



devonassurancepartnership
Support, Assurance and Innovation

Internal Audit

Interim Progress Report 2025-26

**Torbay Council
Audit Committee**

February 2026

Official

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Introduction

This report provides a summary of the performance against the Internal Audit plan for the 2025/26 financial year to date, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls, and provides our Interim Assurance Opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment. The Internal Audit plan for 2025-26 was presented and approved by the Audit Committee in March 2025.

The level of risk associated with each of the areas in Appendix 1 has been determined either from the Local Authority's Risk Register (LARR), or the Audit Needs Assessment (ANA) carried out at the planning phase. Where the audit was undertaken at the request of client it has not been risk assessed. Assurance and recommendations should be considered in light of these risk levels and the impact this has on achievement of corporate / service goals.

The Global Internal Audit Standards (GIAS) require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This progress report provides a summary of work completed to date that will help inform the annual assurance opinion.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal control system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Audit Committee, under its Terms of Reference contained in Torbay Council's Constitution is required to consider the Chief Internal Auditor's annual report and opinion, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

Expectations of the Audit Committee from this progress report

Audit Committee members are requested to consider:

- the assurance statement provided for the Council within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor.

Contents	Page
Introduction	1
Interim Opinion Statement	2
Summary Assurance Opinions	3
Assurance Mapping	4
Value Added	5
Performance Against Plan	6
Irregularities	7
Appendices	
1 – Summary of Limited Assurance Reports	8
2 – Professional Standards	14
3 – Customer Service	15
4 – Audit Authority	16
5 – AGS Assurance Framework	17
6 – Basis for Interim Opinion	18

Overall Interim Opinion Statement

Based on work performed to date during 2025-26, our experience from previous years, the current position of the Annual Follow Up exercise, the Head of Internal Audit's Opinion on the adequacy and effectiveness of the Authority's internal control framework is one of "Reasonable Assurance".

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

The Council's internal audit plan for the year includes specific assurance, risk, governance, and value-added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment.

The reviews to date in 2025-26 have informed the Head of Internal Audit's Interim Opinion. If significant weaknesses have been identified, these will need to be considered by the Council in preparing its Annual Governance Statement as part of the 2025-26 Statement of Accounts.

In carrying out reviews, Internal Audit assesses whether key, and other controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, and these are reviewed during subsequent audits or as part of a specific follow-up.

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Council's objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Council's assets and interests from losses of all kinds. Core financial and administrative systems are reviewed by Internal Audit in accordance with the agreed Internal Audit Plan.

Risk Management

Risk Management (RM) continues to develop with SLT establishing integration with assurance mapping.

Counter Fraud Risk Assessment processes have been examined this year with outcomes as per App.1

IT RM is being examined in Q4 following close working between the Risk Manager and Head of IT and IT SLT.

We audited RM in 2023-24 and provided a reasonable assurance opinion.

We maintain involvement through DAP's RM arm when support is requested.

RM is reported to Senior Leadership Team (SLT) and Members.

DAP run the Regional Risk Management Group of which Torbay is a member.

Governance Arrangements

Our involvement in Programmes and Projects provides a governance assurance role.

The Information Governance Steering Group and AI sub group provides overarching governance in relation to information security, cyber governance, management, and compliance.

Finance, Ethics and Probity (FEP) maintain governance over issues within their remit aligned with their terms of reference.

We provide our reports for consideration within the Annual Governance process. Some reports provide assurance regarding governance responsibilities such as IG & Data Quality, S106 & CIL, SEND, Procurement, Supply Chain Management, SWISCo and Highways Commissioning audits.

Performance Management

The audit of Performance Management in 2023-24 was deferred to allow new processes to embed and has not yet been in the audit plan.

Irregularity and whistleblowing complaints, alongside Counter Fraud work are reported to Audit Committee.

Budget performance is monitored by SLT and Council.

The Children's Services Financial Project Board monitor financial performance.

Children's Services performance and data has been examined with outcomes as per App.1.

Performance is reported to SLT and Members.

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

Summary Assurance Opinions

High Level Summary Audit Plan						Business Projects & Value Added
Prioritised Risk Areas	Adult Services and Community Services	Public Health	Children's Services	Pride in Place	Corporate Services Financial Services	
	ASC Transformation Plan – System Implementation (QA role) (Work ongoing)	Pandemic / Infectious Disease Outbreak	Safety Valve (QA role) (Work ongoing)	Seven Dials Café Banking (Additional work)	Health & Safety Follow Up (Draft Report)	Business Improvement and Change (QA role) (Work ongoing)
	ASC – Client Debt Follow Up (Deferred to 2026-27)	Winter Planning	Placements (Work ongoing)	Planning Development Management	Coroner (Work ongoing)	Subject access and freedom of information requests
	ASW Assurance The Director of Adult Services works with ASW Assurance to devise an audit plan covering Adult Services delivered by the Trust. The outcomes of this work are reported to Audit Committee.		Section 17 (Q4)	Harbours Follow Up	CRM (Follow up) (Work Ongoing)	Audit Advice
	Housing Prevention (Follow Up) (Draft Report)		Performance and Data (Draft Report)	Climate Change follow up (Draft Report)	IG & DQ CCTV Follow Up	Annual Follow Up Activity (see Audits in bold)
	Cost of Temporary Accommodation Follow Up (Work Ongoing)		SEND (Follow Up) (Draft Report)	Transport (Strategic and Public)	Financial Resilience	Irregularity Investigations
	Licensing (Deferred to 2026-27)		PFI Schools (Deferred to 2026-27)	S106 and CIL (including follow up)	Procurement (incl. Events Festival Follow Up) (Q4)	
	Housing Stock (Deferred to 2026-27)			Planning Enforcement (Follow Up)	Supply Chain Management (Q4)	
				SWISCo Commissioning follow up (Work Ongoing)	Counter Fraud (Risk Assessments)	
				Highways Commissioning (Follow up) (Work Ongoing)	Revs and Bens integration (QA role) (Work ongoing)	
Organisational Assurance	ICT ANA Critical – IT Asset Management (Follow Up); IT User Management (Follow Up); ICT KFS (Follow Up); Patch Management (follow up) (Work Ongoing); Firewall (follow up) (Work Ongoing); IT Risk Management (Q4)			Land Release Fund & Grants (Follow Up) (Work Ongoing)	Asset Management	
	Key Financial Systems (KFS) ANA High – Open Revs & Civica W2 System Admin (follow up); FIMS System Admin; Treasury Management; Group Company Loans; Income Collection; Working Age Council Tax Support Scheme (follow up); Sundry Debtors (follow up); Housing Benefits (follow up); Corporate Debt (follow up) (Work Ongoing); Asset Register (Work ongoing); Main Accounting System and Bank Rec (follow up) (Work Ongoing); CTAX and NDR (follow up) (Work Ongoing); Payroll (Q4); Creditors and POP (Q4);			Economic Growth (Deferred to 2026-27)	Capital Programme (Follow Up) (Work ongoing)	
	Business Governance, Schools Assurance, Grant Certifications ANA High (Q1-4) – Finance, Ethics and Probity Group; Information Governance Steering Group (Work ongoing); Bus Subsidy Grant; Local Transport Capital Block Funding Grant; Schools Capital Allocation Grant; Adult Numeracy Provision Multiply Grant; HB Subsidy (Work ongoing); Schools audits				Legal Services (Agency) (Deferred to 2026-27)	
						Counter Fraud Liaison

