and 2024/25 to reduce burdens on the finance teams and auditors. Further detail on CIPFA LASAAC's proposals can also be found in the [Joint Statement](#).

The government has published a [draft statutory instrument](#) (PDF, 179 KB) alongside this consultation. As explained further below, this covers the core elements of the proposed amendments to the 2015 Regulations.

Phase 1: 'Backstop' proposals for financial years 2015/2016 to 2022/2023

The proposed changes to the 2015 Regulations would require Category 1 authorities to ensure that (subject to consideration of potential exceptional circumstances – see below) by 30 September 2024 they have published audited accounts for financial years 2015/2016 to 2022/2023.

An authority's ability to meet the requirement above would be contingent on an audit opinion being issued in time. For this reason, the NAO is proposing that the Code of Audit Practice be amended so that auditors are required (unless specific circumstances apply – see below) to issue their opinion in time for the authority to publish its accounts by the specified date in the 2015 Regulations (in this case, 30 September 2024).

Regulation 10(2) currently imposes a duty on authorities to publish a delay notice if an audit of accounts has not been concluded before the date specified. We propose to disapply this duty for accounts with outstanding audits for financial years 2015/2016 to 2022/2023. This is because, under these proposals, authorities would be required to publish audited accounts by the backstop date.

The proposal to set the backstop date at 30 September 2024 reflects the need to ensure sufficient time for auditors to issue opinions, including modified or disclaimed opinions due to the backstop, and for bodies to publish accounts containing those audit opinions once the legislation has come into force.

The NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadline for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the 30 September 2024 backstop date.

Our intention is to publish a list of Category 1 authorities and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Under these proposals, the existing requirements in the 2015 regulations relating to the publication of unaudited accounts and to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the [Joint Statement](#) (especially paragraphs 5 to 14 and 25 to 46) as well as the [draft regulations](#) (PDF, 179 KB).

Questions

Q1. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 3 and 4 below), do you agree that Category 1 authorities should be required to have published audited accounts for all financial years up to and including financial year 2022/2023 by 30 September 2024? (agree, disagree, unsure)

Do you have any comments on this issue?

Q2. Do you agree that the requirement at Regulation 10(2) for Category 1 authorities to publish a delay notice should be disapplied in relation to any outstanding audits covering financial years 2015/2016 to 2022/2023? (agree, disagree, unsure)

Do you have any comments on this issue?

Q3. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop date of 30 September in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Please explain your response.

Q4. Do you think there would be any other exceptional circumstances which might create conditions in which it would be appropriate for Category 1 authorities to be exempt from the 30 September backstop date? (agree, disagree, unsure)

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

Q5. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadline of 30 September 2024? (agree, disagree, unsure)

Please explain your response and, where relevant, include any suggested consequences.

Phase 2: 'Backstop' proposals for the recovery period, financial years 2023/2024 to 2027/2028

The proposed changes to the 2015 Regulations would require (subject to consideration of potential exceptions – see below) Category 1 authorities to publish audited accounts by the following dates for financial years 2023/2024 to 2027/2028:

- 2023/24: 31 May 2025
- 2024/25: 31 March 2026
- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

As per the Phase 1 backstop proposals, the NAO is proposing that the Code of Audit Practice would require auditors (unless specific circumstances apply) to issue their opinion in time for the authority to publish its accounts by the specified dates.

As per the Phase 1 backstop proposals, we propose to disapply regulation 10(2), which requires authorities to publish a delay notice if the audit of accounts has not been concluded before the date specified.

Also to maintain consistency with the proposals for phase 1, the NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadlines for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the backstop dates for this period.

Our intention is to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Questions 10 and 11 below seek views on whether, in light of the proposed deadlines for the publication of audited accounts, the existing 31 May deadline for the publication of unaudited accounts (see regulation 15(1)(a)) remains appropriate for financial years 2024/2025 to 2027/2028. (Note that the deadline of 31 May 2024 for the publication of unaudited accounts for the current financial year is not under consideration.)

Under these proposals, the existing requirements in the 2015 regulations relating to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the [Joint Statement](#) (especially paragraphs 15 to 46), as well as the [draft regulations](#) (PDF, 179 KB).

Questions

Q6. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 7 and 8 below), do you agree that Category 1 local authorities should be required to publish audited accounts for financial years 2023/2024 to 2027/2028 by the following dates (agree, disagree, unsure)?

- 2023/24: 31 May 2025
- 2024/25: 31 March 2026
- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

Do you have any comments on these dates?

Q7. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop dates for Phase 2 in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Please explain your response.

Q8. Do you think there would be any other exceptional circumstances which might create conditions in which it would be appropriate for Category 1 authorities to be exempt from the backstop dates for Phase 2? (agree, disagree, unsure)

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

Q9. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadlines for Phase 2? (agree, disagree, unsure)

Please explain your response and, where relevant, include any suggested consequences.

Q10. The Accounts and Audit Regulations 2015 (regulation 15(1)(a)) currently requires Category 1 local authorities to publish unaudited accounts by the 31 May following the end of the financial year. In light of the proposed deadlines for the publication of audited accounts, do you think the 31 May deadline remains appropriate for financial years 2024/2025 to 2027/2028? (agree, disagree, unsure)

Please explain your response.

Q11. The existing annual deadline for the publication of unaudited accounts is 31 May. As set out above, we are proposing a backstop date for the publication of audited accounts for the financial year 2023/2024 of 31 May 2025. This would mean that 31 May 2025 would be the statutory deadline for both the publication of audited accounts for financial year 2023/2024 and unaudited accounts for financial year 2024/2025. Do you expect this would create any significant issues? (agree, disagree, unsure)

Please explain your response.

Q12. The government anticipates that the Phase 1 backstop proposals will result in modified or disclaimed opinions. A modified or disclaimed opinion at the end of Phase 1 would require auditors to subsequently rebuild assurance. The Phase 2 backstop dates are intended to enable this work to be spread across multiple years. Given this additional work, and noting the further explanation at paragraphs 15 to 46 of the [Joint Statement](#), do you have any views on the feasibility of audited accounts being published by the proposed statutory backstop dates for Phase 2?

Publication of an audit letter

Regulation 20 of the 2015 Regulations places a duty on Category 1 authorities to consider and then publish any audit letter received from the auditor “following completion of an audit.”

The NAO’s Code of Audit Practice currently specifies that an auditor’s annual report meets the definition of an ‘audit letter’ in the 2015 Regulations. In practice, therefore, Category 1 authorities have a duty to consider and publish annual audit reports in accordance with Regulation 20.

The 2020 Code of Audit Practice states that an auditor’s annual report brings together all of the auditor’s work over the year. This should be presented at an appropriate forum at the body (e.g. Audit Committee or Full Council) and be made available on the authority’s website.

A core element of the auditor’s annual report is a commentary on the organisation’s arrangements to secure value for money through the economic, efficient and effective use of its resources. The commentary should be clear, readily understandable and highlight any issues that the auditor wishes

to draw to the attention of the body or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

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Question

Q13. Do you agree that it would be beneficial for the 2015 Regulations be amended so that Category 1 bodies would be under a duty to consider and publish audit letters received from the local auditor whenever they are issued, rather than, as is currently the case, only following the completion of the audit? (agree, disagree, unsure)

Do you have any comments on this issue?

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Under the Act, protected characteristics refer to:

- age
- disability

- sex
- gender reassignment
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- race
- religion or belief
- sexual orientation.

Question

Q14. Do you have any comments on whether any of the proposals outlined in this consultation could have a disproportionate impact, either positively or negatively, on people with protected characteristics or wish to highlight any other potential equality impacts?

Further feedback

Question

Q15. Finally, do you have any further comments on the proposed changes to the 2015 Regulations not covered by the questions so far, including relating to any unintended consequences?

(Where possible, please limit your response to 500 words)

About this consultation

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Note that this section only refers to personal data (your name, contact details and any other information that relates to you or another identified or identifiable individual personally) not the content otherwise of your response to the consultation.

1. The identity of the data controller and contact details of our Data Protection Officer

The Department for Levelling Up, Housing and Communities (DLUHC) is the data controller. The Data Protection Officer can be contacted at dataprotection@levellingup.gov.uk or by writing to the following address:

Data Protection Officer
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London SW1P 4DF

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- race
- ethnic origin
- political opinions
- religious or philosophical beliefs
- trade union membership
- genetics
- biometrics

- health (including disability-related information)
- sex life; or
- sexual orientation.

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- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have your data corrected if it is incorrect or incomplete
- d. to object to our use of your personal data in certain circumstances
- e. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO: dataprotection@levellingup.gov.uk or

Knowledge and Information Access Team
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London SW1P 4DF

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making

9. Your personal data will be stored in a secure government IT system

We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for 2 years before it is deleted.

Introduction

Local audit is both a vital and independent source of assurance and a key element of the checks and balances within the local accountability framework.

A significant number of local audits in England are outstanding. The government, working with the Financial Reporting Council (FRC) and other system partners, is taking steps to clear the backlog and put the system on a sustainable footing moving forward.

This consultation seeks views on proposed legislative changes to the Accounts and Audit Regulations 2015 (the 2015 Regulations). These are central to cross-system proposals agreed by the Department for Levelling-Up Housing and Communities (DLUHC), the FRC, the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW), and Public Sector Audit Appointments (PSAA).

Given the requirement for concerted action, system partners have published a joint statement explaining the package of measures and how the various elements are intended to interact. This [Joint Statement](#) provides vital context for this consultation and should be reviewed before responding to the questions below.

As the Joint Statement explains, the wider package of measures consists of 3 stages:

- Phase 1: Reset involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024
- Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles
- Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit

These are not proposals we take lightly, but these are exceptional times. All system partners, including the government, share the conviction that bold steps are necessary to reset the system.

The [NAO is also consulting](#), in parallel to this consultation, on related changes to the Code of Audit Practice. Further detail on the NAO's proposals can also be found in the [Joint Statement](#).

CIPFA LASAAC will consult on temporary changes to the Code of Practice on Local Authority Accounting for 2023/24 and 2024/25 to reduce burdens on the finance

teams and auditors. Further detail on CIPFA LASAAC's proposals can also be found in the [Joint Statement](#).

The government has published a [draft statutory instrument](#) (PDF, 179 KB) alongside this consultation. As explained further below, this covers the core elements of the proposed amendments to the 2015 Regulations.

Phase 1: 'Backstop' proposals for financial years 2015/2016 to 2022/2023

The proposed changes to the 2015 Regulations would require Category 1 authorities to ensure that (subject to consideration of potential exceptional circumstances – see below) by 30 September 2024 they have published audited accounts for financial years 2015/2016 to 2022/2023.

An authority's ability to meet the requirement above would be contingent on an audit opinion being issued in time. For this reason, the NAO is proposing that the Code of Audit Practice be amended so that auditors are required (unless specific circumstances apply – see below) to issue their opinion in time for the authority to publish its accounts by the specified date in the 2015 Regulations (in this case, 30 September 2024).

Regulation 10(2) currently imposes a duty on authorities to publish a delay notice if an audit of accounts has not been concluded before the date specified. We propose to disapply this duty for accounts with outstanding audits for financial years 2015/2016 to 2022/2023. This is because, under these proposals, authorities would be required to publish audited accounts by the backstop date.

The proposal to set the backstop date at 30 September 2024 reflects the need to ensure sufficient time for auditors to issue opinions, including modified or disclaimed opinions due to the backstop, and for bodies to publish accounts containing those audit opinions once the legislation has come into force.

The NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadline for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the 30 September 2024 backstop date.

Our intention is to publish a list of Category 1 authorities and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Under these proposals, the existing requirements in the 2015 regulations relating to the publication of unaudited accounts and to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the [Joint Statement](#) (especially paragraphs 5 to 14 and 25 to 46) as well as the [draft regulations](#) (PDF, 179 KB).

Questions

Q1. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 3 and 4 below), do you agree that Category 1 authorities should be required to have published audited accounts for all financial years up to and including financial year 2022/2023 by 30 September 2024? (agree, disagree, unsure) - **Agree**

Do you have any comments on this issue? –

Q2. Do you agree that the requirement at Regulation 10(2) for Category 1 authorities to publish a delay notice should be disapplied in relation to any outstanding audits covering financial years 2015/2016 to 2022/2023? (agree, disagree, unsure) - **Agree**

Do you have any comments on this issue? -

Q3. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop date of 30 September in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure) - **agree**

Please explain your response.

If there are objections that could be material to the opinion, it would make sense to exempt them from the backstop date. Although, a deadline for this

objection to be resolved should be stated to ensure there is a timely resolution. Suggested timescale for resolution is 3 months

Q4. Do you think there would be any other exceptional circumstances which might create conditions in which it would be appropriate for Category 1 authorities to be exempt from the 30 September backstop date? (agree, disagree, unsure) - **agree**

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

We do not foresee any other exceptional circumstances that would mean an exemption from the 30 September backstop date

Q5. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadline of 30 September 2024? (agree, disagree, unsure) -

Disagree

Please explain your response and, where relevant, include any suggested consequences.

Publishing the list of local bodies and audit firms who do not meet the deadline should be sufficient. The publication of the list identifies where the potential issues are which require investigation.

Work can then be undertaken with the organisations to understand the reason for non-compliance and help/advice provided to work towards future compliance.

Phase 2: ‘Backstop’ proposals for the recovery period, financial years 2023/2024 to 2027/2028

The proposed changes to the 2015 Regulations would require (subject to consideration of potential exceptions – see below) Category 1 authorities to publish audited accounts by the following dates for financial years 2023/2024 to 2027/2028:

- 2023/24: 31 May 2025

- 2024/25: 31 March 2026
- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

As per the Phase 1 backstop proposals, the NAO is proposing that the Code of Audit Practice would require auditors (unless specific circumstances apply) to issue their opinion in time for the authority to publish its accounts by the specified dates.

As per the Phase 1 backstop proposals, we propose to disapply regulation 10(2), which requires authorities to publish a delay notice if the audit of accounts has not been concluded before the date specified.

Also to maintain consistency with the proposals for phase 1, the NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadlines for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the backstop dates for this period.

Our intention is to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Questions 10 and 11 below seek views on whether, in light of the proposed deadlines for the publication of audited accounts, the existing 31 May deadline for the publication of unaudited accounts (see regulation 15(1)(a)) remains appropriate for financial years 2024/2025 to 2027/2028. (Note that the deadline of 31 May 2024 for the publication of unaudited accounts for the current financial year is not under consideration.)

Under these proposals, the existing requirements in the 2015 regulations relating to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the [Joint Statement](#) (especially paragraphs 15 to 46), as well as the [draft regulations](#) (PDF, 179 KB).

