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APOLOGIES Committee Services
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DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE Paul Dodson

1 March 2023

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on THURSDAY 9 MARCH 2023 at 7.30 pm

in the Council Chamber, Maldon District Council Offices, Princes Road, Maldon.

<u>Please Note:</u> All meetings will continue to be live streamed on the <u>Council's YouTube channel</u> for those wishing to observe remotely. Public participants wishing to speak remotely at a meeting can continue to do so via Microsoft Teams.

To register your request to speak please submit a <u>Public Access form</u> (to be submitted by 12noon on the working day before the Committee meeting). All requests will be considered on a first-come, first-served basis.

A copy of the agenda is attached.

Yours faithfully

Director of Strategy, Performance and Governance

COMMITTEE MEMBERSHIP:

CHAIRMAN Councillor W Stamp, CC

VICE-CHAIRMAN Councillor Mrs J L Fleming, CC

COUNCILLORS M R Edwards

A S Fluker
A L Hull
J V Keyes
N J Skeens
E L Stephens
Mrs J C Stilts
Mrs M E Thompson

disability
confident





AGENDA PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

THURSDAY 9 MARCH 2023

1. Chairman's Notices

2. Apologies for Absence

3. Minutes of the last meeting and Matters Arising (Pages 5 - 14)

To confirm the Minutes of the Performance, Governance and Audit Committee held on 19 January 2023 (copy enclosed) and note the Matters Arising from the minutes attached as Appendix 1.

4. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, Other Registrable interests and Non-Registrable Interests relating to items of business on the agenda having regard to paragraph 9 and Appendix B of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

5. **Public Participation**

To receive the views of members of the public, of which prior notification in writing has been received (no later than noon on the Tuesday prior to the day of the meeting).

Should you wish to submit a question please complete the online form at: www.maldon.gov.uk/publicparticipation.

6. Internal Audit Report (Pages 15 - 16)

To consider the report of the Director of Resources (copy enclosed, Members' Update to be circulated)*

- a) Progress Report (Pages 17 26)
- b) Follow-Up of Recommendations Report (Pages 27 34)
- c) Contract Management 2021/22 (Pages 35 48)
- d) Safeguarding 2022/23 (Pages 49 60)
- e) Strategic Performance Place 2022/23 (Pages 61 72)
- f) <u>Community Safety 2022/23</u> (Pages 73 84)
- g) <u>Internal Audit Annual Plan 2023/24 and Strategic Plan 2023/26</u> (Pages 85 108)

7. <u>Establish a Working Group of Performance, Governance and Audit Committee</u> (PGA) (Pages 109 - 112)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

8. North Fambridge Parish Council - Request to Review Electoral Arrangements (Pages 113 - 116)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

9. Any other items of business that the Chairman of the Committee decides are urgent

NOTICES

Recording of Meeting

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session.

Fire

In the event of a fire, a siren will sound. Please use the fire exits marked with the green running man. The fire assembly point is outside the main entrance to the Council Offices. Please gather there and await further instruction.

Health and Safety

Please be advised of the different levels of flooring within the Council Chamber.

Closed-Circuit Televisions (CCTV)

Meetings held in the Council Chamber are being monitored and recorded by CCTV.



Agenda Item 3



MINUTES of PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE 19 JANUARY 2023

PRESENT

Chairman Councillor W Stamp, CC

Vice-Chairman Councillor Mrs J L Fleming, CC

Councillors M R Edwards, A S Fluker, A L Hull, Mrs J C Stilts and

Mrs M E Thompson

In attendance Councillor K M H Lagan

486. CHAIRMAN'S NOTICES

The Chairman welcomed all present and took the Committee through some housekeeping arrangements. This included a request that late attendees speak with the Chairman at the earliest opportunity to ensure this is noted; that Officers presenting reports attend in person and, if not possible, seek approval for remote attendance and finally that going forwards future agenda will include Matters Arising from the minutes to afford the opportunity to monitor and track the progress of all actions requested at committee.

487. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor E L Stephens.

488. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 17 November 2022, be approved and confirmed.

489. DISCLOSURE OF INTEREST

There were none.

490. PUBLIC PARTICIPATION

No requests had been received.

491. AUDIT PROGRESS UPDATE

The Committee considered the report from the Director of Resources that provided an update on the progress of both the external audit and the audit fees.

The Chairman introduced the report and deferred to the Director of Resources to present the detail. He advised that it was timely for an update to be presented to Committee and that this report addressed the status of the audit of accounts; audit fees

and the future external auditors. Section 3 provided details of the challenges faced by the audit sector with only 9% of audits completed.