Assurance Mapping

Assurance Maps can be a valuable tool for organisations, aiding in monitoring and decision making and providing a source of reference for management at all levels on the overall health of the organisations control environment and in support of the Annual Governance Statement.

The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

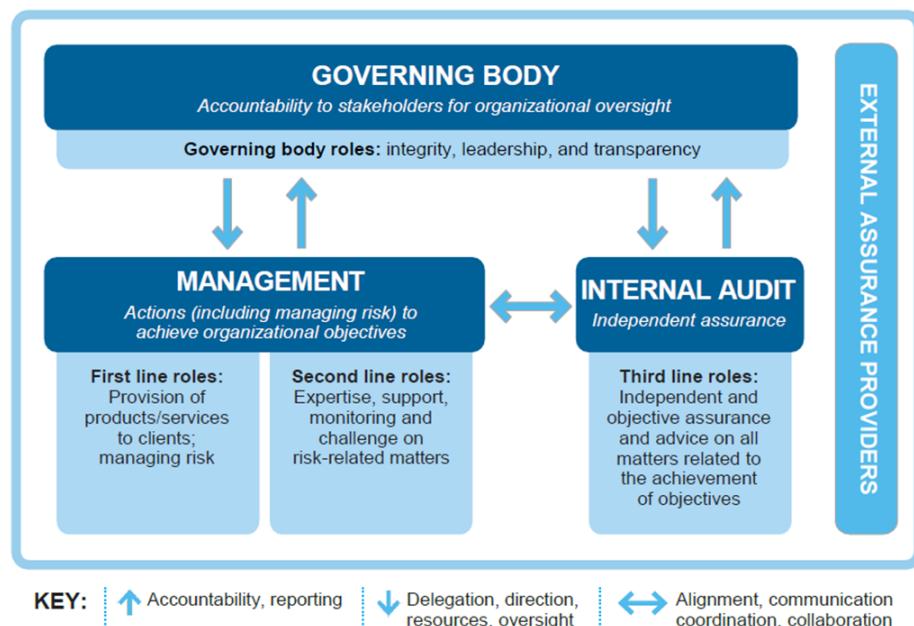
- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviours by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

The Three Lines Model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. It can typically be used to indicate sources of assurance as well as strengths and weaknesses. The Assurance Map we have produced is based around the principles of the Model. The diagram is a typical representation of this model. Assurance mapping would typically form part of organisational governance arrangements and therefore sit within the Management section of the Three Lines Model.

We reported the outcomes of the 2023-24 Assurance Mapping process to Audit Committee on the 24 July 2024 [Agenda for Audit Committee on Wednesday, 24 July 2024, 2.00 pm](#). The Director of Corporate Services and the Director of Finance, agreed management actions as a result of the related Internal Audit report.

Management confirmed the status in December 2025 as below:

- The assurance map was shared with the Council's senior management team,
- An Assurance Framework based on the Three Lines Model has been developed,
- Directors have agreed their risk appetite statements, with input from Devon Assurance Partnership,
- Directors are setting the tolerable and optimal risk scores for all risks on the Strategic and Corporate Risk Register,
- Work is starting on how each of the above elements can come together to help prioritise the issues which need consideration and action,
- Over the coming year different approaches will be tested to ensure that the Risk Management Framework is as effective as possible.



Value Added

Internal audit activity adds value to the organisation and its stakeholders by:

- **Improving Efficiency and Effectiveness:** By evaluating the Council's operations and processes, internal audits identify areas where resources can be used more efficiently and effectively, leading to better service delivery.
- **Enhancing Risk Management:** Internal audits help identify and assess risks, providing recommendations to mitigate them. This proactive approach helps the Council avoid potential issues and ensures a more stable and secure operating environment.
- **Ensuring Compliance:** Internal audits supports the Council's adherence to relevant laws, regulations, and policies. This helps maintain legal and regulatory compliance, reducing the risk of penalties and enhancing the Council's reputation.
- **Promoting Accountability and Transparency:** By providing independent and objective assessments, internal audits promote accountability and transparency within the Council. This builds trust with stakeholders, including the public, and supports good governance practices.