Questions

Q6. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 7 and 8 below), do you agree that Category 1 local authorities should be required to publish audited accounts for financial years 2023/2024 to 2027/2028 by the following dates (agree, disagree, unsure)? - **Agree**

- 2023/24: 31 May 2025
- 2024/25: 31 March 2026
- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

Do you have any comments on these dates?

A general comment would be, although these dates give a long period for the audit to happen, it would be preferable for the audits to start as soon as possible (July at the latest) after the unaudited accounts have been published.

Leaving a significant gap between publication of draft accounts and the audit starting could cause issues, especially if a turnover of staff as the skills and knowledge of staff who completed the work on the accounts would be lost.

This would in turn make the audit of the accounts a longer process due to the likelihood that more questions would be received from the auditors.

Q7. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop dates for Phase 2 in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure) - **Agree**

Please explain your response.

If there are objections that could be material to the opinion, it would make sense to exempt them from the backstop date. Although, a deadline for this objection to be resolved should be stated to ensure there is a timely resolution. Suggested timescale for resolution is 3 months.

Q8. Do you think there would be any other exceptional circumstances which might create conditions in which it would appropriate for Category 1 authorities to be exempt from the backstop dates for Phase 2? (agree, disagree, unsure) - **Disagree**

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

Q9. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadlines for Phase 2? (agree, disagree, unsure) - **Disagree**

Please explain your response and, where relevant, include any suggested consequences.

Publishing the list of local bodies and audit firms who do not meet the deadline should be sufficient. The publication of the list identifies where the potential issues are which require investigation. Work can then be undertaken with the organisations to identify and implement the solutions which will result in compliance.

Work can also be undertaken with the organisation to understand the reason for non-compliance and help/advice can be provided to work towards future compliance.

Q10. The Accounts and Audit Regulations 2015 (regulation 15(1)(a)) currently requires Category 1 local authorities to publish unaudited accounts by the 31 May following the end of the financial year. In light of the proposed deadlines for the publication of audited accounts, do you think the 31 May deadline remains appropriate for financial years 2024/2025 to 2027/2028? (agree, disagree, unsure) - **Disagree**

Please explain your response.

With the likelihood that the audits will still be in progress for 2022/23 at 31 May 2024, causing further pressure on local authorities, the deadline for the 2023/24 unaudited accounts should be moved to 31 July 2024.

This could also be applicable to 2024/25 accounts, so the deadline for the accounts should be 31 July 2025. The 2025/26 to 2027/28 should remain at 31 May.

Q11. The existing annual deadline for the publication of unaudited accounts is 31 May. As set out above, we are proposing a backstop date for the publication of audited accounts for the financial year 2023/2024 of 31 May 2025. This would mean that 31 May 2025 would be the statutory deadline for both the publication of audited

accounts for financial year 2023/2024 and unaudited accounts for financial year 2024/2025. Do you expect this would create any significant issues? (agree, disagree, unsure) - **Agree**

Please explain your response.

This could cause an issue if the timing of the audit were to be later in the year as there would be a significant amount of work to be completed on both audit of 2023/24 accounts and the publication of the unaudited 2024/25 accounts at the same time.

As per the previous question, a deadline of 31 July would work better.

Q12. The government anticipates that the Phase 1 backstop proposals will result in modified or disclaimed opinions. A modified or disclaimed opinion at the end of Phase 1 would require auditors to subsequently rebuild assurance. The Phase 2 backstop dates are intended to enable this work to be spread across multiple years. Given this additional work, and noting the further explanation at paragraphs 15 to 46 of the [Joint Statement](#), do you have any views on the feasibility of audited accounts being published by the proposed statutory backstop dates for Phase 2?

The proposed statutory backstop dates for Phase 2 should achieve the aims of restoring timely audits and the returning to unmodified audit opinions

Publication of an audit letter

Regulation 20 of the 2015 Regulations places a duty on Category 1 authorities to consider and then publish any audit letter received from the auditor “following completion of an audit.”

The NAO’s Code of Audit Practice currently specifies that an auditor’s annual report meets the definition of an ‘audit letter’ in the 2015 Regulations. In practice, therefore, Category 1 authorities have a duty to consider and publish annual audit reports in accordance with Regulation 20.

The 2020 Code of Audit Practice states that an auditor’s annual report brings together all of the auditor’s work over the year. This should be presented at an appropriate forum at the body (e.g. Audit Committee or Full Council) and be made available on the authority’s website.

A core element of the auditor’s annual report is a commentary on the organisation’s arrangements to secure value for money through the economic, efficient and

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Question

Q14. Do you have any comments on whether any of the proposals outlined in this consultation could have a disproportionate impact, either positively or negatively, on people with protected characteristics or wish to highlight any other potential equality impacts? – **No Comments**

Further feedback

Question

Q15. Finally, do you have any further comments on the proposed changes to the 2015 Regulations not covered by the questions so far, including relating to any unintended consequences? – **No Comments**

(Where possible, please limit your response to 500 words)

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- race
- ethnic origin
- political opinions
- religious or philosophical beliefs
- trade union membership
- genetics
- biometrics
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- sex life; or
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6. Your rights, e.g. access, rectification, restriction, objection

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have your data corrected if it is incorrect or incomplete
- d. to object to our use of your personal data in certain circumstances
- e. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO: dataprotection@levellingup.gov.uk or

Knowledge and Information Access Team
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London SW1P 4DF

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making

9. Your personal data will be stored in a secure government IT system

We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for 2 years before it is deleted.

REFERRAL TO TORBAY COUNCIL AUDIT COMMITTEE MARCH 2024

This Internal Audit Charter and Strategy is referred to the Audit Committee to be noted.

MISSION

The Mission of Devon Audit Partnership is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight across its partners.

TERMS OF REFERENCE

This document details the **Internal Audit Charter** and **Internal Audit Strategy** for Torbay Council as required by the Public Sector Internal Audit Standards (PSIAS). The Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the [Devon Audit Partnership \(DAP\)](#), and the scope of Internal Audit work. This Charter complies with the mandatory requirements of the PSIAS. The accompanying Audit Strategy is designed to deliver the requirements outlined in the Charter.

DEFINITIONS

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

The PSIAS set out the requirements of a ‘Board’ and of ‘Senior Management’. For the purposes of the internal audit activity within The Council the role of the Board within the Standards is taken by the Council’s Audit Committee and Senior Management is the Council’s Senior Leadership Team. They also make reference to the role of “Chief Audit Executive”. For The Council, this role is fulfilled by the Head of Devon Audit Partnership (HoDAP).

INDEX TO SECTIONS OF THE CHARTER AND STRATEGY

Charter

1. Statutory Requirements and Purpose of Internal Audit
2. Professionalism, Ethics and Independence
3. Authority
4. Accountability
5. Responsibilities
6. Management
7. Internal Audit Plan and Resources
8. Internal Audit Reporting
9. Relationship with the Audit Committee and Non-Conformance to the Charter
10. Quality Assurance and Improvement Programme

Strategy

- Audit Strategy - Purpose
- Annual Audit Opinion
- Audit Planning & Delivery
- Performance Management & Quality Assurance
- Resources and skills
- Staff Development and use of IDEAGEN AUDIT

CHARTER - STATUTORY REQUIREMENTS AND PURPOSE OF INTERNAL AUDIT

Statutory Requirements

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state:

5.—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In addition, the Local Government Act 1972, Section 151, requires every local authority to designate an officer responsible for the proper administration of its financial affairs. In The Council, the Director of Finance is the 'Section 151 Officer'. One way in which this duty is discharged is by maintaining an adequate and effective internal audit service.

The Purpose and Aim of Internal Audit

The role of Internal Audit is to understand the key risks of the Council, to examine and evaluate the adequacy and effectiveness of the system of risk management and the entire control environment as operated throughout the organisation, and contribute to the proper, economic, efficient and effective use of resources. In addition, the other objectives of the function are to:

- Support the Section 151 Officer to discharge their statutory duties
- Contribute to and support the Finance function in ensuring the provision of, and promoting the need for, sound financial systems
- Support the corporate efficiency and resource management processes by conducting value for money and efficiency studies and supporting the work of corporate working groups as appropriate
- Provide a quality fraud investigation service which safeguards public monies.

The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

Internal Audit for the Council is provided by Devon Audit Partnership. We aim to provide a high quality, professional, effective and efficient Internal Audit Service to the Members and service areas of the Council, adding value whenever possible.

CHARTER - PROFESSIONALISM, ETHICS AND INDEPENDENCE

Being Professional

Devon Audit Partnership will adhere to the relevant codes and guidance. We adhere to the Institute of Internal Auditors' (IIA's) mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the Public Sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing within the public sector and for evaluating the effectiveness of Internal Audit's performance. The IIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, Internal Audit will adhere to The Council's relevant policies and procedures and the internal audit manual. Internal Auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not, however, imply infallibility.

Our Ethics

Internal auditors in UK public sector organisations must conform to the Code of Ethics as set out by IIA. This Code of Ethics promotes an ethical culture in the profession of internal auditing. If individual internal auditors have membership of another professional body, then he or she must also comply with the relevant requirements of that organisation. The Code of Ethics extends beyond the definition of internal auditing to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing.
2. Rules of Conduct that describe behaviour norms expected of internal auditors.

The Code of Ethics provides guidance to internal auditors serving others and applies to both individuals and entities that provide internal auditing services. The Code of Ethics promotes an ethical, professional culture. It does not supersede or replace Codes of Ethics of employing organisations. Internal auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

CHARTER - PROFESSIONALISM, ETHICS AND INDEPENDENCE (Continued)

Being Independent

Internal Audit should be independent of the activities that it audits. The status of Internal Audit should enable it to function effectively. The support of the Council is essential and recognition of the independence of Internal Audit is fundamental to its effectiveness.

The Head of Devon Audit Partnership should have direct access to and freedom to report in their own name and without fear or favour to, all officers and members and particularly to those charged with governance (the Audit Committee). In the event of the necessity arising, the facility also exists for Internal Audit to have direct access to the Chief Executive, the S.151 Officer and the Chair of the Audit Committee.

The Council should make arrangements for Internal Audit to have adequate budgetary resources to maintain organisational independence.

The Head of Devon Audit Partnership should have sufficient status to facilitate the effective discussion of audit strategies, audit plans, audit reports and action plans with senior management and members of the Council.

Auditors should be mindful of being independent, and must:

- Have an objective attitude of mind and be in a sufficiently independent position to be able to exercise judgment, express opinions and present recommendations with impartiality;
- Notwithstanding employment by the Partnership / Council, must be free from any conflict of interest arising from any professional or personal relationships or from any pecuniary or other interests in an activity or organisation which is subject to audit;
- Be free from undue influences which either restrict or modify the scope or conduct of their work or significantly affect judgment as to the content of the internal audit report; and
- Not allow their objectivity to be impaired by auditing an activity for which they have or have had responsibility.



CHARTER - AUTHORITY

Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement.

All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. This is enforced in the Accounts and Audit (England) Regulations 2015 section 5(2-3) that state that: Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit:

- 2) (a) make available such documents and records; and
- 3) (b) supply such information and explanations; as are considered necessary by those conducting the internal audit.
- 4) (b) in this regulation “documents and records” includes information recorded in an electronic form.

In addition, Internal Audit, through the HoDAP, where deemed necessary, will have unrestricted access to:

- The Chief Executive
- Members
- Individual Directors
- Section 151 Officer
- Monitoring Officer
- All authority employees
- All authority premises.

CHARTER - ACCOUNTABILITY

Devon Audit Partnership is a shared service established and managed via a Partnership Committee and Board with representation from each full partner. The Partnership operates as a separate entity from the client authorities and Internal Audit is therefore independent of the activities which it audits. This ensures unbiased judgements essential to proper conduct and the provision of impartial advice to management. DAP operates within a framework that allows:

- Unrestricted access to senior management and members.
- Reporting in its own name.
- Separation from line operations.

Every effort will be made to preserve objectivity by ensuring that all audit members of audit staff are free from any conflicts of interest and do not, ordinarily, undertake any non-audit duties.

The HoDAP fulfils the role of Chief Audit Executive at the Authority and will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit activity. The Section 151 Officer will liaise with the HoDAP and is therefore responsible for monitoring performance and ensuring independence.

The HoDAP reports functionally to the Audit Committee on items such as:

- Approving the internal audit charter;
- Approving the risk based internal audit plan and resources;
- Receiving reports from the Head of Devon Audit Partnership on the section's performance against the plan and other matters;
- Approving the Head of Devon Audit Partnership's annual report'
- Approve the review of the effectiveness of the system of internal audit.

The HoDAP has direct access to the Audit Committee, and has the opportunity to meet privately with Committee members if required.

CHARTER - RESPONSIBILITIES

The Chief Executive, Directors and other senior officers are responsible for ensuring internal control arrangements are sufficient to address the risks facing their services. The HoDAP will provide assurance to the Section 151 Officer regarding the adequacy and effectiveness of the Council's financial framework, helping meet obligations under the LGA 1972 Section 151.

The HoDAP will provide assurance to the Monitoring Officer in relation to the adequacy and effectiveness of the systems of governance within the Council helping them meet their obligations under the Local Government and Housing Act 1989 and the Council's Constitution. The HoDAP will also work with the Monitoring Officer to ensure the effective implementation of the Council's Whistleblowing Policy.

Internal Audit responsibilities include:

- Examining and evaluating the soundness, adequacy and application of the Council's systems of internal control, risk management and corporate governance arrangements;
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Reviewing the systems established to ensure compliance with policies, plans, procedures and regulations which could have a significant impact on operations;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Investigating alleged fraud and other irregularities referred to the service by management, or concerns of fraud or other irregularities arising from audits, where it is considered that an independent investigation cannot be carried out by management;
- Appraising the economy, efficiency and effectiveness with which resources are employed and the quality of performance in carrying out assigned duties including Value for Money Studies;
- Working in partnership with other bodies to secure robust internal controls that protect the Council's interests;
- Advising on internal control implications of new systems;
- Providing consulting and advisory services related to governance, risk management and control as appropriate for the organisation; and,
- Reporting significant risk exposures and control issues identified to Audit Committee and to senior management, including fraud risks, governance issues.

CHARTER - MANAGEMENT

The PSIAS describe the requirement for the management of the internal audit function. This sets out various criteria that the HoDAP (as Chief Audit Executive) must meet, and includes:

- Be appropriately qualified;
- Determine the priorities of, deliver and manage the Council's internal audit service through a risk based annual audit plan;
- Regularly liaise with the Council's external auditors to ensure that scarce audit resources are used effectively;
- Include in the plan the approach to using other sources of assurance if appropriate;
- Be accountable, report and build a relationship with the Council's Audit Committee and S.151 Officer; and
- Monitor and report upon the effectiveness of the service delivered and compliance with professional and ethical standards.