For 2021 despite the challenges Maldon District Council published their unaudited accounts by the deadline. Due to the pressures mentioned in the report the audit was ongoing with a view to completion of fieldwork by end of January with the intention to sign-off accounts planned for the end of March/April 2023. He drew Members' attention to the impact on the bottom line of £10,000 following the correction identified and advised that given the audit was still ongoing figures remained provisional. For 2023/24 and the following 4 years of audits a national procurement exercise was undertaken with an increase in fees of 150% with the actual fees due to be announced in Autumn. Finally, he advised that Deloittes, the current auditors, were leaving the market and the new external auditors will be KPMG.

In response to issues raised the Director of Resources provided the following information:-

- That the audit costs were linked to the work involved and this applied to all councils irrespective of size. The Council's materiality will be lower but the audit work involved will be the same.
- That review of the audit accounts would take place in February with a view to sign-off of the accounts towards the end of March beginning of April 2023.
- That the Public Sector Audit Appointments (PSAA) Ltd was a subsidiary of the LGA, a national procurement agency. Given the challenges in this area membership of a collective like the PSAA provided additional bargaining power.
- That the Council has both internal and external auditors and discussions take place with counterparts in the region facing similar challenges.
- That comments on the report format, namely Section 6 *Implications*, were welcomed and would be actioned going forwards

The Chairman then moved the recommendation in the report, seconded by Councillor Fleming and the Committee agreed it by assent.

RESOLVED that members considered the report.

492. REVIEW OF CORPORATE PERFORMANCE - QUARTER 2

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to undertake a quarterly review of the Thematic Strategies performance, as assurance that performance was being managed effectively to achieve the corporate outcomes as set out in the Council's Corporate Plan 2021 - 2023. Appendix 1 to the report provided an overview of performance as at the end of Quarter 2 (Q2) (July 2022 – October 2022).

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. She took the Committee through the report starting with section 3.1. which outlined the high level outcome view for each strategic theme area together with section 3.2 that covered performance at risk for the individual Key Performance Indicator (KPI) level.

It was noted that within Prosperity there were a number of red at risk areas, however, planned work such as the Covid Economic response, grant programmes, Covid

Economic Recovery Transformation (CERT) Programme and forthcoming UK Shared Prosperity Fund Programme (UKSPF) would address business need. The Sense of Place Business Network had been disbanded and a new approach to *Supporting Existing Local Businesses* had been developed. This will include a Business enewsletter along with social media and open invite business engagement events. These initiatives will be rolled out for Quarter 1 (Q1) 2023/24, with new performance measures and an update provided to Members.

It was envisioned that the Council's UKSPF programme will yield significant results and that engagement with partners like Essex County Council (ECC) and the North Essex Economic Board (NEEB) had been very constructive. The primary workstream for the outcome of enabling investment and jobs centred on the creation of the Maldon District Investment Prospectus as outlined in the Corporate Plan. The prospectus for this Project was scheduled to launch in Quarter 4 (Q4).

The Chairman moved the recommendations in the report and then took the committee through Appendix 1.

In response to issues raised Officers provided the following information:-

- That the revised pastel colour coding in the performance report was as a result
 of recent discussions to improve the reading experience for all customers.
- That data on fly tipping costs, including investigation and enforcement costs, together with locations, would be circulated to Members outside of the meeting.
- That the issue of how best to collate fixed penalty notices data would be investigated and reported to the Committee when available.
- That the statistics around business satisfaction were from Quarter 1. The results
 from the recent business satisfaction survey were currently being analysed and
 once complete a full report will be circulated to all Members. It was hoped that
 given the direct business engagement this time round there would be a marked
 improvement in feedback which will inform revised satisfaction rates. That
 future reports will contain response rates.
- That the UK Shared Prosperity Plan funding was now in place. This would mean a million pounds of funding over the next two and a half years. A list of the projects to be funded will be circulated to the Committee outside of the meeting.
- That the soft plastics recycling trial locations be circulated to Members outside of the meeting.
- That the Air Quality Management Area Action Plan (AQMA) funding will be known late February beginning of March 2023. That the original funding bid had been unsuccessful and Essex County Council (ECC) paused the destination survey because normal circumstances did not apply during Covid. The survey had now been completed and a meeting had been held with ECC to manage traffic flow on Market Hill. A report will be brought back to Committee and the results of the Destination Survey will be shared with both the Maldon High Street Focus Group and the Committee outside of the meeting.
- That the housing need for the district was currently on target, there will be a slowdown filtering through next year as developers slow down on start dates and completion. Developers will build affordable as opposed to market housing.