Our work has identified specific added value benefits in key areas and in mitigating key risks. Notable benefits have been reported below:

Annual Follow Up Activity

We are completing follow up reviews to provide updated assurance to Officers and Members. This follow up activity is an opportunity to facilitate, review and expedite progress for individual audits, to inform Management of the current position and to integrate the outcomes into the organisation's strategic management arrangements.

There are seven audits within the annual follow up activity. Of the seven, three have been completed, two are ongoing and two are scheduled for Q4. These follow up audits are included in the table on page 3 (in bold).

Corporate Services and Financial Services

- Ongoing engagement in Business Improvement and Change programmes and projects.
 - Our People Project
 - Learning Management System Project
 - Revenues and Benefits Integration
- Provision of Local Government articles and guidance.
- Attendance at and support to Finance, Ethics and Probity Group.
- Irregularity investigations (12 referrals as per page 7).
- Control improvement observations arising from FEP activities.
- Attendance at and support to the Council's Information Governance Steering Group and AI sub group.
- Support to Subject Access Requests received by the Council.
- Support to Freedom of Information Requests received by the Council.
- Advice to the Council's Tax Compliance project group as required.
- ICT horizon scanning, including Cyber defences, Artificial Intelligence, and updates to National Cyber Security Centre (NCSC) guidance.
- Five specific areas of advice as requested by Officers.
- Regular liaison with the Counter Fraud Officer.
- Resource for Counter Fraud investigation.
- Additional request for a Local Resilience Forum governance review at the request of the Director of Corporate Services.

Adult Social Care

- Support and advice to the CMS implementation project.

Pride in Place

- Additional request for a review of the Seven Dials café banking arrangements.

Children's Services

- Engagement in the Children's Services IT Systems Board.

Schools

- The SFVS Dedicated Schools Grant Chief Finance Office assurance statement submitted to the Department for Education.
- Ongoing delivery of the maintained schools plan.

Audit Coverage and performance against plan

This progress report compares the work carried out with the work that was planned through risk assessment and reported at Audit Committee in March 2025.

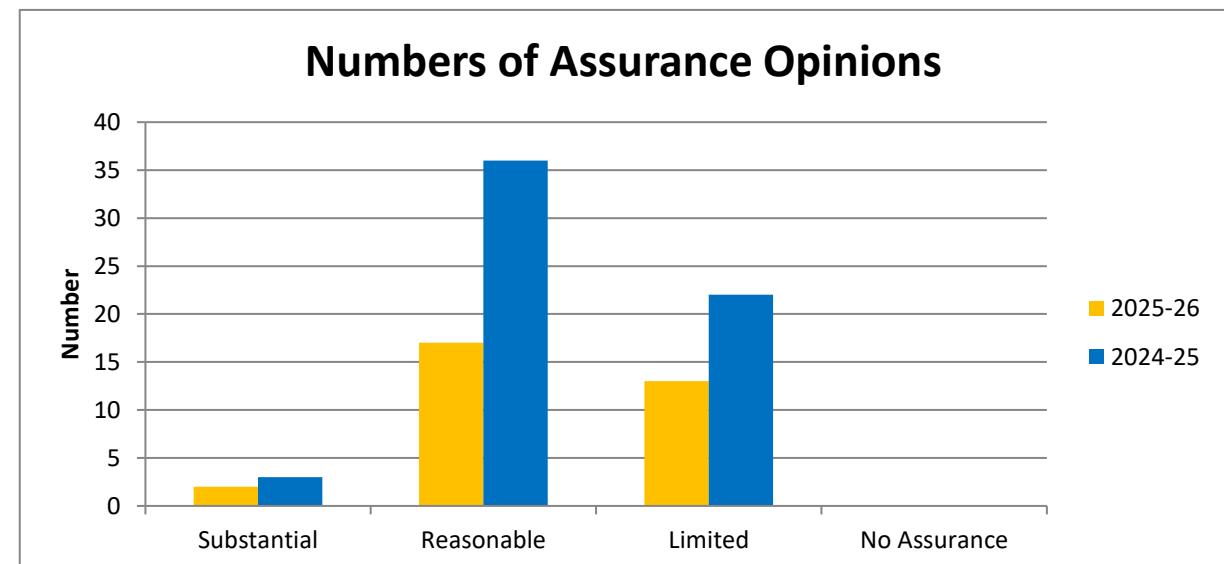
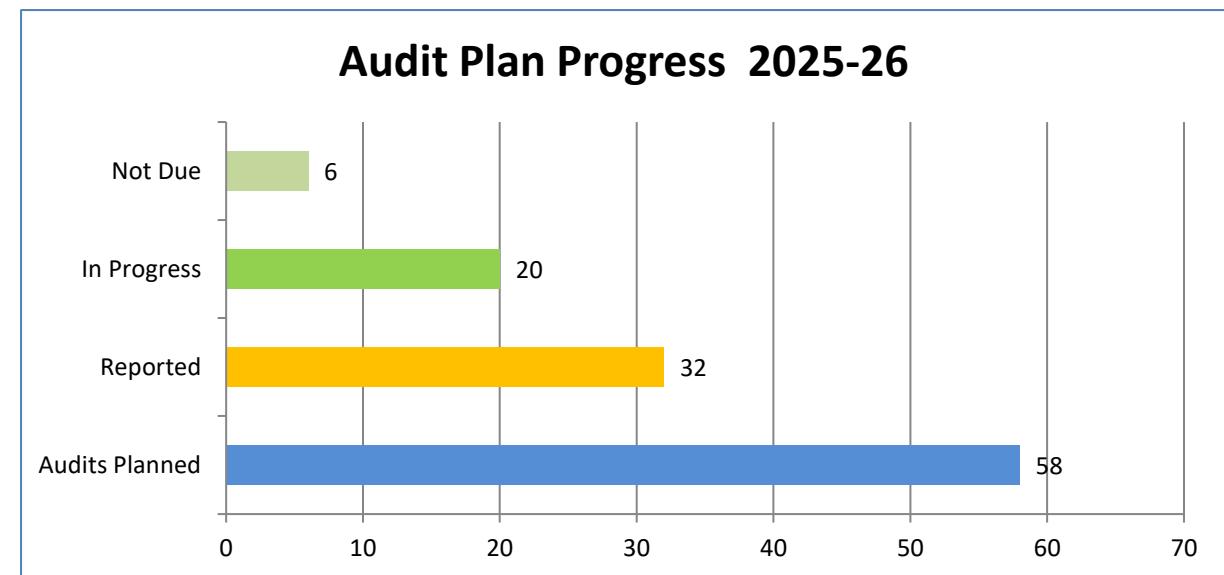
It presents a summary of the audit work undertaken, includes an interim opinion on the adequacy and effectiveness of the Authority's internal control environment and summarises the performance of the Internal Audit function. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need, and
- a statement on the effectiveness of the system of internal control in meeting the Authority's objectives.