These criteria are brought together in an Audit Strategy which explains how the service will be delivered and reflect the resources and skills required.

The HoDAP is required to give an annual audit opinion on the governance, risk and control framework based on the audit work done.

The HoDAP should also have the opportunity for free and unfettered access to the Chief Executive and meet periodically with the Monitoring Officer and S.151 Officer to discuss issues that may impact on the Council's governance, risk and control framework and agree any action required.

CHARTER - INTERNAL AUDIT PLAN AND RESOURCES

At least annually, the HoDAP will submit to the Audit Committee a risk-based internal audit plan for review and approval.

The HoDAP will:

- Develop the annual plan through discussions with senior management based on an understanding of the significant risks of the organisation;
- Submit the plan to the Audit Committee for review and agreement;
- Implement the agreed audit plan;
- Maintain a professional audit staff with sufficient knowledge, skills and experience to carry out the plan and carry out continuous review of the development and training needs;
- Maintain a programme of quality assurance and a culture of continuous improvement;

The internal audit plan will include timings as well as budget and resource requirements for the next fiscal year. The Head of internal audit will communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee.

Internal Audit resources must be appropriately targeted by assessing the risk, materiality and dependency of the Council's systems and processes. Any significant deviation from the Internal Audit plan will be communicated through the periodic activity reporting process.

A requirement of the Council's Anti-Fraud and Corruption Strategy is that the HoDAP be notified of all suspected or detected fraud, corruption or impropriety. All reported irregularities will be investigated in line with established strategies and policies. The audit plan will include sufficient resource to undertake proactive anti-fraud work. Internal audit activities will be conducted in accordance with Council strategic objectives and established policies / procedures.

Monitoring of internal audit's processes is carried out on a continuous basis by internal audit management. Council's members and management may rely on the professional expertise of the HoDAP to provide assurance. Periodically, independent review may be carried out: for example, through peer reviews; ensuring compliance with the PSIAS is an essential approach to such a review.

CHARTER - INTERNAL AUDIT REPORTING

The primary purpose of Internal Audit reporting is to provide to management an independent and objective opinion on governance, the control environment and risk exposure and to prompt management to implement agreed actions. Internal Audit should have direct access and freedom to report in their own name and without fear or favour to, all officers and members, particularly to those charged with governance (the Audit Committee).

A written report will be prepared for every internal audit project and issued to the appropriate manager accountable for the activities under review. Reports will include an 'opinion' on the risk and adequacy of controls in the area that has been audited, which, together, will form the basis of the annual audit opinion on the overall control environment.

The aim of every Internal Audit report should be to:

- Give an opinion on the risk and controls of the area under review, building up to the annual opinion on the control environment; and
- Recommend and agree actions for change leading to improvement in governance, risk management, the control environment and performance.

The Manager will be asked to respond to the report within 30 days, although this period can be extended by agreement.

The response must show what actions have been taken or are planned in relation to each risk or control weakness identified. If action is not to be taken, this must also be stated. The HoDAP is responsible for assessing whether the manager's response is adequate.

Where deemed necessary, the Internal Audit report will be subject to a follow-up, normally within six months of its issue, in order to ascertain whether the action stated by management in their response to the report has been implemented.

The HoDAP will:

- Submit periodic reports to the Audit Committee summarising key findings of reviews and the results of follow-ups undertaken;
- Submit an Annual Internal Audit Report to the Audit Committee, incorporating an opinion on the Council's control environment. This will also inform the Annual Governance Statement.



CHARTER - RELATIONSHIP WITH THE AUDIT COMMITTEE, AND NON-CONFORMANCE TO THE CHARTER

The Council’s Audit Committee will act as “the Board” as defined in the Public Sector Internal Audit Standards (PSIAS), The Specific Functions of the Audit Committee are set out in the Council’s Constitution.

The HoDAP will assist the Committee in being effective and in meeting its obligations. To facilitate this, the HoDAP or suitable representative will:

- Attend meetings, and contribute to the agenda;
- Ensure that it receives, and understands, documents that describe how Internal Audit will fulfil its objectives (e.g. the Audit Strategy, annual work programmes, progress reports);
- report the outcomes of internal audit work, in sufficient detail to allow the committee to understand what assurance it can take from that work and/or what unresolved risks or issues it needs to address;
- establish if anything arising from the work of the committee requires consideration of changes to the audit plan, and vice versa;
- present an annual report on the effectiveness of the system of internal audit; and
- present an annual internal audit report including an overall opinion on the governance, risk and control framework

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Any instances of non-conformance with the Internal Audit Definition, Code of Conduct or the Standards must be reported to the Audit Committee, and in significant cases consideration given to inclusion in the Annual Governance Statement.

The Head of Devon Audit Partnership will advise the Audit Committee on behalf of the Council on the content of the Charter and the need for any subsequent amendment. The Charter should be regularly reviewed by the Audit Committee.

CHARTER - QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once in five years by a suitably qualified, independent assessor. For DAP this was conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics”*.

The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*.

DAP is actively addressing these improvement areas which includes *“Develop the use of data analytics; rotate staff across clients; consider how to support the development of audit committees; consider a range of cross partner audits and share best practice; review current arrangements for the delivery of IT audit to ensure maximum value; develop the role of Senior Auditors”*.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

AUDIT STRATEGY - PURPOSE

The PSIAS require the HoDAP to produce an Audit Charter setting out audits purpose, authority and responsibility. We deliver this through our Audit Strategy which:

- Is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities;
- Should be noted, but not directed, by the Audit Committee.
- Will communicate the contribution that Internal Audit makes to the organisation and should include:
 - Internal audit objectives and outcomes;
 - How the HoDAP will form and evidence their opinion on the governance, risk and control framework to support the Annual Governance Statement;
 - How Internal Audit's work will identify and address significant local and national issues and risks;
 - How the service will be provided, and
 - The resources and skills required to deliver the Strategy.

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The Strategy should be kept up to date with the organisation and its changing priorities.

AUDIT STRATEGY - OPINION ON THE GOVERNANCE, RISK AND CONTROL FRAMEWORK

A key objective of Internal Audit is to communicate to management an independent and objective opinion on the governance, risk and control framework, and to prompt management to implement agreed actions.

Significant issues and risks will be brought to the attention of the S.151 Officer as and when they arise. Regular formal meetings will be held to discuss issues arising and other matters.

The HoDAP will report progress against the annual audit plan and any emerging issues and risks to the Audit Committee. The HoDAP will also provide a written annual report to the Audit Committee, timed to support their recommendation to approve the Annual Governance Statement, to the Council.

The Head of Devon Audit Partnership's annual report to the Audit Committee will:

- Provide an opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance streams;
- Draw attention to any issues the HoDAP judges particularly relevant to the preparation of the Annual Governance Statement;
- Compare audit work actually undertaken against the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and
- Comment on compliance with the Public Sector Internal Audit Standards and communicate the results of the internal audit quality assurance programme.

AUDIT STRATEGY - PLANNING & AUDIT DELIVERY

INCLUDING LOCAL AND NATIONAL ISSUES AND RISKS

The audit planning process includes the creation of and ongoing revision of an “audit universe”. This seeks to identify all risks, systems and processes that may be subject to an internal audit review.

The audit universe will include a risk assessment scoring methodology that takes account of a number of factors including: the Council’s own risk score; value of financial transactions; level of change, impact on the public; political sensitivity; when last audited; and the impact of an audit. This will inform the basis of the resources allocated to each planned audit area.

The results from the audit universe will be used in creating an annual audit plan; such a plan will take account of emerging risks at both local and national level.

Assignment Planning & Delivery

Further planning and risk assessment is required at the commencement of each individual audit assignment to establish the scope of the audit and the level of testing required.

The primary objective of the audit is to provide management with an independent opinion on the risk and control framework through individual audits in the audit plan. Individual audits will be completed using our methodology in our Audit Manual to the standards set by PSIAS, to independently evaluate the effectiveness of internal controls. Our audit assignment report will communicate our opinion and include agreed management action, where required, to improve the effectiveness of risk management, control and governance processes.

AUDIT STRATEGY - PERFORMANCE MANAGEMENT & QUALITY ASSURANCE

The PSIAS state that the HoDAP should have in place an internal performance management and quality assurance framework; this framework must include:

- A comprehensive set of *targets to measure performance*. These should be regularly monitored and the progress against these targets reported appropriately.
- Seeking *user feedback* for each individual audit and periodically for the whole service.
- A periodic review of the service against the Strategy and the achievement of its aims and objectives. The results of this should inform the future Strategy and be reported to the DAP Committee.
- Internal quality reviews to be undertaken periodically to ensure compliance with the PSIAS and the Audit Manual (self-assessment).
- An action plan to implement improvements.

The PSIAS and the Internal Audit Manual state that internal audit performance, quality and effectiveness should be assessed for each individual audit; and for the Internal Audit Service as a whole. The HoDAP will closely monitor the performance of the team to ensure agreed targets are achieved. A series of performance indicators have been developed for this purpose (please see the following pages).

Customer feedback is also used to define and refine the audit approach. Devon Audit Partnership will seek feedback from: auditees; senior leadership; and executive management. The results from our feedback will be reported to Senior Management and the Audit Committee in the half year and annual reports.

The HoDAP is expected to ensure that the performance and the effectiveness of the service improves over time, in terms of both the achievement of targets and the quality of the service provided to the user.

AUDIT STRATEGY - PERFORMANCE MANAGEMENT & QUALITY ASSURANCE (2)

Performance Indicator	Full year target
Percentage of Audit Plan completed	90%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%
Draft reports produced with target number of days (currently 15 days from final debrief)	90%

Internal Audit
Performance
Monitoring
Targets

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Task	Performance measure
Agreement of Annual audit plan	Agreed by Chief Executive, Senior Leadership Team and Audit Committee prior to start of financial year
Agreement of assignment brief	Assignment briefs are agreed with and provided to auditee at least two weeks before planned commencement date.
Undertake audit fieldwork	Fieldwork commenced at agreed time
Verbal debrief	Confirm this took place as expected; was a useful summary of the key issues; reflects the findings in the draft report.
Draft report	Promptly issued within 15 days of finishing our fieldwork. Report is “accurate” and recommendations are both workable and useful.
Draft report meeting (if required)	This meeting was useful in understanding the audit issues
Annual internal audit report	Prepared promptly and ready for senior management consideration each June. Report accurately reflects the key issues identified during the year.
Presentation of internal audit report to Management and Audit Committee.	Presentation / update is clear and concise. Presenter was knowledgeable on the subject are and able to answer questions posed by management / members.
Contact with the audit team outside of assignment work.	You were successfully able to contact the person you needed, or our staff directed you correctly to the appropriate person. Emails, letters, telephone calls are dealt with promptly and effectively.

Other indicators measured as part of the audit process that may be captured and reported to senior management.

DAP Overall Performance is reported to the DAP Committee three times per year.

AUDIT STRATEGY - RESOURCES AND SKILLS

The PSIAS and the Audit Manual states that:

- Internal Audit must be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its responsibilities and objectives, or have access to the appropriate resources;
- The Internal Audit service shall be managed by an appropriately qualified professional with wide experience of internal audit and of its management; and
- The Chief Audit Executive (Head of Devon Audit Partnership) should be of the calibre reflecting the responsibilities arising from the need to liaise with members, senior management and other professionals, and be suitably experienced.

DAP currently has c.45 staff who operate from any one of our three main locations (Plymouth, Torquay and Exeter), we also operate from offices at Torridge DC (Bideford), Mid Devon DC (Tiverton) and South Hams, West Devon Councils (Totnes). The Partnership employs specialists in areas such as Computer Audit, Contracts Audit and Counter Fraud Investigators as well as a mix of experienced, professionally qualified and non-qualified staff.

The Partnership draws on a range of skilled staff to meet the audit needs. Our current staff includes: -

- 2 x Chartered Accountants
- 13 x qualified IIA (CMIIA, PIIA, IIA Cert)
- 3 x qualified computer audit (QICA, CISA, ITIL)
- 2 x risk management (IRM)
- 9 x AAT (qualified and part qualified)
- 4 x ACFS / ACFT (accredited counter fraud specialists)
- 1 x ACFM (accredited counter fraud manager)
- 3 x ILM (Institute of Leadership & Management) level 5 or above
- 10 x Apprentices/Students/Studying (Finance, Data Analyst, IIA, Business Admin)

AUDIT STRATEGY - STAFF DEVELOPMENT AND TRAINING AND USE OF IDEAGEN AUDIT

Staff Skills and Development

Devon Audit Partnership management assess the skills of staff to ensure the right people are available to undertake the work required.

Staff keep up to date with developments within internal audit by attending seminars, taking part in webinars and conferences, attending training events and keeping up to date on topics via websites and professional bodies. Learning from these events helps management to ensure they know what skills will be required of our team in the coming years, and to plan accordingly.

Devon Audit Partnership follows formal appraisal processes that identify how employees are developing and create training and development plans to address needs.

Internal Audit Software System

Devon Audit Partnership uses Ideagen as an audit management system. This system allows Partnership management to effectively plan, deliver and report audit work in a consistent and efficient manner. The system provides a secure working platform and ensures confidentiality of data. The system promotes mobile working, allowing the team to work effectively at client locations or at remote locations should the need arise.

Internal Audit

Internal Audit Plan 2024-25

Torbay Council Audit Committee

March 2024

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Not Protectively Marked



Lynda Sharp-Woods
Audit Manager

Tony Rose
Head of Devon Audit Partnership



Auditing for achievement

Agenda Item 8

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<p>Devon Audit Partnership</p> <p>The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid-Devon, South Hams & West Devon, Torridge and North Devon councils and Devon & Somerset Fire & Rescue Service. We aim to be recognised as a high-quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks, and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk</p>	<p>Confidentiality and Disclosure Clause</p> <p>This report is protectively marked in accordance with the government security classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation’s disclosure policies.</p> <p>This report is prepared for the organisation’s use. We can take no responsibility to any third party for any reliance they might place upon it.</p>
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Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Senior Leadership Team.

This Council's Internal Audit Charter formally describes the Purpose, Authority, and Principal Responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at Appendix 1, along with the scope of Internal Audit work. The PSIAS refer to the role of "Chief Audit Executive". For the Council this role is fulfilled by the Head of Devon Audit Partnership.

The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to review, and note the Internal Audit Plan to provide assurance to support the governance framework (see appendix 2).