- That the figures in the 5YHLS for Quarter 2 will not have changed since Quarter 1 reporting as the data is only published annually, in April of each year. That to date there was no apparent impact on this area as a result of the pandemic.
- That tree planting had been ongoing; however, the detail had not yet been coordinated. Now that the appointment of the Coast and Countryside Officer was
 imminent the data will be collated and circulated to Members outside of the
 meeting.
- That the Infrastructure Funding Statement was received by this committee for sign-off annually in March to align with the Council's financial year.
- That a number of factors had adversely impacted the Sense of Place work with the resignation of the Chairman and representation on the board waning. However the Council will retain the branding and marketing and continue to engage with business, through business forums, e- newsletters and the website.
- That the Council was awaiting the data for Tourism as of Quarter 2. The Tourism Sector Consultative Group for the Council's Tourism Framework supported by the Maldon District Tourism Group had held two events with industry representatives and Council Members. These were 'Open Forum' events whereby people could input and steer tourism activities and inform the Council's Tourism Framework strategy. There was data through Visit Essex and when available this would be circulated outside of the meeting or reported in the next quarter. It was further noted that the Council hosted the Visit Maldon Website linked to the visitor economy which recorded 4 million visitors a year and that the Council's Tourism Framework, which will set out the wider support available, would shortly be submitted to Strategy and Resources Committee for approval.
- That officers will look at the events that have been discontinued and determine
 if that impacted on Tourism levels and report back outside of the meeting.
 However, it was noted that some of these events will be re-instated.
- That grants were available through a number of avenues including Mid-Essex Alliance and Active Essex for Health and Wellbeing as tackling obesity was a priority for the Council. The Strategic Theme Lead- Community will circulate information on grants outside of the meeting.
- That the intergenerational projects were adversely impacted by the need to shield during Covid. Initiatives to tackle social isolation, mental health and loneliness issues were being developed further and One Maldon District was working closely with partners across the district to ensure these issues were addressed as a high priority.
- That front facing staff training had been impacted by staff churn. It was a priority
 and Officers were working with ECC to ensure delivery of the course. The
 training referred to in the report was of a specialist nature to identify customers
 that have additional needs for referral to other specialist organisations, it was
 not general front facing contact training that all staff receive from the outset.
- That arrangements were in place for the removal of the Lys Helig weekend of 20 January 2023. This will then allow the Council to move forward with plans for the new houseboats and moorings.

- That the pontoon funding was now in place and an Officer Group meeting scheduled week commencing 23 January to plan the schedule of work which will be circulated to Members when available. The pontoon will be of a similar design with improved stability.
- That going forward the Commercial Projects part of the performance report be considered under Private and Confidential to afford a full discussion. Officers advised that a Members' Seminar was also scheduled to discuss these projects further.
- That the Council had not been successful with the levelling-up bid. The
 feedback was awaited which will be discussed at a review meeting that will also
 look at other avenues for funding given the bid information was now ready for
 submission.

Members commented that it would be a good idea, in respect of the levelling-up funding, that officers also have the planning applications ready in advance.

There being no further discussion the Chairman put the seconded recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) That Members reviewed the information as set out in the report and appendix 1 with <u>priority</u> focus given to the Strategic Outcome level performance.
- (ii) That Members confirmed they were assured through this review that corporate performance was being managed effectively.

493. REVIEW OF CORPORATE RISK - QUARTER 2

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks were being managed effectively.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. She advised that the report covered the corporate risk register from July 2022 – October 2022. As set out in section 3.3 of the covering report, there had been one risk where likelihood had increased, R1 - Failure to safeguard children and vulnerable adults and two risks where likelihood had decreased R3 - Failure to target services/influence partners effectively to support identified housing needs of increasing aging population together with R29 - Failure to deliver services as a result of COVID-19.

Prior to opening the debate the Chairman invited other officers to comment. The Lead Specialist (Community) provided a short preamble on the area of Safeguarding. He advised that the safeguarding risk was raised but he wished to reassure the Committee that this was not as a result of any failures in case management but related to the Safeguarding Forum and low levels of attendance at meetings. He reported that the designated safeguarding officers, due to pressures of workload, had not been able to attend regularly. Work was underway to create a smaller, more focussed forum and he would continue to monitor levels of attendance.

The Chairman moved the recommendations and then took the Committee through both Appendix 1 and 2.