The bar charts right show the status of audit progress against the plan and the numbers of assurance opinions to date compared with the previous year total. The charts demonstrate that progress is in line with expectations. There have been changes to the plan as shown on page 3.

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to clients' needs as and when needed – Agile Auditing. This principle has several benefits with ever changing priorities and related risks. We endeavour to ensure that sufficient coverage across the Authority is maintained to ensure that we can provide an assurance opinion.

This report provides a summary of the key issues reported and being addressed by management. Appendix 1 to this report provides a summary of the 'Limited Assurance' audits undertaken to date in 2025-26.



Irregularities Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice [Code of practice on managing the risk of fraud and corruption | CIPFA](#) states that "Leaders of public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management". The government has formed the Public Sector Fraud Authority and the Home Office have now produced the guidance on the new Criminal Offence of [Failure to Prevent Fraud](#). The offence came into force on 1st September 2025. It is important that councils have effective measures to reduce the risk and impact of fraud. Management can refer any suspected issues to the Corporate Fraud Officer, Internal Audit or the Finance, Ethics & Probity (FEP) Group.

Devon Assurance Partnership (DAP) regularly liaise with the Corporate Counter Fraud Officer; the key outcomes of this role are the identification and investigation of external frauds and integration of fraud related aspects into our audit work. In relation to the Council's Counter Fraud investigations, DAP are providing operational counter fraud investigative resource to support capacity in the Council's Counter Fraud team. Additionally from November 2025, Torbay's Counter Fraud Team are seconded to DAP to trial an integrated approach; the results of this pilot will be used to inform future working arrangements.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years. NFI activity on behalf of the Council is undertaken by the Corporate Fraud Officer, with Internal Audit providing support in relation to Payroll matches.

We have continued to provide support to the Council's FEP Group; and undertake daily monitoring and management of the Council's Whistleblowing Inbox. We interrogate the Council's email archive system to support investigations, Freedom Of Information and Subject Access Requests.

Irregularities – During 2025/26 to date, Internal Audit have carried out or assisted in 12 new irregularity investigations. Analysis below:

Issue Classification *	2025/26 Number (part year)	2024/25 Number (whole year)	2023/24 Number (whole year)	2022/23 Number (whole year)
Poor Procedures	9	7	4	11
Employee / Member Conduct	0	9	7	1
Financial Irregularities	0	1	0	0
IT Misuse	0	0	0	1
Tenders & Contracts	2	3	1	0
Support to HR Investigations	1	0	1	2
Total	12	20	13	15

* The 'Issue classification' title relates to the allegation made and may not be reflective of the investigation outcomes, which are summarised below:

- Support to HR investigations - This work is limited to provision of emails from the archive solution, and we have no further involvement.
- Poor Procedures – Of the nine matters raised, four have been concluded and management are taking actions forward. One has a formal draft report which is awaiting a management response, and work is ongoing for the remaining four.
- Tenders and Contracts – both investigations are currently ongoing.

Summary details as follows: - Some irregularity investigations are as a result of allegations made by whistle blowers. In addition, we have supported Information Governance and Human Resources with the provision of emails in relation to their investigations.

Freedom of Information / Subject Access Requests and Referrals made under the Unacceptable Behaviour Policy: -

We assisted with two requests under Freedom of Information and Data Protection requirements or the Unacceptable Behaviour Policy in 2025-26 to date.

Appendix 1 – Summary of ‘Limited Assurance’ audits for 2025/26 to date

Risk Assessment Key

- ANA - Audit Needs Assessment risk level as agreed with Client Management
- Client Request – audit at request of Client Senior Management

Direction of travel key

-  Appropriate Management Action Plan agreed
-  Agreed Management Action Plan not yet received

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
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ICT and Information Governance