The Chief Audit Executive is responsible for developing a risk-based plan which takes into account the organisation's risk management framework, including using Risk appetite levels set by management for the different activities or parts of the organisation as represented in Appendix 3.

The audit plan represents the proposed internal audit activity for the year. At the start of each audit the scope is discussed and agreed with management with the view to providing Management, the Chief Finance Officer (Section 151) and Members with assurance on the control framework to manage the risks identified. The plan will remain flexible, and any changes will be agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider:

- the annual governance framework requirements,
- the basis of assessment of the audit work in the proposed plan,
- the resources allocated to meet the plan,
- proposed areas of internal audit coverage in 2024-25.

Following consideration of the above the Audit Committee are required to note the proposed audit plan.

Tony Rose
Head of Audit Partnership

High Level Audit Plan

This chart shows a summary of planned audit coverage for the year totalling 720 direct days (742 including 22 days for Schools). It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Council and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate.

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more agile and responsive to changing risks.

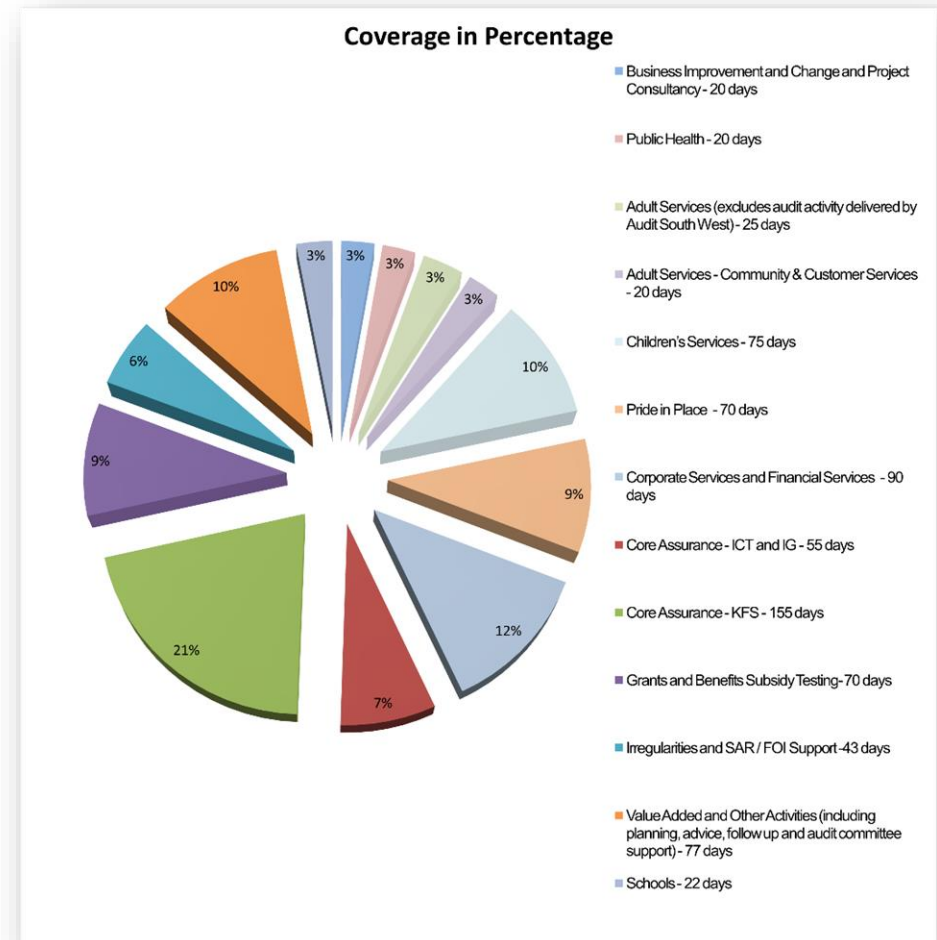
As outlined in Appendix 3 to this report, the Audit Plan is drawn up considering various factors including global risk themes, risks to the Council as outlined in the Council's risk register, and the views of Directors, Senior Officers, and Members. Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key and current risks to the operation or function are considered during our review. A brief overview of proposed audits is provided on the following page.

As we progress through the year, any changes to the audit plan will be agreed by the Section 151 officer and are notified to the Audit Committee via our monitoring reports.

The Internal Audit Plan is intended to cover the period 1st April to 31st March. We know from our experience that our work does not start on the 1st April or finish on the 31st March. The delivery of the work commences in April with the bulk of the work delivered within each financial year, concluding with our reports being finalised after year end. This timeframe helps to ensure the annual Head of Internal Audit assurance opinion is based on the fullest possible breadth of work.

We regularly review wider risk information to help inform our Internal Audit Plans. The [Institute of Internal Auditors \(IIA\)](#), the [World Economic Forum](#) and the Institute of Risk Management (IRM) [IRM Global Risk Trends 2023 \(theirm.org\)](#) produced documents linked to global, national, and regional risks, many of which are relevant to the services delivered by the Public Sector. The [IRM](#) made their 2024 Risk Trends Report available for download in March 2024. In addition, Mazars undertake an annual review of emerging risks, the latest one being the [2023-24 version](#).

These documents provide a useful information source for Auditors, Senior Management and Audit Committee Members as they consider what items should be included in the Annual Internal Audit Plan. These can be found using the links should you wish to view them.



Service Area Overview of Audit Coverage (including delivery quarter and audit needs assessment-ANA)							
Page 65 Thematic Overview Audit Coverage	Adult Services	Adult Services Community & Customer Services	Public Health	Children's Services	Corporate Services & Financial Services	Pride in Place	Business Projects & Value Added Q1-4
	ASC Transformation Plan (QA role) Q1-4 ANA Critical	Housing (including sufficiency) Q1 ANA High	NHS Links (management of contracts with GPs and impacts) Q3 ANA Medium	Safety Valve (QA role) Q1-4 ANA Critical	CRM System Q2 ANA High	Highways Commissioning Q1 ANA Medium	Business Improvement and Change ANA Critical
	ASC – Use of social care grants Q2 ANA High		0-19 Procurement (governance arrangements) Q4 ANA Medium	Home to School Transport (QA role) Q1-4 ANA Medium	Financial Resilience (including 24/25 Budget Savings Plans, Medium Term Resource Plan and Reserves) Q2 ANA High	Enforcement (Planning) Q1 ANA High	Safe on-boarding of TDA / TorVista (QA role) ANA Critical
	ASW Assurance <i>The Director of Adult Services works with ASW Assurance to devise an audit plan covering Adult Services delivered by the Trust.</i>			Sufficiency Strategy Progress Q2 ANA High	Council Borrowing (including Loans) Q1 ANA High	Capital Programme Q2 ANA High	Information Governance Steering Group ANA High
				SEND (Special Educational Needs and Disabilities) Q3 ANA High	Audit Committee Assessment Q1-4 ANA Medium	Events - follow up of Festival recommendations Q2 ANA Medium	Irregularities
				Early Help (including Family Hub) Q2 ANA High	Democratic Services and Member Allowances Q2 ANA Medium	Development Management Planning Q2 ANA High	Subject access and freedom of information requests
				Vulnerable Pupils Q4 ANA Medium	Business Continuity Q4 ANA Critical	Land Release Fund (LRF) and Other Grants Q4 ANA High	Advice
							Audit Follow Up
Core Assurance	Business Processes & Governance, Schools Assurance – Grant Certification (Q1-4) ANA High , HB Subsidy (Q2-4) ANA High ; Schools audits (Q1-4), Audit plan preparation, monitoring and reporting (Q1-4)						
	Key Financial Systems (KFS) ANA High – Open Revs and Civica W2 System Admin (Q1); Treasury Management (Q1); Asset Register (Q1); FIMS System Admin (Q1); Income Collection (Q2); Council Tax Support Scheme (new) (Q2); Main Accounting System and Bank Rec (Q2); Housing Benefits (Q3); CTAX and NDR (Q3); Debtors (Q3); Payroll (Follow Up) (Q4); Creditors and POP (Follow up) (Q4)						
	ICT ANA Critical – IT Service Review (Q1-4); Firewall (Q2); IT Risk Management (Q3); ICT KFS (Q3); Patch Management (Q4)						

The diagram shows the proposed 2024-25 audit coverage as identified through risk assessment and discussion with Senior Management. ANA is described in Appendix 3.

Service Area Overview of Reserved Audit Areas					
Adult Services	Adult Services Community & Customer Services	Public Health	Children's Services	Corporate Services & Financial Services	Pride in Place
No items on reserve	No items on reserve	No items on reserve	No items on reserve	Performance Management Elections Printing Human Capital / Workforce Crisis Employment Status (off payroll working and tax) Devolution Deal LGA Peer Review Procurement of IT Solutions IT Supply Chain Management Procurement (Compliance with new legislation) Supply Chain Management Counter Fraud	Economic Growth Harbours (rolling cycle of audits)

The diagram shows the areas discussed and agreed with Directors during the audit planning process which have subsequently been placed on a reserve list by the Section 151 Officer, as they could not be accommodated within the commissioned audit plan days. The areas on the reserve list will be reviewed should any of the planned work be deferred in year, or in response to changing priorities.

Fraud Prevention and Detection and Internal Audit Governance

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Internal Audit will continue to investigate instances of potential fraud and irregularities as requested by the Financial, Ethics and Probity (FEP) Group, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud as directed by FEP. In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”, Internal Audit will liaise with the Council’s Corporate Fraud Officer, to enable resource to be focussed on identifying and preventing fraud before it happens. Additionally, new guidance introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and also the Home Office ‘UK Anti-Corruption Plan’, will further inform the direction of counter-fraud arrangements going forwards.

The Cabinet Office runs a national data matching exercise (The National Fraud Initiative - NFI) run every two years, which is managed by Torbay Council’s Counter Fraud Officer. The NFI programme has a cumulative savings figure of [£2.4 billion](#) since its creation in 1996. The outcomes exclude the non-financial benefits also experienced by participants, such as improvements in the accuracy of records, or a greater knowledge of the extent and types of risks their organisations might face.

Internal Audit Governance

As part of our work ensures effective and efficient services are provided to the Council and that the Internal Audit function continues to meet statutory responsibilities. In some instances, this work will result in a direct output (i.e., an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include: -

- Preparing the internal audit plan and monitoring implementation,
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee,
- Assistance with the Annual Governance Statement,
- Liaison with other inspection bodies (e.g., Grant Thornton),
- Support to the Council’s internal Risk Management team.

Partnership working with other audit agencies

We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal Audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work which have been covered in other authorities.

The most significant partnership working arrangement that we currently have with other auditors continues to be that with the Council’s external auditors (Grant Thornton) and ASW Assurance (Internal Audit for NHS).

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015 amended 2021, which state:
 “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance”.

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Chief Audit Executive should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning and best practice, helping each authority develop further to ensure that risk remains suitably managed.

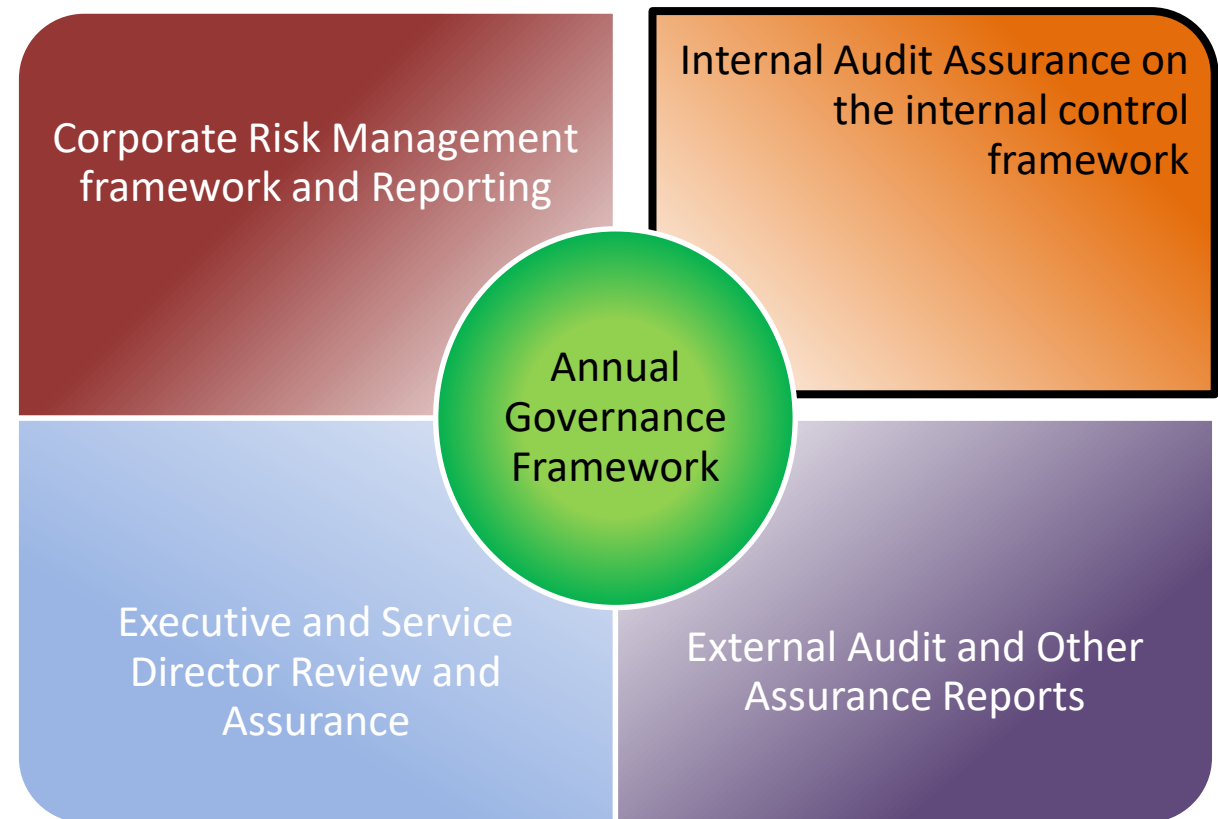
Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice,
- high quality services are delivered efficiently and effectively,
- ethical standards are met,
- laws and regulations are complied with,
- processes are adhered to,
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -

- be prepared by senior management and signed by the Chief Executive, Leader of the Council and Chair of the Audit Committee,
- highlight significant events or developments in the year,
- acknowledge the responsibility on management to ensure good governance,
- indicate the level of assurance that systems and processes can provide,
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon,
 - The Authority,
 - Audit Committee,
 - Risk Management,
 - Internal Audit,
 - Other reviews / assurance.
- Provide confirmation that the Authority complies with CIPFA's International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