Councillor Stilts sought reassurance regarding the continuing status of R1- Failure to Safeguard Children and Vulnerable Adults- on the Risk Register and proposed that a review of this area by the Overview and Scrutiny Committee may be prudent. The Lead Specialist (Community), in response, said that robust policies were in place however, he welcomed a review of this area given its importance. The Director of Strategy, Performance and Governance added that due to the high priority that this area of work attained within the organisation it would continue to be monitored through the risk register. This was corroborated by the Director of Service Delivery who reassured the Committee that there were adequate staff levels to carry out this work from across the organisation as safeguarding was part of everyone's remit.

Councillor Stilts proposed that the Safeguarding of Children and Vulnerable Adults be referred to Overview & Scrutiny Committee for review to ensure that the Council was supporting this area of work appropriately together with the Officers undertaking the actual work. This was duly seconded and agreed by assent to be added as a recommendation. In response to an issue raised around risk assessment the Director of Service Delivery said Officers would undertake a review of the methodology in use.

There being no further discussion the Chairman put the already seconded recommendations, to include Councillor Stilts proposal, to the Committee and they were agreed by assent.

RESOLVED

- (i) That Members reviewed the Corporate Risk Register in appendix 1 an provided comment and feedback for consideration;
- (ii) That Members reviewed progress of the Corporate Risk Mitigating actions in appendix 2 and provided comment and feedback for consideration;
- (iii) That Members were assured through this review that corporate risk was being managed effectively;
- (iv) That Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved;
- (v) That R1 the Safeguarding of Children and Vulnerable Adults be referred to Overview & Scrutiny Committee for review to ensure that the Council was supporting this area of work appropriately together with the Officers undertaking the actual work.

494. ANNUAL GOVERNANCE ACTIONS UPDATE

The Committee considered the report of the Director of Strategy, Performance and Governance that updated Members on the actions identified in the 2022/2023 Annual Governance Statement.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. She advised that since the revised format in 2020, each year the annual governance statement reflected on the Council's governance arrangements, and identified further best practice improvements that can introduced for the following year. The table at 3.5 of the report contained the full list of identified actions in the 2021/22 report. Those highlighted in grey had previously been reported complete and a further action around staff process improvement training had

moved to completion in this reporting schedule. Commentary updates were also provided for the open actions.

The Chairman moved the recommendations in the report and opened the debate. A brief exchange took place on the merits of face-to-face meetings where there might be opposing views.

There being no further issues the chairman put the recommendation to the committee and it was agreed by assent.

RESOLVED that the Committee reviewed the Annual Governance Statements table together with updates and challenged where necessary.

495. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

There were none. The Chairman thanked all for their contributions and closed the meeting.

The meeting closed at 9.18 pm.

W STAMP, CC CHAIRMAN This page is intentionally left blank

PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE – 19 JANUARY 2023 APPENDIX 1

MATTERS ARISING FROM THE MINUTES

Minute Number	Minute Title	Request	Action By	Completion Date
491	Audit Progress Update	That in the report template a summary be provided under Section 6 Implications.	Director of Resources	From next report.
492	Review of Corporate Performance	 Place – Flytipping - That data on fly tipping costs, including investigation and enforcement costs together with locations would be circulated to Members outside of the meeting. 	Director of Service Delivery (DoSD)	Item on PGA Agenda -15 June 2023.
		 Fixed Penalty Notices in relation to Flytipping - that the issue of how best to collate fixed penalty notices data would be investigated and reported to the Committee when available 	(DoSD)	Item on PGA Agenda -15 June 2023.
		 AQMA - a report will be brought back to Committee and the results of the Destination Survey will be shared with both the Maldon High Street Focus Group and the Committee outside of the meeting. 	DoSD/Lead Specialist: Community	Destination Survey Results - 20 February 2023. Report -Quarter 3
Page		 UKSPF – that a list of the projects to be funded be circulated to Committee outside of the meeting. 	Director of Strategy, Performance and Governance (DoSPG)	20 February 2023.
13		 Recycling - that the soft packaging recycling trial locations be circulated to Members outside of the meeting. 	DoSD	15 February 2023.
		 Tree Planting – the appointed Coast and Countryside Officer to collate tree planting data and circulate to Members outside of meeting. 	DoSD	20 February 2023.
		 Business Satisfaction Rates - That a full report will be circulated to all Members on the results from the Resident and Business survey which will inform revised business satisfaction rates. That future reports will contain response rates. 	DoSD/Programmes, Performance and Governance Manager (PPGManager)	20 February 2023.
		 Tourism - that officers will look at the events that have been discontinued and determine if that impacted on Tourism levels and report back. 	Specialist: Tourism	20 February 2023.
		 Tourism – that there was data through Visit Essex and when available this would be circulated outside of the meeting or reported in the next quarter. 	Specialist: Tourism	20 February 2023.

PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE - 19 JANUARY 2023 APPENDIX 1

MATTERS ARISING FROM THE MINUTES

Minute Number	Minute Title	Request	Action By	Completion Date
492	Review of Corporate Performance continued	Health & Wellbeing – that the Community Lead Officer will circulate grant information to Committee Members outside of the meeting.	DoSPG	Link sent to all Members 17 February 2023.
		 Pontoon – an update to be circulated on status of the schedule of work. 	DoSPG/Strategic Theme Lead - Community	20 February 2023.
		 Commercial Projects - that going forward the Commercial Projects part of the performance report be considered under Private and Confidential to afford a full discussion. Officers advised that a Members' Seminar was also scheduled to discuss these projects further. 	PPGManager	On agenda Quarter 3
93 Page 12	Review of Corporate Risk	 RI – Failure to Safeguard Children and Vulnerable Adults- Councillor Stilts proposal that the Safeguarding of Children and Vulnerable Adults be referred to Overview & Scrutiny Committee for review to ensure that the Council is supporting this area of work appropriately together with the Officers undertaking the actual work. 	Clerk	Noted under AOB at O&S on 24 January 2023 and now being actioned by the Working Group with a report to next O&S Committee 28/3/23
4		That the methodology around risk assessment be reviewed.	PPGManager	Has been recently addressed through the updated risk management policy, roll out training to staff is in hand.
494	Annual Governance Actions Update	No matters to follow up	As aside	

Agenda Item 6



REPORT of DIRECTOR OF RESOURCES

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
9 MARCH 2023

INTERNAL AUDIT REPORT

1. PURPOSE OF THE REPORT

- 1.1 To present for consideration, comment, and approval by the Committee the following reports issued by BDO LLP, the Council's internal audit service provider
 - Internal Audit Progress Report at 6a;
 - Follow-up of Recommendations Report –at 6b;
 - Contract Management –2021/22– at 6c;
 - Safeguarding 2022/23 at 6d;
 - Strategic Performance Place 2022/23 at 6e;
 - Community Safety 2022/23 at 6f;
 - Internal Audit Annual Plan 2023/24 & Strategic Plan 2023/26 at 6g.

2. **RECOMMENDATIONS**

That the Committee considers, comments, and approves the following:

- (i) Internal Audit Progress Report at **6a**;
- (ii) Follow-up of Recommendations Report –at **6b**;
- (iii) Contract Management –2021/22– at 6c;
- (iv) Safeguarding 2022/23 at 6d;
- (v) Strategic Performance Place 2022/23 at **6e**;
- (vi) Community Safety 2022/23 at 6f;
- (vii) Internal Audit Annual Plan 2023/24 & Strategic Plan 2023/26 at 6g.

3. SUMMARY OF KEY ISSUES

- 3.1 BDO LLP are the Council's contracted Internal Audit Service provider. The Partner, Mr. Greg Rubins, fulfils an equivalent role to that of Head of Internal Audit.
- 3.2 The Internal Audit Service is there to provide assurance to the Director of Resources, Management and Members of the adequacy of internal controls and checks in the

organisation and to highlight any risks that the Council may be exposed to in its overall and day to day operations.

- 3.3 As such, Internal Audit is independent of Management and operates, performs to and is measured against The UK Public Sector Internal Audit Standards (PSIAS) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.4 The reports attached from BDO at 6a to 6g will be presented to the Committee and discussed by Mr Greg Rubins or his representative on his behalf.

4. CONCLUSION

4.1 This report together with the BDO reports attached from 6a-6g allows the Committee to fulfil its remit of overseeing governance.