<p>IT Asset Management – Follow up (ANA – Critical) Status: Final</p> <p>Limited Assurance</p> <p>Direction of Travel </p>	<p>Since the original audit in 2023-24 and the first follow up in 2024-25, the IT Team has seen a change in the Head of IT role. As such, we understand that originally agreed observations will be subject to further review and where risks were originally accepted, these will be further considered to determine whether the risks remain accepted or whether action will now be taken.</p> <p>We noted that in most cases work remained ongoing and as such we have re-reported these observations. It was pleasing to note that software has been purchased to support supply chain mapping, recording and management, with the intention that this may become a corporate solution following completion of the pilot which we understand is in its early stages. Physical security was originally reviewed, however the IT Team has recently moved offices and as such a further review will be required to ensure physical security remains at an appropriate level. Identification and accurate recording of all assets required a software update and as such work remains ongoing to fully populate the records with sufficient granularity.</p> <p>The observation regarding the need to consider software to wipe drives that were subject to disposal was assessed and existing measures were deemed by IT Services to be sufficient and mitigate associated risks. Although we acknowledge the response, the existing processes are not subject to audit evaluation, and as such we have noted this in the report for completeness, albeit no further recommendation has been made.</p> <p>As part of this follow up we confirmed that, other than areas evaluated within the follow up of the agreed management actions, there had been no changes to processes or systems since the original audit that impact the associated control environment.</p>
<p>Information Governance – Data Quality and Records Management (CCTV) - Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p> <p>Direction of Travel </p>	<p>It was pleasing to note that a majority of the previous observations and associated recommendations made have been considered and addressed since the original audit in 2023-24 and the subsequent follow up in 2024-25.</p> <p>Progress has been made with new processes established in relation to CCTV subject access requests (SAR); maintenance and monitoring of associated SAR records; retention and data controller responsibilities in relation to footage released to the Police; and protected time being allowed to allow CCTV team to complete the mandatory IG training.</p> <p>The risks that remain are corporate pieces of work in relation to the Council's retention schedule and information asset register, both of which require review and update. We understand that prior capacity within the IG team has delayed completion and it is intended that a Data Protection Support Officer will take on responsibility for completion once they are in post. These remaining risks are not specific to CCTV and Security although the CCTV and Security data will require consideration and inclusion.</p>

CORPORATE SERVICES and FINANCIAL SERVICES	
Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Key Financial Systems	
Group Company Loans (ANA – High) Status: Final Limited Assurance Direction of Travel 	<p>A follow-up of last year's report found that the majority of recommendations have yet to be implemented, including the lack of a formal documented governance framework for Group company and commercial loans made by the Council.</p> <p>We acknowledge that there have been some recent changes in terms of key officers within the department, and it would be good to see these issues resolved once new officers settle into their roles.</p>
Corporate Services	
Health and Safety Follow Up (ANA – High) Status: Draft Limited Assurance Direction of Travel 	<p>We are pleased to report that some progress has been made in addressing the previous observations and associated recommendations made. The original audit undertaken in 2023-24, was followed up in 2024-25, and again in 2025-26. We acknowledge that progress has been made by the Corporate Health and Safety (H&S) Team including audit and reporting procedures, publication of policy, guidance, and templates on the Assure system (Evotix), supporting by training and quarterly staff communications. We have been advised that the Corporate H&S team are also commencing their own targeted auditing from 10 November 2025 to further progress some of the areas previously identified. However, a number of previously agreed management actions remain ongoing, noting that in some cases responsibility for these sits outside of the Corporate H&S Team.</p> <p>A key area that remains ongoing is completion of risk assessments within service areas. In addition, related to the competency aspect, there remains a low take up of mandatory H&S training.</p> <p>Whilst not directly related to the Council's Corporate H&S team, we noted that there have been changes in H&S management within SWISCo, with a newly qualified H&S Manager recently appointed. SWISCo H&S has also recently taken on related responsibilities for Harbours, which is a known high risk area from a H&S perspective.</p>
Financial Services	
Counter Fraud Risk Assessments (ANA – High) Status: Final Limited Assurance Direction of Travel 	<p>Our evaluation of Counter Fraud risk management processes, and evaluation of the Counter Fraud risk assessment questionnaire to Officers, found that there are a number of processes in place to support an effective Counter Fraud framework, including a Corporate risk within the Council's risk management framework reviewed by SLT; established reporting to Audit Committee; a training programme (i-learn and induction); and a policy framework.</p> <p>However, we did identify significant gaps in the process, primarily being the lack of a counter fraud culture being embedded in the organisation, and a low completion rate at service level of fraud risk assessments. The lack of a robust framework leaves the Council vulnerable in relation to the prevention of fraud, particularly in light of the pending offence of 'Failure to prevent fraud' coming into force on 1 September 2025.</p> <p>We have made a number of observations regarding the ongoing development of the Counter Fraud framework, in particular relating to the risk culture, and risk identification, assessment and monitoring across the organisation.</p>

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Asset Management (ANA – High) Status: Final Limited Assurance Direction of Travel 	<p>The scope for this audit did not include any assessment of lease or billing arrangements for rental properties.</p> <p>There is a board in place as part of the governance of the investment fund portfolio which is positive, and we were able to confirm further governance arrangements were as expected. We have however noted from the information provided that the capital value of investment assets is now significantly less than the value at acquisition which could have an impact in the longer term if assets are not to be retained.</p> <p>The Strategic Asset Management Plan (SAMP) which consists of a Strategy, Policy, and an Action Plan includes reference to commercial/investment assets. This information is limited and whilst aspects such as the 'Asset Challenge' process provide a reasonable amount of detail relating to identification and disposal of surplus assets, there is minimal additional detail regarding the governance and decision-making processes for commercial/investment assets, and so there is enhancement needed to the SAMP. In addition the creation of a disposals strategy remains on the Action Plan as a work in progress.</p> <p>In relation to repairs and maintenance, we noted that the budget to meet the required maintenance for assets of poor condition as set out in the condition assessment reports is not sufficient. The associated financial and safety risks related to ongoing deterioration could increase due to the backlog of condition surveys / overdue inspections, and delays in repairs of assets rated as in poor condition. This could lead to further budget demands that cannot be met, and this is a significant factor in our Audit Opinion.</p> <p>The service have advised that the backlog of condition surveys is a temporary matter arising from the transition from TDA to the Council. They indicated that their team has an array of experience, local knowledge, technical experience in mechanical and electrical engineering as well as building surveying, asserting that they believe that the risks noted above will be addressed.</p>