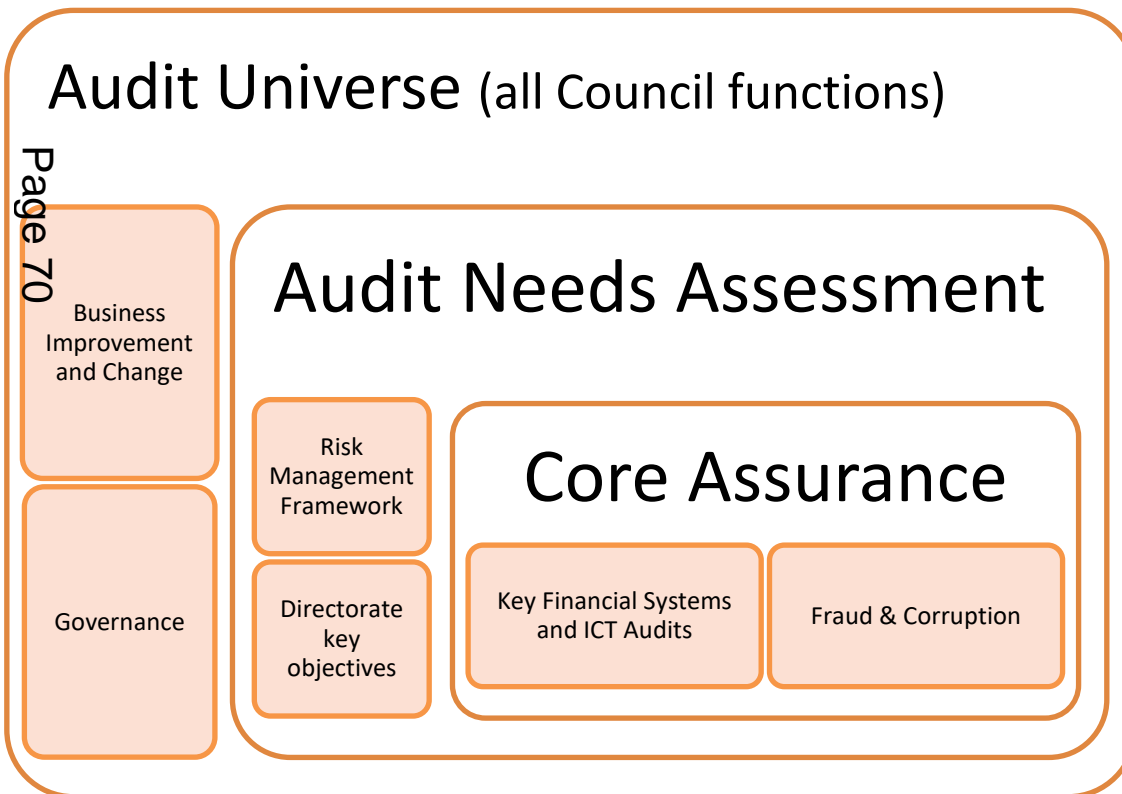
The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g., ASW Assurance) that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

We work closely with the Section 151 Officer, Directors, and Members to employ a risk-based priority audit planning approach to identify those areas from the Audit Universe where audit resources can be most usefully targeted.

This involves consideration of global risk themes, the Council’s risk register, budget consultation information, and Internal Audit assurance mapping. The outcomes of this process support the audit needs assessment and the resulting audit plan.

The result is the Internal Audit Plan set out within the thematic on page 3 of this report. A number of areas are placed on a reserve list for future consideration (page 4).



The audit plan for the year plan has been created by:

Consideration of global risks and risks identified in the Authority’s strategic register

Review of the audit universe

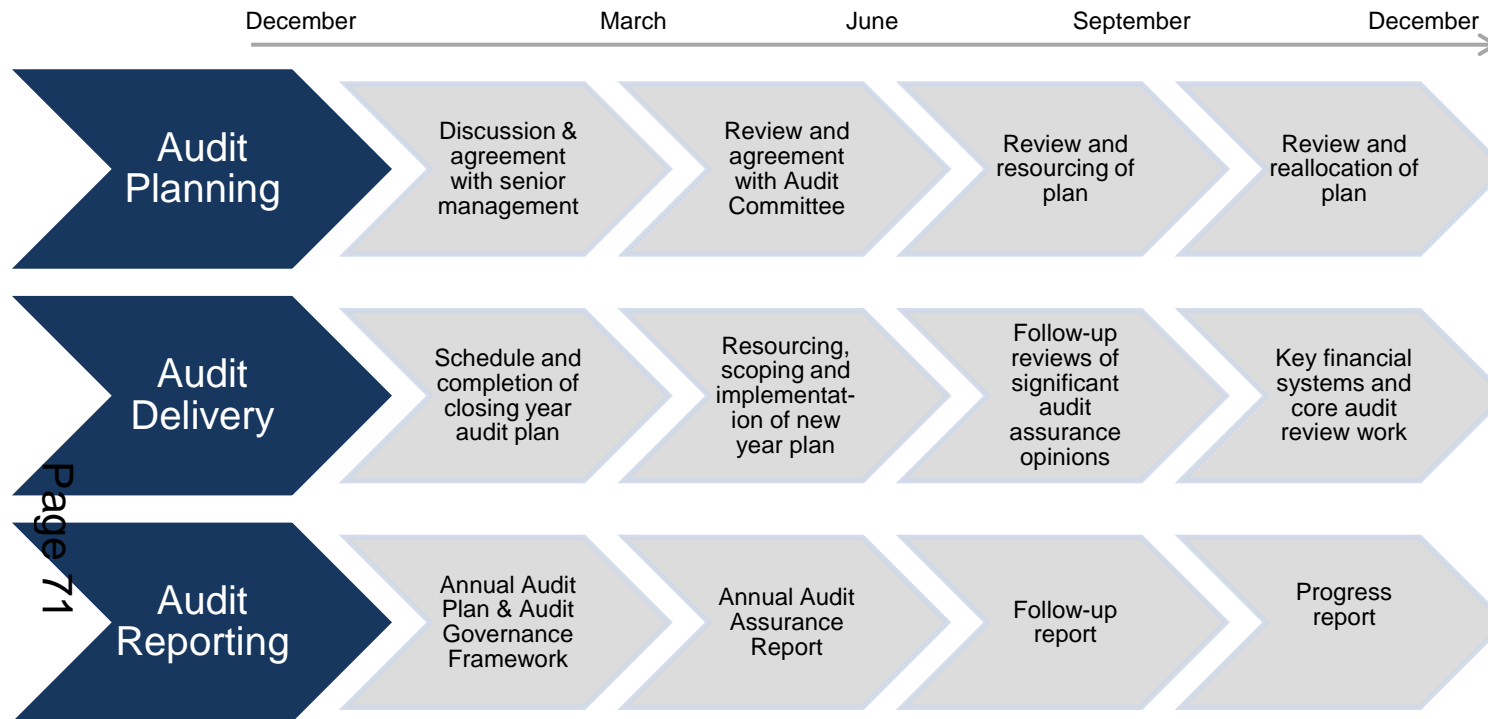
Discussions with the Section 151 Officer, Directors, Senior Officers and Members regarding the risks which threaten the achievement of corporate or service objectives, including changes and/or the introduction of new systems, operations, programmes, and initiatives

Taking into account results of previous Internal Audit reviews

Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans

Requirements to provide a “collaborative audit” approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Date	Activity
Dec to Feb 2024	Directorate planning meetings
March 2024	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
	Year-end field work completed
Apr / May 2024	Annual Performance reports written
May 2024	Annual Internal Audit Report presented to Audit Committee
	Follow –up work of previous year’s audit work commences
January 2025	Follow-up and progress report presented to Audit Committee
January 2025	Six-month progress reports presented to Audit Committee
	2025/26 Internal Audit Plan preparation commences

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Meeting: Audit Committee

Date: 27 March 2024

Wards Affected: None

Report Title: Risk Management Update

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Councillor Jackie Thomas, Cabinet Member for Tourism, Culture & Events and Corporate Services, jackie.thomas@torbay.gov.uk

Supporting Officer Contact Details: Eve Bates, Performance & Risk Manager, eve.bates@torbay.gov.uk

1. Introduction

- 1.1 This report is provided to members to update them on the council's current risk position and make them aware of any notable information with regards to the council's overall risk management arrangements. It is the final risk report that will be presented to Audit Committee for financial year 2023/24.
- 1.2 The council has made very good progress in embedding its new risk management processes and implementing the actions as detailed in the Risk Management Improvement Plan.
- 1.3 During November and December 2023 Devon Audit Partnership (DAP) carried out an internal audit of the Council's risk management. The outcome was pleasing considering the improvement journey that has taken place in a short period of time (two years). DAP were "reasonably assured" with the Council's documentation, processes and arrangements. A Phase 2 Risk Management Improvement Plan is being drafted to embed the auditors' recommendations and continue the good work that has been achieved to date.
- 1.4 Staff use the SPAR.net software to record, update and review the council's strategic, corporate and service risks. Programme and contract risks are held on separate registers.
- 1.5 A 5 x 5 risk matrix is used to score the risks, meaning the maximum score a risk could be is 25. All risks that have a mitigated risk score of 16 or above (therefore considered to be high or very high risk for the council) are detailed in the supporting appendices of this report – Appendix A shows the Council's strategic risks which are scoring 16 or above and Appendix B shows the Council's corporate risks which are scoring 16 or above.

- 1.6 The council’s Risk Management Policy includes a description of the roles and responsibilities in relation to risk management. In respect of Cabinet and Audit Committee, the Policy says:
“The Cabinet members and members of Audit Committee are to ensure the council has risk management processes in place and these are carried out proportionately and effectively. They will review and challenge the information supplied on the risk reports.”

In practical terms it is expected that Cabinet members would have oversight of the risks which are relevant to their areas and approve the risk policy, with Audit Committee focusing on overall processes and effectiveness of the council’s risk management.

2. Risk Overview

- 2.1 The council currently has eight Strategic Risks and 62 Corporate Risks appearing on its risk registers.
- 2.2 The eight Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, two have **mitigated** scores of 16 and above.
- 2.3 38 of the 62 Corporate Risks have **unmitigated** scores of 16 or above. 13 risks have **mitigated** scores of 16 and above.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that it is likely/almost certain that should the risk occur, it would have a major or critical impact on the business. Below are the risk matrixes for the council’s strategic and corporate risk registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 14 March 2024

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	2	0	0
4 - Major	0	0	2	1	1
3 - Moderate	0	0	1	1	0
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0
Total Risks = 8					

Risk Matrix - Mitigated Corporate Risks as at 14 March 2024

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	3	10	6	1
4 - Major	0	7	8	5	1
3 - Moderate	0	4	10	5	1
2 - Minor	0	0	0	0	0
1 - Insignificant	1	0	0	0	0
Total Risks = 62					

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay’s needs	20
ST09	Failure to adapt to a changing climate	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP04	Large scale cyber attack	20
CP05	Failure to comply with Health & Safety legislation	16
CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	16
CP14	Delivery of SEND	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP18	Demand on services outstrips resource and budget	20
CP19	Recruitment and retention of Social Workers	20
CP46	Effective Housing delivery	20
CP47	Effective delivery of Economic Growth Strategy	16
CP50	Failure to meet Development Management national and local performance targets	20
CP52	Failure to effectively maintain the council's assets & estate	16
CP56	Failure to meet Care Act 2014 section five (one)	16

3. Risk Reviews

- 3.1 At the time of writing this report, all risks appearing on the council's strategic and corporate risk registers have been reviewed (updated) in accordance with the timescales set out in our risk framework.

4. Emerging Risks

- 4.1 Directors are embedding risk conversations throughout our informal governance structures (i.e. meetings of Directors, Senior Leadership Team, and directorate management teams and appropriate one-to-ones). Since the last report, the below emerging risks have been highlighted and risk forms completed. These risks have been discussed at Directors Overview Meeting (DOM) on 26 March 2024. On approval of any amendments at that meeting they will shortly appear on the council's corporate risk register.

- Devolution
- Deprivation of liberties
- TorVista transfer

5. Revised Risks

- 5.1 The Director of Public Health proposed some changes to the council's strategic risk form ST06 Pandemic which were discussed at a meeting of the Directors on 26 March 2024. The amended risk form has been included with this report as Appendix C for members information.
- 5.2 The Director of Children's Services has made a change to the inherent risk score for CP19 Recruitment and retention of social workers. The unmitigated score of 16 has been lifted to 20 following 8 months of reviews where the Director has reported difficulties in recruiting and retaining social workers. As this is a national and local issue that is likely to be ongoing, it was decided to lift the unmitigated probability to 5 Almost Certain when previously it has been 4 Likely.

6. Wholly Owned Companies

- 6.1 The Director of Finance has requested that once a year the risk reports to Audit Committee are to include an update on the risk position for each of our wholly owned companies. This was included in the risk report presented to members at their meeting held on 13 December 2023.
- 6.2 It was agreed that an update on the position of Torbay Education Company would be provided in the next risk report. In this regard the committee are advised that a wider sufficiency assessment is taking place as to alternative provision in Torbay. This will then inform decisions as to how we can best utilise the Medical Tuition Service.
-

5. Recommendation(s) / Proposed Decision

- (i) That Audit Committee note the report and comment on any concerns relating to the risks in Appendices A or B.

Kate Spencer
Head of Policy, Performance and Community Engagement

Appendices

- Appendix A: Torbay Council's Strategic Risks Report (risks scoring 16 and above)
Appendix B: Torbay Council's Corporate Risks Report (risks scoring 16 and above)
Appendix C: Revised risk form – Pandemic

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	8/3/2024
Monitoring Officer	Amanda Barlow	
Director Of Finance Officer	Malcolm Coe	
Director Of Corporate Services	Matthew Fairclough-Kay	14/3/2024

Risk Code: ST05	Failure to supply sufficient housing for Torbay's needs	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: Insufficient housing development to meet Torbay's need for suitable housing to meet local needs and anticipated population growth (including economic growth and affordable housing). The absence of a housing supply may also increase the risk of the Council having to accept development in areas that are less desirable.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (20)		Last Review Date : 01/03/2024
Direction of Travel: —		Identification Date: 30/04/2023
Mitigation status:	Mitigation:	
Action ongoing	Brief members to increase political support & raise awareness of wider consequences of low growth	
Action needed	Brownfield regeneration	
Action ongoing	Delivery of appropriate regeneration sites particularly those linked to Town Deal and Future High St	
Action needed	Ensure appropriate figures for Housing numbers are in the revised Local Plan	
Action ongoing	Ensure Neighbourhood Plans are in place and supported	
Action ongoing	Evidence base (Housing Need)	
Action ongoing	Evidence base (Planning)	
Action completed	Housing Strategy	
Action ongoing	Housing strategy Action Plan	
Action needed	Land supply	
Action ongoing	Liaise with Government organisations	
Action ongoing	Partnership working	
Action ongoing	Planning Service Fit for the Future Project	
Action ongoing	Relationship with landowners and developers	
Action ongoing	Review 106 agreements and implement tighter planning controls	
Action ongoing	Review structure	
Action ongoing	Unlock stalled sites	
Latest Note: Many meetings with stalled site developers and Homes England. Proposed new series of strategies for addressing Housing shortages been presented to CAD. New Head of Strategic Housing & Delivery, progressing Council owned sites. First workshop held with developers/landowners/ housebuilders to explore options and understand frustrations and blockages. Still no decision on updating the Local Plan, route, new system, or old. So no final decision on overall numbers of homes to be delivered.		