5. IMPACT ON STRATEGIC THEMES

5.1 Internal Audit cuts across the delivery of all the Strategic Themes of the Council.

6. IMPLICATIONS

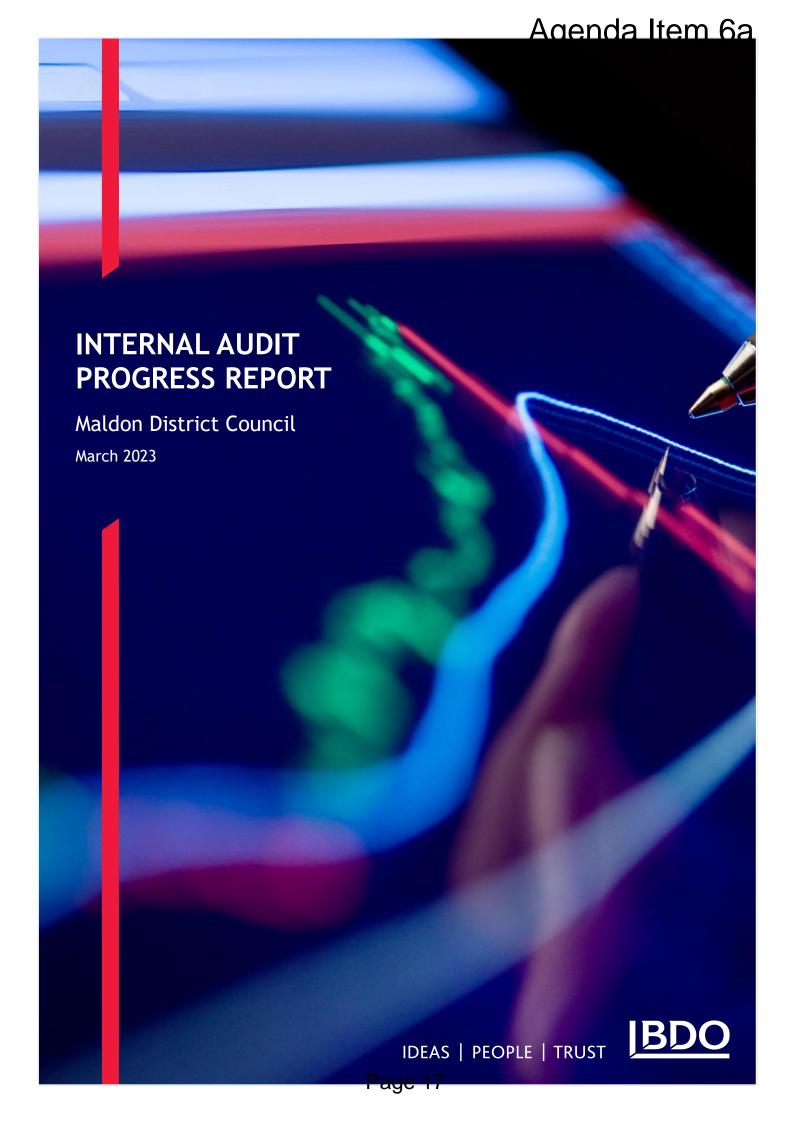
- (i) <u>Impact on Customers</u> Any impact on customers will be highlighted with the reports in the appendices.
- (ii) <u>Impact on Equalities</u> Any impact on equalities will be highlighted with the reports in the appendices if it is within the scope of the audit work carried out.
- (iii) <u>Impact on Risk</u> Any risks identified as a result of the findings of the internal audit work are highlighted with the individual reports and summarised in the Progress Update and Follow Up of recommendations reports.
- (iv) <u>Impact on Resources (financial)</u> Same comment applies here as for Impact on Risk above.
- (v) <u>Impact on Resources (human)</u> Same comment applies here as for Impact on Risk above.
- (vi) <u>Impact on the Environment</u> Same comment applies here as for Impact on Risk above.

Background papers: None.

Enquiries to: Chris Leslie, Director of Resources, Maldon District Council

Greg Rubins (BDO LLP)

Christopher André (BDO LLP)



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SUMMARY OF WORK

INTERNAL AUDIT

This report is intended to inform the Performance, Governance & Audit Committee of progress made against the 2021/22 and 2022/23 internal audit plans. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



2021/2022 INTERNAL AUDIT PLAN

The final audit has been completed from the 2021/22 audit plan. We are pleased to present the following report to this Performance, Governance & Audit Committee:

Contract Management

2022/2023 INTERNAL AUDIT PLAN

Three further audits have been completed from the 2022/23 audit plan since the previous Performance, Governance and Audit Committee and we are pleased to present the following reports:

- Safeguarding
- Strategic Performance Place
- Community Safety

AMENDMENTS TO THE PLAN

As part of the scoping for the Workforce Management review it was agreed that, given the current work ongoing
around team structures, that this review would be more appropriate to complete as part of next year's plan.
Therefore, it was agreed to undertake a Human Resource Management System (HRMS) review instead as this
was felt an area of risk.