PRIDE IN PLACE

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Transport (Strategic and Public) (ANA – High) Status: Final Limited Assurance Direction of Travel 	<p>This internal audit reviewed at a high level the delivery of Torbay Council's Local Transport Plan 3 (LTP3), covering the period 2011–2026. The audit assessed the adequacy of governance, strategic alignment, implementation, monitoring, and performance management associated with the plan.</p> <p>We found that LTP3 was appropriately approved and remains aligned with the Council's strategic goals. The strategy and its associated implementation plans are comprehensive and well-structured, with clear objectives and a strong focus on sustainable transport, economic growth, and community wellbeing.</p> <p>However, several areas for improvement were identified. Notably, the strategy lacks defined performance indicators, making it difficult to assess the success of its objectives. Monitoring arrangements for non-capital transport schemes are weak, with limited evidence of formal oversight, reporting, or project tracking. Additionally, several recommendations from the previous audit remain outstanding, including the need for structured monitoring, clearer ownership of delivery, and formal review of completed schemes.</p> <p>While a new strategy (LTP4) is in development and incorporates lessons from national and local policy, there is currently no formal process for integrating local learning from LTP3. Strengthening governance, monitoring, and performance evaluation will be essential to ensure the effective delivery of future transport plans.</p>

PRIDE IN PLACE

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Harbour Income Follow Up (ANA – Medium) Status: Final Limited Assurance Direction of Travel 	<p>We are pleased to report that some progress has been made in addressing the previous recommendations made, however many still remain outstanding and in some cases are now issues that have remained unresolved for several years. We acknowledge that the changes in management and the current Harbour Master being an interim position have impacted capacity to resolve the matters.</p> <p>Issues previously identified regarding recharging and calculation of service charges remain unresolved. There remains a lack of knowledge and involvement by the Harbour Team of rent reviews undertaken by the Estates Team. Further, the uncertainty regarding charging of direct fish landings continues.</p>
Planning Enforcement Follow Up (ANA – High) Status: Final Limited Assurance Direction of Travel 	<p>It is pleasing to note the progress made against previously agreed management actions. Whilst a number have been actioned in full, there remain some actions that had been progressed with aspects ongoing and a small number outstanding.</p> <p>Ongoing or outstanding actions and residual risks relate to the need for further enforcement policy review, with inclusion of corruption risks in the policy to ensure decision making is safeguarded from undue influence or abuse of power; establishing processes for officer declarations and associated recording; and the need for identification and management of planning fraud risks within the risk framework to ensure accountability, protect public funds, and support effective governance.</p> <p>The management actions completed and evidenced during this follow up include a review and update of the enforcement policy, with inclusion of information governance expectations, document version control, responsibility for producing and maintaining an up to date policy, and performance targets with associated monitoring processes, noting the ongoing review with Legal Services. Additionally the Planning webpage has been updated around breach reporting, public access to enforcement register and processes. We also noted development of a training needs analysis and ongoing delivery of training requirements. An authorisation process has been established, for example Manager authorisation of service of notice and case closures, and the ongoing development of the dashboard supporting performance monitoring which has seen an improvement in case management.</p>
S106 and CIL – Follow Up ((ANA – Medium) Status: Final Limited Assurance Direction of Travel 	<p>We noted some positive improvements, including capacity expansion of the S106/CIL team to provide greater resilience; ongoing review of historic cases; an improved control framework in relation to CIL and Section 106 recording; and greater collaboration with Financial Services, including engagement with the Council's S151 Officer on the CIL Spend Panel.</p> <p>S106 findings primarily relate to but are not limited to s106 spend deadlines exceeded; currency of s106 charging information; local s106 procedural requirements; sufficiency of s106 records; transparency of s106 calculations; level of debt; debt recovery procedures; write off records; allocation of project management; and spend of s106 monies. The CIL observations primarily relate to re-reported issues but do include new observations related to local policy and procedural requirements; CIL calculation records; delegated authority; overdue payments; and charging schedule.</p> <p>MHCLG's proposed powers for Councils to fine developers for delays in development completion could impact the Council's approach to managing planning obligation. By requiring developers to commit to delivery timeframes upfront, the Council may need to reassess how infrastructure funding and obligations are phased and enforced. Delays could trigger earlier intervention or renegotiation of s106 terms, while CIL receipts that are often tied to commencement and completion milestones, may be affected by delayed progress. These changes could enhance accountability but also introduce complexities in aligning financial planning with actual development timelines.</p>

PRIDE IN PLACE

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Seven Dials Café Banking (Additional Work) Status: Final Limited Assurance Direction of Travel 	<p>We undertook an onsite visit at the request of both Financial Services and Pride in Place to support the café in its cash and banking arrangements.</p> <p>We discussed the findings from our work and provided observations to improve and strengthen banking arrangements. Management have provided a comprehensive action plan to take forward the agreed improvements.</p>