Risk Code: ST09	Failure to adapt to a changing climate	Accountable Officer : Alan Denby
Unmitigated Score: High (16)	Description: Our climate is changing. We need to prepare for this. We need to understand where Torbay is currently vulnerable to weather events, and where we may be at risk in the future. Failure to review and plan for this will result in a range of negative economic, social and environmental impacts for the Council and wider Torbay area.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (16)		Last Review Date : 01/03/2024
Direction of Travel: —		Identification Date: 22/01/2024
Mitigation status:	Mitigation:	
Action ongoing	Flood defences	
Action ongoing	Local Plan Policies	
Action ongoing	Review the Devon, Cornwall and Isles of Scilly Consultation Draft Adaptation Strategy	
Latest Note: The Greener Way for our Bay (Torbay wide climate emergency action plan) consultation continues until the end of May. Torbay Council Action Plan, been reviewed and due to go to Cabinet in June. Further discussions are ongoing on which route the Council follows on the Local Plan review, but policies need to be updated. Planning application submitted and under consideration for the Preston & Paignton Sea Defences works.		

Risk Code: CP04	Large scale cyber attack	Accountable Officer : Matt Fairclough-Kay
Unmitigated Score: Very High (25)	Description: A cyber-attack, most likely in the form of ransomware, resulting in the destruction or loss of access to all, or most, applications and data. Local government is now a specific target. Multi-system recovery will take weeks or months depending on scale. Routine, unsophisticated cyber-attacks are commonplace in the form of infected e-mail. (Also applies to SWISCo)	Risk Completion Officer : Gavin Dunphy
Mitigated Current Score: High (20)		Last Review Date : 01/03/2024
Direction of Travel: —		Identification Date: 30/03/2022
Mitigation status:	Mitigation:	
Action ongoing	24-hour SOC	
Action needed	Azure Password Protection	
Action ongoing	Backup and recovery	
Action ongoing	Basic anti-ransomware protection on file servers	
Action ongoing	Cloud Migration	
Action ongoing	Decommissioning legacy (unsupported) applications	
Action needed	Implement Tiered Domains	
Action ongoing	Patching	
Action needed	Protective DNS	
Action ongoing	Web & E-mail content scanning	
<p>Latest Note: Risk of attack remains high and may increase further when parliamentary election is called.</p> <p>Gloucester City ransomware report shows importance of moving systems to the cloud to reduce attack surface (current policy) and the benefit of tiered domains (new Action added)</p> <p>Awaiting full PSN assessment but early ITHC results shows decrease in number vulnerabilities:</p> <p>Year External Internal 2023 2 98 2024 0 74</p>		

Risk Code: CP05	Failure to comply with Health & Safety legislation	Accountable Officer : Matt Fairclough-Kay
Unmitigated Score: High (16)	Description: Health and Safety is a legislative requirement that is enforced by the Health and Safety Executive (HSE). The HSE intervenes when the organisation is found to be in failing in its management of health and safety (in contravention HSG 65). Routine and periodic inspections of systems are required on ASSURE (the council's health and safety software management system). Likewise, incidents are required to be reported and investigated in accordance with the council's policies and procedures.	Risk Completion Officer : Dave Walker
Mitigated Current Score: High (16)		Last Review Date : 28/02/2024
Direction of Travel: —		Identification Date: 23/11/2022
Mitigation status:	Mitigation:	
Action needed	Adequate Health and Safety resources available	
Action ongoing	Auditing	
Action ongoing	Development and maintenance of ASSURE health and safety system	
Action ongoing	Ensure staff are aware of health and safety policies and procedures.	
Action ongoing	External Liaison	
Action ongoing	Health and Safety Communication	
Action needed	Health and Safety Training	
Action ongoing	Policies and procedures in place	
Action ongoing	Risk assessments	
Action needed	Tor Park Site	
Action ongoing	Up take of Health and Safety training	
Latest Note: Concerns exist over the delivery of H&S at SWISCo due to the H&S manager leaving in March 2024 (no replacement identified to date). Training update remains poor in several service areas though all staff profiles have been updated. Works remain outstanding with regard to the Borough Close site surface and fire systems.		

Risk Code: CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	Accountable Officer : Matt Fairclough-Kay
Unmitigated Score: High (16)	Description: There continues to be risk of Health and Safety incidents within our wholly owned companies that undertake high risk activity.	Risk Completion Officer : Dave Walker
Mitigated Current Score: High (16)		Last Review Date : 28/02/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action needed	Adequate Health and Safety resources available	
Action ongoing	Auditing of Assets/Sites	
Action ongoing	Communication	
Action ongoing	Ensure staff are aware of health and safety policies and procedures	
Action ongoing	External Liaison	
Action needed	Fire Safety Post	
Action ongoing	H&S Training	
Action ongoing	Health & Safety Management Auditing	
Action ongoing	Policies and procures in place	
Action ongoing	Reporting of H&S	
Latest Note: H&S Manager at SWISCo leaves end of March 2024 and currently no replacement identified. TDA to be absorbed into Torbay Council from April 2024 providing greater control. Proposal to centralise Fire Safety within Corporate Safety and provide this service to SWISCo		

Risk Code: CP14	Delivery of SEND	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Local Area is required to deliver high quality SEND services in line with SEND Code of Practice 0 – 25 years – January 2015. In November 2021 the Local Area was inspected by Ofsted and CQC on the effectiveness of delivering the SEND duties. The Local Area was found to have significant areas of weakness in the area’s practice and as such required a written statement of action to be created and enacted to improve practice.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 04/03/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:		Mitigation:
Action ongoing	Internal controls	
Action ongoing	Networking / best practice	
Action ongoing	P1 - Joint Commissioning	
Action ongoing	P2 – SEND Strategy	
Action ongoing	P3 – Cultural change	
Action ongoing	P4 – Joint working	
Action ongoing	P5 – Graduated response	
Action ongoing	P6 – Becoming an adult	
Action ongoing	P7 – Quality assurance and community engagement	
Action ongoing	Written Statement of Action for SEND Improvement	
Latest Note: The progress of our Written Statement of Action continues to be tracked and governed through our SEND Board and DFE Monitoring Visits. Risks and issues are identified through this process. Current risks are: resilience of all agencies to respond and systems changes need to ensure joint commissioning and financial contributions across agencies. The impact on children and young people although starting to change, is not felt widely enough across the system at this stage, as evidenced by our recent participation survey (May/June 2023). The Graduated Response has been widely communicated however the impact on the RSA is not yet being seen in the number of referrals received. A high rate of refusal is still seen at the panel on average 40%.		

Risk Code: CP15	Failure to stabilise the budget for the Higher Needs block	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Higher Needs Block of the Dedicated Schools Grant continues to be overspent. The forecast year end overspend (2022/23) is £2.716m with a cumulative deficit of £11.715m. The Higher Needs Block provides funding to education provisions through the provision of additional support either through identification at SEN K or through the provision set out in an Education Health and Care Plan. The identification of need and the demands on the budget are currently not aligned to the budget received on annual basis. The deficit position of the budget is currently supported by a National Statutory Override, this mechanism is in place for the next three years and provides a way of the Council accounting for the deficit, however this does not address the deficit budget position. In February 2022 Torbay were invited to take part in the Safety Valve programme. The aim of the programme is to agree a package of reform with the DfE and approved by the Secretary of State to implement a DSG Management Plan of the high needs system that will bring the dedicated schools grant (DSG) deficit under control by reducing the spend on the high needs budget by 26/27. Torbay were notified on 14.3.2023 that the Secretary of State had approved the proposals and as a result will support Torbay financially with the HNB deficit on the basis we can implement robustly the proposals within the DSG Management Plan. Torbay will be subject to 3 times a year monitoring visits as part of the scrutiny.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 04/03/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:		Mitigation:
Action ongoing	Ceasing and reviewing Education Health and Care Plans	
Action ongoing	Control – Contributions from agencies	
Action ongoing	Control – Higher Needs Review Group	
Action ongoing	Control – IPOP panel	
Action ongoing	Control – SEND Board and Continuous Improvement Board	
Action ongoing	Early intervention and Prevention	
Action ongoing	Implement the DSG Management Plan	
Action ongoing	Learn from Best Practice	
Action ongoing	Performance data	
Action ongoing	Safety Valve	
Action ongoing	Workforce Development Programme	
Latest Note: The Safety Valve (SV) agreement came into place on 17th March 2023 providing the deficit budget position to be funded, subject to the ongoing delivery of the SV terms and conditions of the agreement. Three submissions of the progress made towards the Safety Valve have been provided to the ESFA in June, September and December. The first two submissions resulted in positive feedback from the DfE and we await the feedback of the information provided in December. The financial position of the DSG reported to School Forum in November 2023 demonstrates that the budget is aligned to the outturn position of the safety valve, however there are significant pressures and risks as the demand for Education Health and Care Plans is not reducing and the number of plans that are able to be ceased is slowing. Payment received in February 2024 following our submission of evidence in December. Financial position in January demonstrates aligned to safety valve position.		

Risk Code: CP17	Placement sufficiency	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Children’s Social Care Market Study, undertaken by the Competition and Markets Authority and published in March 2022 found that there were a lack of available placements of the right kind and in the right places, which inevitably leads to some children not consistently accessing the care and accommodation that meet their needs. In addition, the largest private providers of placements are making materially higher profits, and charging materially higher prices, than would be expected if this market were functioning effectively. Taken together with a regional challenge in the South West which highlights that there was only 85 more local authority approved placement in July 2022 than in 2018 providing less than half of the required places for cared for children and fifteen fewer approved fostering households available through Independent Fostering Agencies. (Source The South West Market Position Statement, 13 July 2022), it constructs a care system landscape under significant stress in trying to respond to the needs of children and young people. Consequently, symptoms of the aforementioned stress are starting to become evident. For example, providers have reported an increase in the use of residential provision for younger children. Further description The South West Sufficiency Project data collection, shows a marked increase in the number of children aged under 11 placed in residential provision (across the South West, 493 children aged 5-10 years of age were placed in residential provision in 2018/19, 635 in 2019/20 and 647 in 2020/21). Whilst Torbay has not mirrored this trend, the increased use of this provision for younger children, likely driven by the aforementioned fostering sufficiency challenges, has led to insufficient availability of matched residential provision, especially for those children subject to criminal exploitation and contextual safeguarding risks and associated trauma-related needs. This trend and Torbay’s use of residential solutions and the reasons for doing so will continue to be closely monitored.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: Very High (25)		Last Review Date : 06/03/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:		Mitigation:
Action completed	Edge of care	
Action ongoing	Enhanced placement planning	
Action needed	Former Foster Carer SGO scoping	
No Status Set	Fostering Recruitment	
Action ongoing	Parent and Child Placement	
Action needed	Resilience carers	
Action completed	Reunification scoping	
Action ongoing	Training	
Latest Note: This has been reviewed in light of the continued issue in relation to national placement sufficiency. Both the Fostering DFE report for 2022-23 and recent media attention in relation to the cost of care evidence the significant challenges which are impacting on placements at this time, hence the upgrading of likelihood to ‘almost certain’. The placements budget is already projected an overspend, and there is a real risk of further pressures on the budget by virtue of some of these pressures. There is a huge pressure due to the independent market requesting huge increase in the cost for children already in their care which we are limited in influencing. there is a real concern about cost and there are challenges with receiving any health budget - as such this remains as a score of 25.		

Risk Code: CP18	Demand on services outstrips resource and budget	Accountable Officer : Nancy Meehan
Unmitigated Score: High (20)	Description: There are a number of factors currently which may lead to an increased demand for service across the Children's directorate which have the potential to significantly impact when considered in the context of available resource and budgets. This could manifest in * increased referrals in relation to social care response. * increased applications for school placements. * increased level of RSAs to meet SEND need. * increased numbers of cared for children due to family complexities. Increased numbers of UASC and those who turn 18 and become cared for National changes to the changes to the NTS. Sufficiency of placements both locally and nationally	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 06/03/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action ongoing	Audit activity	
Action ongoing	Continued investment in Early Help services, including the roll out of the Family Hubs programme	
Action ongoing	Continued work within the Written Statement of Action SEND response.	
Action ongoing	Creative resource management	
Action ongoing	Use of cross-service Incident Management Teams	
Latest Note: The risk for the service remains the same - we are continuing to closely monitor spend and are using data and performance data to project need and resource management. The service is currently predicting a significant overspend which we are continuing to monitor closely.		

Risk Code: CP19	Recruitment and retention Of Social Workers	Accountable Officer : Nancy Meehan
Unmitigated Score: High (20)	Description: Ofsted's Annual Report 2021-22 highlights some of the workforce issues facing children's social care; whilst challenges in terms of recruitment and retention were present prior to the pandemic, they have become exacerbated post-pandemic, with many local authorities facing significant challenges to recruit and retain staff with the sufficient experience and skill to fulfil the breadth of roles required. Ofsted describes this as "the biggest challenge the sector currently faces". In the year leading up to September 2021, 9% of all local authority children's social workers left local authority social work, an increase from 7% the previous year. The education sector are facing similar recruitment and retention challenges in both schools and early years settings.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 04/03/2024
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action ongoing	ASYEs	
Action ongoing	Benchmarking activity	
Action ongoing	International social worker recruitment	
Action ongoing	Mapping	
No Status Set	Poor Management & Workforce Development	
Action ongoing	Recruitment	
Action ongoing	Review of the retention offer	
Action ongoing	Succession planning	
Latest Note: Recruitment and Retention: Between 2020 and 2022 we successfully reduced our vacancy rate to 10% and agency rate to below 10%. We had a permanent social worker workforce. In 2023 we had the same level of natural turnover, however we were not able to recruit permanent social workers to replace leavers. A challenge experienced across the south west region. At the same time, regionally, there is a shortage of experienced and quality agency staff who are going to the LA's paying the highest fees. In some instances up to £48 per hour. Torbay are leading the regional workforce MOU to address these challenges and within the council continue to deploy recruitment and retention strategies.		