REVIEW OF 2021/22

AUDIT	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Covid Recovery Plan	November 2021	✓	✓	✓		
Partnerships	November 2021	✓	✓	✓		
Management of Property	February 2022	✓	✓	✓		
Policy Review	February 2022	✓	✓	✓		
Main Financial Systems	February 2022	✓	✓	✓		
IT Strategy & Transformation	February 2022	✓	✓	✓		
Strategic Performance- Community	February 2022	✓	✓	✓		
Customer Relationship Management	June 2022	✓	✓	✓		
Workforce Management	June 2022	✓	1	✓		
Commercialisation	November 2022	✓	✓	✓		
Contract Management (brought in to replace Communications)	March 2023	✓	1	√		



REVIEW OF 2022/23

AUDIT	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Risk Maturity Assessment	July 2022	✓	✓	✓	N/	A - Advisory
Corporate Governance	July 2022	✓	✓	✓		
Payment Controls Review (added to 22/23 plan)	September 2022	✓	1	1	N/	A - Advisory
Flood Management	November 2022	✓	✓	✓		
Safeguarding	March 2023	✓	1	✓		
Community Safety	March 2023	✓	/	1		
Strategic Performance (Place)	March 2023	✓	✓	✓		
Main Financial Systems	June 2023	✓	✓	✓		
Budget and Performance Management	June 2023	✓	✓	✓		
HRMS	June 2023	✓	✓			
Cyber Security	June 2023	✓	1			
Local Development Plan	June 2023	√				



SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publication and emerging issues relevant to Local Authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, directors and members.

Thurrock approves sale of assets valued at £90m

Thurrock Council could raise over £90m through asset sales to help plug a £470m funding gap.

At an extraordinary general meeting on Monday acting chief executive Ian Wake stated there were five options open to the local authority: raising council tax, asset disposal, revenue savings through rationalisation and transformation, growth and exceptional financial support from the government.

Mark Coxshall, leader of Thurrock (Con), said: "At the moment, we are £470m in debt which we can't cover and that is why we are needing to move for exceptional financial support from the government. These are shocking numbers but the first stage to creating a good plan for recovery is to understand the full extent of the problem."

The council owns a number of properties and cabinet members have approved the disposal of assets valued at circa £92m. Initial findings from the assets disposal workstream also identified further short-term (2022-23 to 2024-25) opportunities and longer-term (2024-25+) of circa £65m. Proposals on further asset disposals will be brought forward for agreement by the cabinet this year. A commercial strategy will also be developed to ensure that where assets are retained, they provide market-level rental yields unless there is a strong business case not to do so.

However, the main issue of contention was the proposal to seek dispensation from the government to raise council tax at a rate that exceeds the national referendum limit. Opposition leader Cllr John Kent (Lab) told LGC that council tax in Thurrock could rise by 7% this year and by 21% over the next three years. Mr Kent also criticised the "total failure of governance" that has led the council to its current financial situation. He said: "This is a mess that's been five or six years in the making, borrowing £1.5bn and investing it in highly risky schemes, whilst trying to keep it as secret as possible.

"They paid £70,000 fighting through the courts not to answer freedom of information requests and elected members were denied the right to ask questions on any of this. This kind of total failure of governance, total refusal to be open or transparent is what's led to this."

Existing short-term debt held by the council and borrowed from other public bodies has been refinanced through the public works loan board (PWLB) allowing the council to repay existing creditors. The cabinet has also agreed on specific actions to divest investments to reduce overall borrowing. Actions to mitigate further impairment on the three most significant problematic investments: Pure World Energy, Just Loans Group, and Toucan/Rockfire have also been implemented, a council report said. A review of all other investments held by the council as part of its investment strategy is currently underway. In an effort to reduce revenue spend the acting director of finance officer has put in place mechanisms to control all non-essential spend, the report added

All spend over £25,000 will require a full business case and three levels of spending control have been installed for reviewing and approving new spend:

- Directorate spending control will require approval of all new spend over £500 from the relevant director, a service representative, and a finance representative.
- An expenditure control panel will meet three times a week to review and approve/reject all business cases.



6

 A strategic approval panel (SAP) will meet twice weekly to review any business case escalations from the ECP and any areas of concern raised by the ECP relating to wider corporate spending patterns.

A 20-year MTFS (Medium Term Financial Strategy) model has also been developed as a starting point for further discussions with DLUHC on exceptional financial support, and the development of a medium-term action plan to return the council to financial sustainability.

However, despite the plans put in place by the council to repair their finances, Mr Kent isn't convinced the council has a long-term future.

He added: "It's really difficult to see how the council can survive, we were told on Monday there is no prospect of the council setting a balanced budget without huge government support for the next six years.