CHILDRENS SERVICES

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
SEND (Special Educational Needs and Disabilities) Follow Up (ANA – High) Status: Draft Limited Assurance Direction of Travel 	<p>From our follow up it was evident that the team are focussed on aiming to deliver processes that improve outcomes for SEND children and families, albeit within what is nationally recognised as a system that is no longer resilient to change in demand. A National Audit Office (NAO) report in October 2025 stated that 43% of Local Authorities are expected to have a SEND deficit exceeding or close to their reserves. A BBC report in June 2025 reported that government data shows that Local Authorities are overwhelmed and there are plans to set out wide ranging reform in the Autumn.</p> <p>Progress is evident in relation to re-baselining of the original project, which is supported by a new governance structure and Board; the establishment of 'New Ways of Working' from September 2025 onwards; development of a BI task tracker; recruitment of additional EHCP co-ordinators; and development of a SEND Priority Impact plan.</p> <p>The Priority Impact Plan (PiP) sets out five priority areas for improvement. These targeted actions, developed in close partnership with stakeholders, are designed to address both mandatory requirements and emerging priorities, ensuring the service delivers meaningful and measurable improvements Priority Impact Plan - Family Hub. The five areas are Governance: Strengthening oversight and accountability (mandatory); Commissioning (Partnership): Enhancing joint working across agencies (mandatory); Multi-Agency Support: Improving integrated support for families (mandatory); Health Assessments and Waiting Times (NHS): Reducing delays and promoting timely access (mandatory); Preparation for Adulthood (Partnership): Supporting transitions, linked directly to the Family Hub and the Priority Impact Plan (additional).</p> <p>We note that following the June 2025 inspection, Ofsted and CQC concluded that Torbay had not made sufficient progress in addressing SEND weaknesses. Their report highlighted priority actions and additional areas for improvement. Following the June inspection, the Department for Education issued an Improvement Notice in October 2025 requiring urgent action. We acknowledge the significant progress made in addressing the recommendations from the January 2025 internal audit. While improvements are evident, processes are not yet fully embedded, and continued focus will be required to ensure sustainable improvement.</p> <p>Given the ongoing actions (e.g., embedding of project improvements, parent/carer voice, compliance with statutory timescales, ECHNA (Education, Health and Care Needs Assessment) monitoring, engagement with Graduated Response processes) some of which link to the Ofsted and CQC findings and Improvement Notice requirements, the overall level of assurance remains as Limited.</p> <p>Management Response to Executive Summary:</p> <p>The significant improvement journey undertaken since the last audit demonstrates a positive trajectory, underpinned by strong partnership working, strategic planning, and a commitment to continuous improvement. With the local area partnership at the heart of the approach, and a clear roadmap for the next five years, the service is well placed to deliver better outcomes for SEND children and families. Sustained focus, proactive leadership, and ongoing collaboration will remain central to their success.</p>

CHILDRENS SERVICES

Risk Area / Audit Entity /Assurance Opinion	Audit Report Executive Summary
Performance and Data (ANA – Medium) Status: Draft Limited Assurance Direction of Travel 	<p>Primarily processes were found to minimise the risk of inaccurate and incomplete data. Our work identified a number of areas where controls could be further strengthened, notably in relation to reliance on manual processes; inconsistent duplicate data checks; benefits of qualitative data; system audit trail completeness; reliance on source data outside of CS; data accuracy on returns/reports sampled; data sharing agreements requiring finalisation; confirmation of system IG compliance; mandatory IG training; Information asset register update; exception reporting; and training and development needs.</p> <p>There are opportunities for further investigation into technological solutions and true automation which would support a reduction in reliance on manual processes and give Children's Services a more efficient process with greater assurance regarding the accuracy of the data used.</p> <p>We noted the ongoing related activities that fall within the Children's Services IT Systems Board remit and are being managed and monitored through this route. Completion of these activities will again further strengthen the performance and data processes for Children's Services.</p>

Appendix 2 - Professional Standards and Customer Service

Conformance with Global Internal Audit Standards (GIAS)

The new **Global Internal Audit Standards (GIAS)** took effect for the UK public Sector as of 1st April 2025. There are three key aspects:

- [The GIAS](#); [The CIPFA Code on the Governance of Internal Audit](#); and [The CIPFA Application Note for the GIAS in the Public Sector](#).

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025-26 DAP are undertaking a Gap Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance; this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in the 2025/26 Annual Report.

Conformance – Devon Assurance Partnership (DAP) confirms that its internal audit activity operates in alignment with the Global Internal Audit Standards (GIAS), effective April 2025 for the UK public sector. Our Internal Audit Charter, approved by the Audit Committee, defines our purpose, mandate and responsibilities, ensuring independence, objectivity, and adherence to ethical principles. The charter mandates unrestricted access to records, systems, and personnel, and establishes accountability to the Audit Committee, supported by the DAP Management Board and Joint Committee. DAP applies a systematic, risk-based approach to assurance and advisory services, guided by methodologies that conform to the five domains and fifteen principles of the GIAS.

An **external standards assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was last conducted in late 2024 prior to the GIAS by an IIA qualified ex Assistant Director of an Audit Partnership.

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.

* **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

Quality Assessment - The Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The GIAS state that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS / GIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