Risk Code: CP46	Effective Housing delivery	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: That the Council fails to ensure delivery of an appropriate breadth and scale of housing to meet Torbay's needs. This means that there will be insufficient housing to meet the requirements of Torbay's communities for the overall number of properties, their size and affordability. There will also be impacts on the Community & Corporate plan should the risk be borne out.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (20)		Last Review Date : 15/02/2024
Direction of Travel: —		Identification Date: 21/06/2023
Mitigation status:	Mitigation:	
Action needed	Confirmation of the Council's role in housing delivery.	
Action ongoing	Delivery of the Housing strategy action plan	
Action ongoing	Delivery of the Planning Service for the Future project	
Action ongoing	Delivery of the Town Centre regeneration programme	
Action ongoing	Development of the Strategic Housing Board	
Latest Note: New Head of Strategic Housing & Delivery in place and progressing many schemes and proposed Housing strategies. Decisions needed on Council role in delivery, or facilitation of delivery of affordable homes.		

Risk Code: CP47	Effective delivery of Economic Growth Strategy	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: The council has a responsibility to promote economic wellbeing within Torbay, this includes the facilitation and enabling of business survival and growth, employment opportunities for local people and an increase in the level of productivity. The Economic Growth Strategy outlines the councils' strategic plans to achieve these objectives and defines how delivery will help to tackle climate change and protect and enhance the natural environment of Torbay.	Risk Completion Officer : Lisa Tuck
Mitigated Current Score: High (16)		Last Review Date : 15/02/2024
Direction of Travel: —		Identification Date: 22/06/2023
Mitigation status:	Mitigation:	
Action ongoing	Budget & Prioritisation	
Action ongoing	Delivery plan monitoring/project and programme structure	
Action ongoing	Improve innovation and growth ecosystem in Torbay, with partners	
Action ongoing	Improve the business strategic voice	
Action ongoing	Relationship with DLUHC and Government	
Action needed	Secure medium term supply of employment land	
Latest Note: The revised costs of the Torbay Technology Park and Brixham Fishing Expansion projects have been submitted to DLUHC for review. There is potential for these projects to need to be scaled back and phased to ensure financial viability. Requirements to provide site infrastructure and support financial viability gaps on available employment land to attract and grow businesses in Torbay continues to be a challenge. A viability gap to enable an inward investment proposition to Edginswell remains a risk to securing this proposition in Torbay. This carries a risk as HotSW LEP funding was secured and outputs expected are predicted on a high value employment investment onto this site. The UKSPF programme continues to deliver high volume outputs of business support. Work to promote the Innovation, Electronic and Photonics sector continues, and a programme of work to understand and maximise the Creative Innovation industries in Torbay has commenced, with grant funding secured to support businesses to attract investment in this sector. The Destination Management Plan programme of work continues to attract new visitors to Torbay, with a focus on the UNESCO Geopark, Cruise development, Water sports and Events.		

Risk Code: CP50	Failure to meet Development Management national and local performance targets	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: Local Planning Authorities are set targets around speed of determination of planning applications and appeal outcomes. Authorities are monitored for their performance and can be placed in Special Measures if nationally set targets are not met, particularly around major applications and appeals. Responding to public interest, the council has set a series of new local targets for more applications to be determined within the statutory timescales, without the need to use extensions of time.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (20)		Last Review Date : 15/02/2024
Direction of Travel: —		Identification Date: 16/08/2023
Mitigation status:	Mitigation:	
Action needed	Address slow, low productivity, poor output officers.	
Action completed	Adopt an amended plans protocol, preventing delays in applications.	
Action ongoing	Appeals monitoring and ensuring refusal decision is sound.	
Action ongoing	Continue to work closely with planning agents and architects to improve the quality of submissions	
Action ongoing	Ensure the performance culture remains embedded in the Development Management Service.	
Action ongoing	Improve upon the pre-application process and numbers using this service	
Action ongoing	Reduce the number of applications subject to the extension of time process.	
Action completed	Revise and update the Local Validation Checklist, ensure more applications valid upon receipt.	
Latest Note: Continued close monitoring of officers and their workloads. Tougher on applicants and the quality of their submissions. Good practices becoming embedded. Performance improving.		

Risk Code: CP52	Failure to effectively maintain the council's assets & estate	Accountable Officer : Alan Denby
Unmitigated Score: High (16)	Description: The Council has had to reduce the amount of funding made available for repair and maintenance of its estate across all groups of assets. The Council's asset management policy seeks to maintain and manage assets in line with corporate priorities and relevant property and health and safety legislation. With an estate that covers hundreds of land and building assets supporting front line services and indirect service provision, it is an estate that requires planned and reactive works to be prioritised which the Council delivers through a corporate landlord model.	Risk Completion Officer : Lisa Tuck
Mitigated Current Score: High (16)		Last Review Date : 15/02/2024
Direction of Travel: —		Identification Date: 24/08/2023
Mitigation status:	Mitigation:	
Action ongoing	Active management of the Council estate	
Action ongoing	Ensure condition surveys are planned, reviewed and carried out	
Action needed	Ensure effective data systems and management information is in place	
Action ongoing	Ensure that required surveys i.e. fire risk assessments are being carried out as scheduled.	
Action ongoing	Ensure that there is effective corporate control of the estate	
Action ongoing	Review Asset Management Strategy	
Action ongoing	Review of allocated corporate budget	
Latest Note: Based on current levels of repairs and maintenance expenditure the overall backlog of work with some individual assets deteriorating beyond repair. Whilst there is no immediate risk of failure of any particular asset (notwithstanding Oldway) there is a high risk that without a budget increase the current poor condition of assets will continue to deteriorate. A paper has been submitted to Directors as part of the budget setting process for 24/25 to increase budgets to bring priority works up to date, and to dispose of assets listed on the disposal list as soon as possible with capital receipts being ringfenced for capital repairs and maintenance.		

Risk Code: CP56	Failure to meet Care Act 2014 section five (one)	Accountable Officer : Jo Williams
Unmitigated Score: High (20)	Description: Failure to meet the Care Act 2014 duty on the council to facilitate a diverse sustainable high-quality health and social care market for the local population. The Care Act 2014 places a duty on the Council to "facilitate a diverse, sustainable high-quality market for their whole local population and to promote efficient and effective operation of the adult care and support market as a whole. They must also ensure continuity of care in the event of provider failure". The Council and its NHS partners are wholly reliant on an external 'for profit' provider market in Torbay, utilising an aging estate of largely C19th buildings. These services are not designed to meet increasingly complex care needs related to physical frailty and mental ill health in an aging population, resulting in poorer outcomes and increased service costs. Failure to develop effective modern services in order to meet growing demand related to demographic growth, is likely present a significant risk to the Council's ability to meet its legal duties.	Risk Completion Officer : Adam Russell
Mitigated Current Score: High (16)		Last Review Date : 11/03/2024
Direction of Travel: ▼		Identification Date: 24/08/2023
Mitigation status:		Mitigation:
Action ongoing	Closer working with TC housing developers	
Action ongoing	Ensure we have capacity in ASC to maintain market oversight	
Action ongoing	Replace ASC Case Recording System	
Action ongoing	Resolve operational challenges in operational contractual arrangements – ICO	
Action ongoing	Working with ICB very complex commissioning challenges	
Latest Note:	A new S.75 agreement is now in place, thereby reducing the likelihood and impact scores from 5 to 4.	

This risk has now been populated into SPAR.net. Any changes or amendments will need to be made on the live system. Please liaise with Eve or Melissa.

Risk Form

Tick type of risk:	Strategic	✓
	Corporate	
	Service	

Service Name	Public Health	Date: 29/11/22
Risk Accountable Officer	Lincoln Sargeant	Risk Completion Officer Julia Chisnell
Title of Risk	Pandemic or high impact outbreak of infectious disease (ST06)	
Description <i>A summary in a few sentences providing the context, setting and background for the risk.</i>	New variant of COVID or any other new infection with no or limited population immunity or available control measures. The council's response to implementing UKHSA led actions within our area.	
Risk Cause <i>What are the causes of the risk?</i>	Worldwide changes to climate, movement of people, poor environment and overcrowding. Accidental or deliberate release of a novel pathogen. With modern social living patterns, health related pathogens are more likely to be encountered and spread globally rapidly. Lack of immunity to specific diseases in the general population.	
Risk Event <i>What's the likely event if this occurs?</i>	Operationalisation of extended major incident response. Disruption of daily life and knock on effects to the services the council needs to deliver, the way we deliver them, and wider impacts on our strategic business and economy.	
Risk Impact <i>What would be the impact on our business objectives if the risk occurs?</i>	Reduction in capacity for normal business whilst response in place. Unable to deliver services or need to re-shape or prioritise the services that are delivered, poor health outcomes relating to delayed or suspended services being provided, increase in illness and deaths of residents, decline in economy.	

<p>Impact What would the impact be if the risk occurs</p> <p>1=Insignificant 2=Minor 3=Moderate 4=Major 5=Critical</p>	<p>Probability of the risk occurring before you take any actions to reduce the risk</p> <p>1=Rare 2=Unlikely 3=Possible 4=Likely 5=Almost Certain</p>
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		Probability				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Impact	Critical (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5

Risk Score before taking action to reduce the risk, set the unmitigated risk score	Unmitigated Impact (1-5) 4	Unmitigated Probability (1-5) 4	Unmitigated Score 16
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Mitigations		
<i>These are the actions that reduce impact if the risk should occur or reduce the probability of it occurring</i>		
Mitigation Title <i>Short & descriptive</i>	Mitigation Description <i>Details of the action written as a sentence</i>	Responsible Person
<i>Generic incident response and recovery plan</i>	Ensure the Council has an up to date Incident Response and Recovery Plan which includes notification of an emergency, gathering information, assessment of risk and impacts, activation of plans and incident management structures to coordinate the council's response to the pandemic e.g Incident Management Team	Tara Harris
<i>Business Continuity Plans</i>	Ensure the Council has up to date and tested Business Continuity Plans to mitigate disruption to essential services due to absenteeism, potential impacts of non-pharmaceutical interventions (e.g lockdown, social distancing etc), disruption to supply chains. Staff may also need to be reallocated in order to deliver pandemic response functions e.g PPE Hub, Testing Sites, Vaccination / Treatment Centres etc)	Tara Harris
<i>Pandemic Resilience Plan</i>	Ensure the council has an up to date Pandemic or High Impact Outbreak of Infectious Disease Resilience Plan (suite of documents) in place. This covers response to the health and care, social, educational and business impacts of the pandemic and is agreed with key partners and reviewed annually or where there is a need to do so beforehand.	Julia Chisnell
<i>Adult social care resilience</i>	Seek assurance that business continuity plans are in place for pandemic or high impact outbreak of infectious disease response in social care settings during a pandemic.	Jo Williams
<i>Education</i>	Seek assurance that schools, early years and associated settings (e.g school transport) have good infection prevention procedures in place, are aware of action they need to take in the event of a pandemic or high impact outbreak of infectious disease and have incorporated these into business continuity arrangements.	Rachael Williams
<i>Management of Excess Deaths</i>	Ensure that local arrangements are in place for managing excess deaths. This includes a multi-agency Excess Deaths Management Team (Torbay) and a Temporary Storage Unit Plan (Torbay and/or LRF)	Matthew Fairclough-Kay
<i>Maintain Strategic Emergency Planning Partnerships</i>	Ensure key officers are participating in the Local Resilience Forum, Local Health Resilience Partnership and Excess Deaths Management Team.	Lincoln Sargeant and Matt Fairclough-Kay
<i>Maintain Community infrastructure (relationships with 3rd sector)</i>	Maintain regular contact and support community initiatives in the third sector that support the council to identify the socioeconomic impacts of the a pandemic or high impact outbreak of infectious disease and deliver services to the most vulnerable.	Jo Williams
<i>Maintain safe operation of key sectors through relationships and advice</i>	Provide advice and guidance, training and support as needed to key providers such as care homes, education settings, homeless hostel, local business sectors, hospitality and transport providers.	Julia Chisnell
<i>Supporting the workforce to maintain business</i>	Facilitate staff to work in different ways in rapidly changing circumstances e.g. flexible working, safe working practices (health and safety), redistribution of staff and assets. Recruitment/Resourcing to ensure capability within the workforce to respond needs of the business.	Sue Wiltshire

<i>Public Health, health protection expertise resilience within the workforce</i>	Ensure that the council has specific job roles to ensure we have the correct skills knowledge and expertise to respond to a pandemic or high impact outbreak of infectious disease .	Lincoln Sargeant	
<i>Stepping up resources when needed</i>	Ensure there is sufficient resource to respond to the pandemic or high impact outbreak of infectious disease e.g. additional finance and other resources. Work in collaboration with finance and HR colleagues to enable rapid increase in capacity where required.	Anne-Marie Bond	
<i>Staff training</i>	Skill up members of the workforce who could be seconded to support the health protection response should a pandemic or high impact outbreak of infectious disease occur.	Julia Chisnell	
<i>Maintain access to PPE for staff for whom Council is responsible</i>	Ensure the council has arrangements in place to procure, stockpile and distribute personal protective equipment and other consumables for frontline staff in a timely manner.	Tara Harris	
<i>Communication and Engagement</i>	Ensure there is a communication and engagement plan in place covering: <ul style="list-style-type: none"> • How we communicate to the wider community accurate information about the risks and response • How we step up community stakeholder networks to hear and respond to concerns and promote healthy behaviours 	Julia Chisnell	
<i>Enforcement</i>	Implement relevant enforcement regulations.	Tara Harris	
<i>Supporting partners to deliver mass intervention</i>	Providing council assets and suitable locations to support our health partners especially, to deliver mass interventions e.g. testing and vaccination / treatment centres.	Alan Denby	
Current Risk Review Score	Mitigated Impact (1-5) 3	Mitigated Probability (1-5) 4	Current Mitigated Score 12

The mitigated score for this risk was lifted from 12 to 16 between drafting this risk form and reviewing it on SPAR.net.

Meeting: Audit Committee

Date: 27th March 2024

Wards affected: All Wards in Torbay

Report Title: Performance Update: Collection of Council Tax & Non-Domestic Rates

Cabinet Member Contact Details:

Councillor Alan Tyerman, Alan.Tyerman@torbay.gov.uk

Director/Assistant Director Contact Details:

Malcolm Coe, Director of Finance Malcolm.coe@torbay.gov.uk and Paul Matravers, Head of Corporate Finance paul.matravers@torbay.gov.uk

1. Purpose of Update

- 1.1 At the meeting of the Audit Committee on 26 July 2023 concerns were raised regarding the collection of Council Tax, Non-Domestic Rates and corporate debt. In response the Director of Finance was asked to provide a report that set out the proposed mitigation, progress in implementing the required changes as a result of the Internal Audit and corresponding key performance indicators.
- 1.2 At the Audit Committee on 13 December 2023, the Director of Finance informed Members that following the implementation of a specific work project to clear the backlog of Council Tax processing, including commissioning external support, the current processing time for Council Tax was now in the region of 8 weeks, down from a peak of 26 weeks.
- 1.3 In addition, members requested a brief update at each meeting in order to continue monitoring progress and requested a separate breakdown of those in Council Tax arrears whilst in receipt of Council Tax Support.

2. Progress Update

- 2.1 An update will be provided at future meetings to keep committee members informed of the latest position on the following areas:
 - Council Tax Processing time
 - Council Tax and NNDR Collection Rates
 - Number of people in receipt of Council Tax Support
 - Total amount of Council Support paid
- 2.2 Section 3 provides details on the performance information detailed above. The initial update is seen as a starting point, and feedback on what has been provided and what additional

performance measures would be beneficial to the committee in future performance reports is sought from members of the committee.

3. Performance Information

3.1 The latest information available in respect of the performance measures as detailed in 2.1 is provided below.

Council Tax Processing time

3.2 The graph below details the processing time for council tax from June 2023 to end of February 2024.

3.3 The graph shows that the processing time has reduced significantly from the peak of 30 weeks in July 2023 and has stabilised at 8 weeks from October 2023 to February 2024.

3.4 Work is ongoing to further reduce the processing time and an update on the position as at the 31 March 2024 will be provided in the next update.

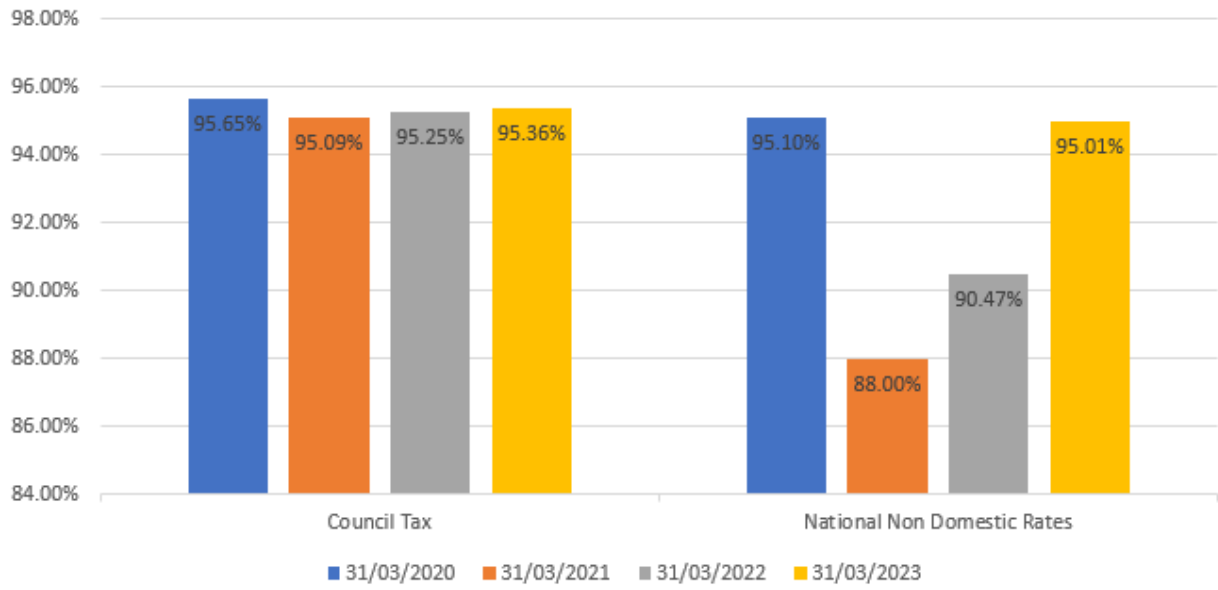


Council Tax and NNDR Collection Rates

3.5 The graph below shows the collections rate by year for council tax and NNDR. The collection rate for council tax has remained around 95% for the three-year period.

3.6 The rate of collection for NNDR is around 95%, but it dropped significantly in 2020/21 and 2021/22 due to COVID and the reliefs that we awarded as part of the government assistance.

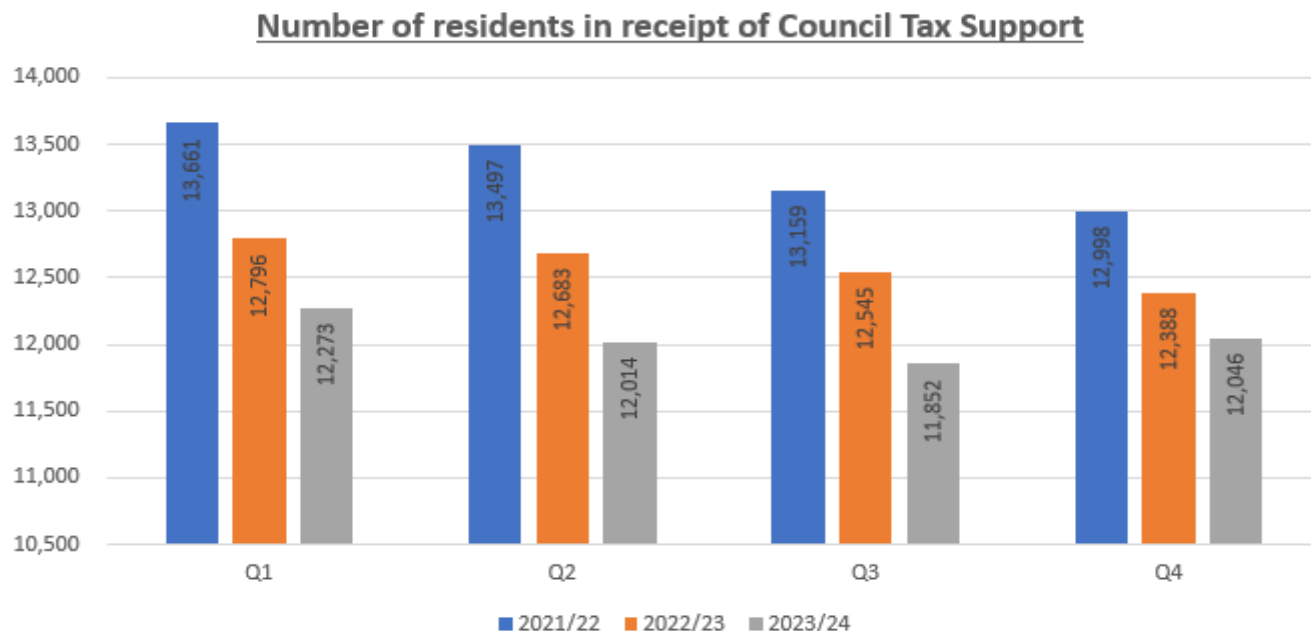
Council Tax & NNDR Collection Rates



Number of Residents in receipt of Council Tax Support

3.7 The number of residents who have received council tax support during the financial year is detailed below.

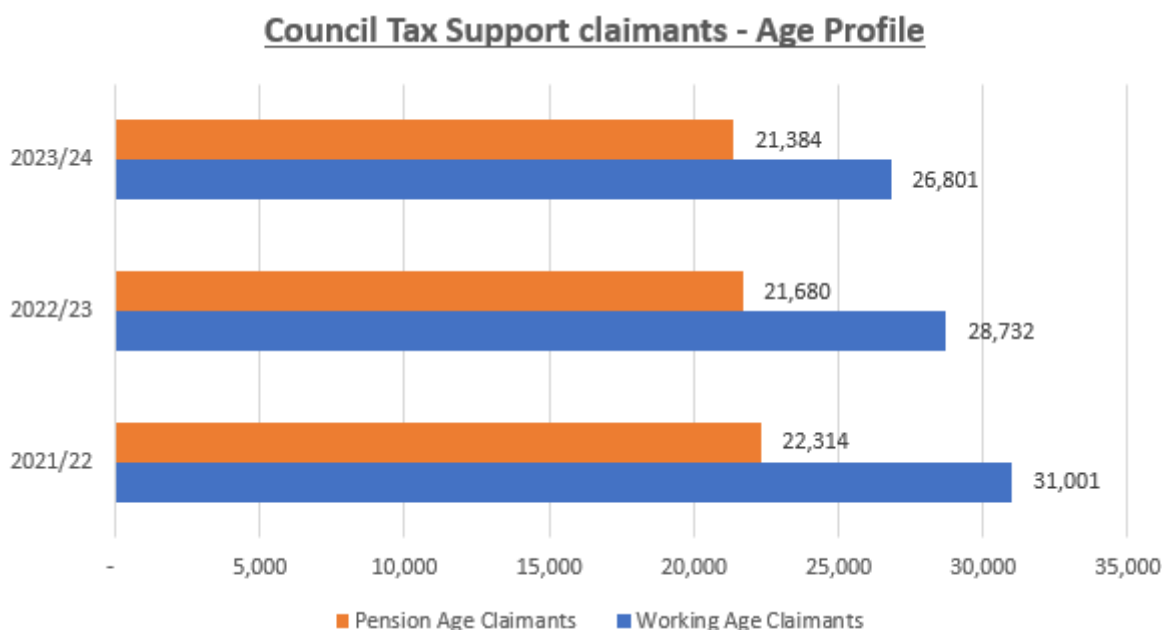
3.8 The number of residents in receipt of council tax support has reduced year on year. The 2023/24 figure for Q4 has been estimated based on the average for the first three quarters.



Council Tax Support Claimants age profile

3.9 The age profile of claimants in receipt of council tax support is provided in the graph below. The percentage split between working age and pension age claimants has seen a minimal change in the three-year period.

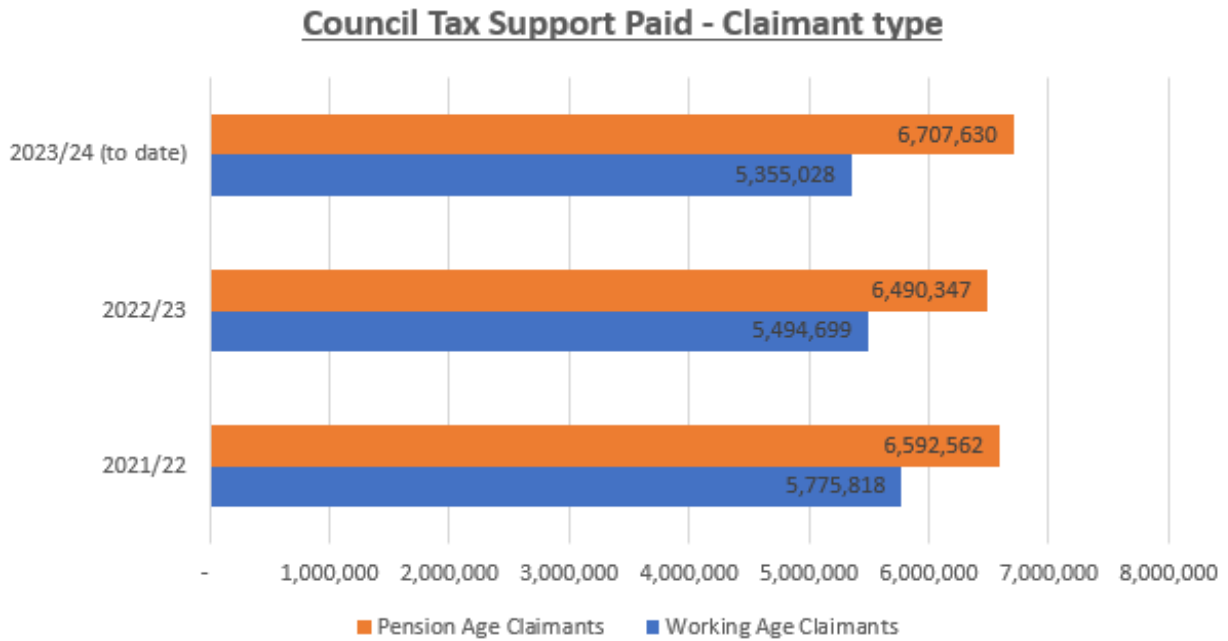
3.10 Please note that the 2023/24 figure includes an estimated figure for Q4 based on the average for the first three quarters.



Total Council Tax Support paid by year

3.11 The total council tax support paid by year is detailed in the table below. The total paid by year are:

- 2021/22 = £12,368,380
- 2022/23 = £11,985,046
- 2023/24 (to date) = £12,062,658



Date of Meeting	Report Title
29 May 2024	<ul style="list-style-type: none"> • Audit Committee Terms of Reference • Treasury Management Outturn • 2021/22 Torbay Council Audit Findings Report • 2021/22 Statement of Accounts including Annual Governance Statement • 2023/24 External Audit Plan • Annual Audit Letter for Torbay Council • Annual Audit Report (Internal Audit) • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Workplan
24 July 2024	<ul style="list-style-type: none"> • Strategic and Corporate Risk Report • Audit Committee Update • Draft Annual Governance Statement 2023/2024 • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Workplan
30 October 2024	<ul style="list-style-type: none"> • Treasury Management Mid-Year Review • Audit Committee Update • 2023/24 Torbay Council Audit Findings Report (Grant Thornton) • 2023/24 Statement of Accounts including Annual Governance Statement • SWISCo Management Accounts • Strategic and Corporate Risk Report • Performance Update: Collection of Council Tax & Non-Domestic Rates • Whistleblowing Complaints and HR Investigations • Audit Committee Workplan
29 January 2025	<ul style="list-style-type: none"> • Internal Audit - Half Year Report including the outcomes of the Follow Up on Areas Requiring Improvement • Treasury Management Strategy • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Update • RIPA Update • Fraud Update • Audit Committee Workplan

Audit Committee Work Programme 2024/2025

26 March 2025	<ul style="list-style-type: none">• Internal Audit Plan• Internal Audit Charter and Strategy• Strategic and Corporate Risk Report• Performance Update: Collection of Council Tax & Non-Domestic Rates• Audit Committee Workplan
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