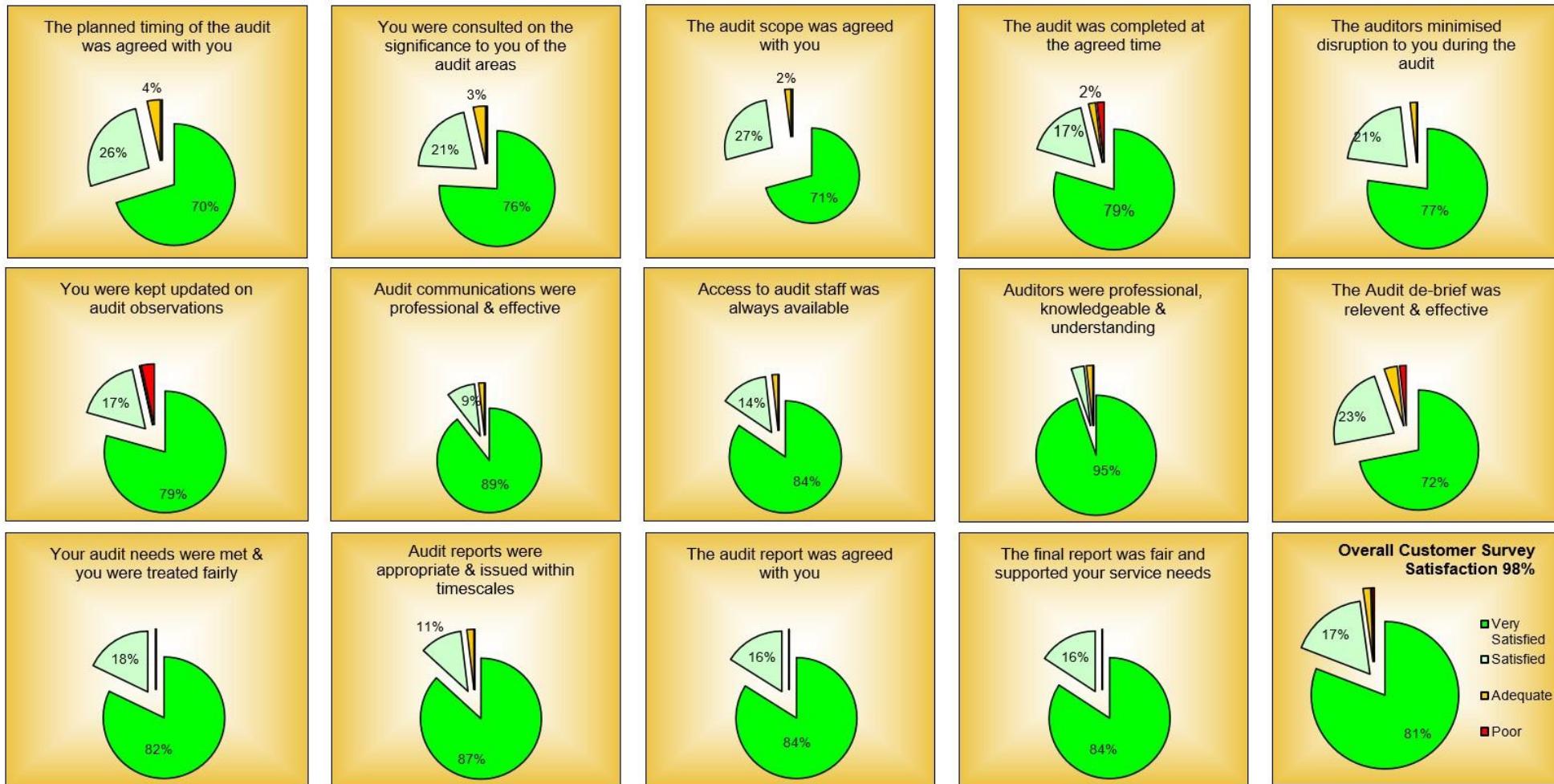
Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2025. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with 98% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Appendix 3

Customer Survey Results April - December 2025



Appendix 4 – Audit Authority



Appendix 5 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement (AGS) 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.

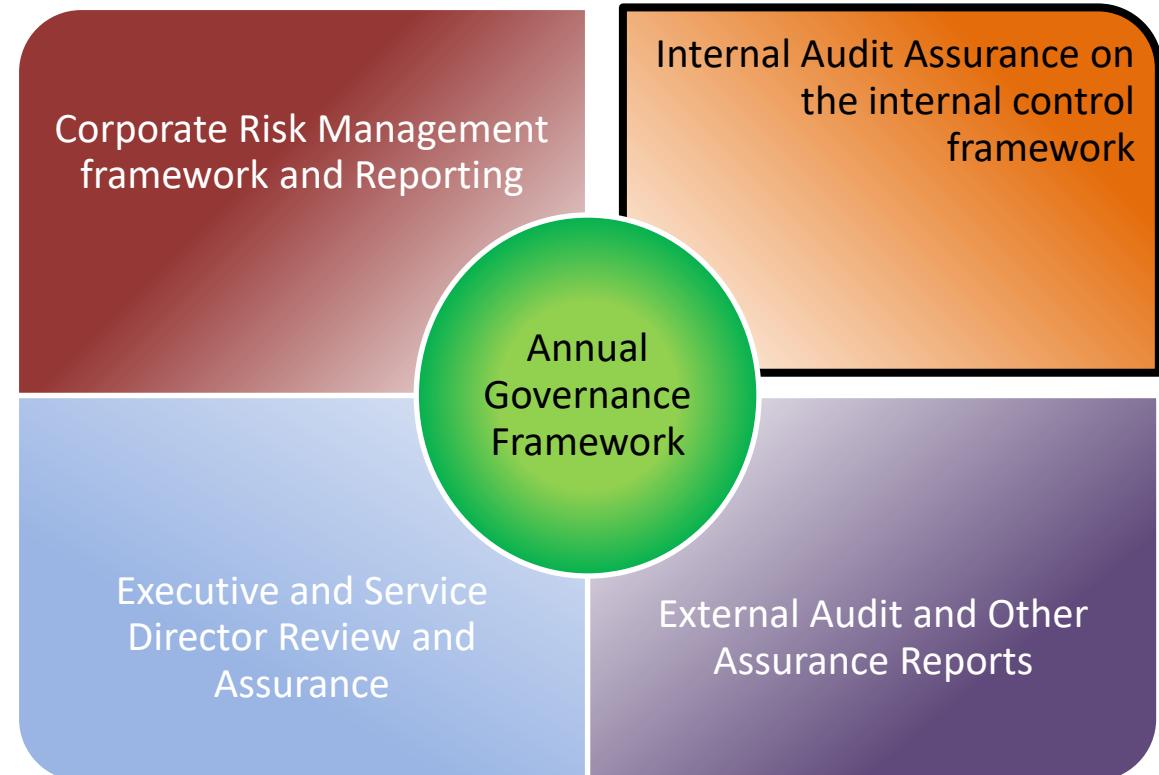
The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive 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 has been 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 / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance



The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Framework, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 6 - Basis for Interim Opinion

The Chief Internal Auditor is required to provide the organisation with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the Internal Audit service can do is to provide assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an interim opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria.

The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year to date. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Council's objectives;
- a comparison of Internal Audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to the audit plan are shown on Page 6.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2025-26 to date, including those audits carried forward from 2024-25;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the organisation's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Authority;

any limitations that may have been placed on the scope of internal audit.

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Devon Assurance Partnership

The Devon Assurance Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services 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 Global Internal Audit Standards along with other best practice and professional standards.

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

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. 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.

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.