"In year six the deficit will be around £84m and will start to rise again. You have to question how the council will be able to survive."

https://www.lgcplus.com/home/news/thurrock-approves-sale-of-assets-valued-at-90m-12-01-2023/?eea=*EEA*&eea=Vm1DUmxQYkFweFArNkhodzFEWHVQTC9zbUVvSDVjOW1XL3dlK1FtN0lCRT0%3D&utm_s ource=acs&utm_medium=email&utm_campaign=CONE_LGC_EDI_SUBS_Daily_120123&deliveryName=DM107683

Former Council Worker jailed for £1m fraud

A former council worker has been jailed for stealing almost £1m from Birmingham City Council.

Tyler Evans pleaded guilty to one count of fraud by abuse of position, and another of money laundering at Birmingham Crown Court yesterday. He was sentenced to seven years and eight months in prison. Mr Evans previously worked for Birmingham as a member of the highway permit team from 2010 until April 2014. His role was to control the refund of payment bonds to contractors who carried out work on the city's highways. The payment of bonds is a requirement for anyone undertaking work on the highways as a security deposit for any damage they might cause. However, a police and council investigation discovered that Mr Evans arranged for the refunds of these bonds to his own bank accounts or those controlled by his associates.

Kevin Hicks, assistant director, highways and infrastructure at Birmingham, said: "When concerns were brought to the council's attention in 2014 an audit investigation was instigated and subsequently the matter referred to West Midlands Police. Prior to the completion of the audit investigation Mr Evans had been dismissed from the council for other reasons. "Once the fraud was uncovered steps were immediately taken to change the council's internal payment process to strengthen controls and mitigate the risk of this happening again."

Mr Evans had moved to the United States of America before the fraud was detected. However, when the CPS authorised charges against him, an extradition application was lodged with the USA.

CPS lawyers worked with their American counterparts to get the extradition granted in US Courts and he was transferred back to the UK.

Andrew Cant, specialist prosecutor for the CPS said: "Evans fraudulently diverted money, which should have been spent on vital public services such as education, health and social care or the upkeep of the city's roads, for his own personal financial gain.

"We will now pursue confiscation proceedings against him, aiming to recover the criminal property from which he has benefitted."

https://www.lgcplus.com/home/news/former-council-worker-jailed-for-1m-fraud-13-01-2023/

'Urgent solutions' needed to tackle rapid homelessness rise among Ukrainian refugees

Councils need "urgent solutions" to deal with a rapid rise in the number of Ukrainian refugees who are now homeless, the Local Government Association has said. Over two months the number of Ukrainian refugees presenting to their local authority as homeless increased by over 40% to 4,295 households at the end of January. This is up from 2,985 at the end of November 2022.

The LGA said it has been "raising concerns with government on the growing number of Ukrainians presenting as homeless to councils", particularly the "significant rise" in those who arrived on the Homes for Ukraine scheme. According to the most recent data released yesterday by the Department for Levelling Up, Housing & Communities, 2,595 households on the Homes for Ukraine scheme have now become homeless. This is up from 1,720 in November 2022. Almost seven in 10 of the overall total households have dependent children (69%). Of those who came into the UK on the Family Scheme, 1,325 households have now become homeless. A further 80 households from the Ukraine Extension Scheme - which allows Ukrainian nationals whose permission to remain in the UK expired on or before 1 January 2022 to remain in the country - have become homeless.

There are 295 Ukrainian refugee households whose means of entry into the UK is listed as unknown or other, who have now become homeless. In December 2022, the government announced it would be providing councils with a one-off £150m funding pot to support Ukrainians at risk of homelessness. DLUHC also announced an increase in funding given to sponsors as 'thank you payments'. Hosts will receive a £500 per month for guests who have been in the UK for more than a year. This announcement came after it was reported that some councils had begun topping up thank you payments to sponsors on the Homes for Ukraine scheme in order to prevent refugees from becoming homeless. But the LGA has criticised a lack of clarity from government over the £150m homelessness fund: "We are pleased that the government has been working with the LGA and councils on funding to help reduce homelessness risks, but more detail is urgently needed on the £150m announced in December in light of these figures."

The association also expressed concern that there is currently "no funding beyond the first year for councils to help families and find permanent homes" and that the funding provided to councils "in 2023 has halved". "If numbers continue to increase, we want to work with government to review funding," an LGA spokesperson said. They added that more work needs to be done into looking at "how best to support existing hosts and how to encourage new hosts to step forward" in order to allow families to move on quickly if arrangements come to an end. "Councils have been at the sharp end of the rise in the number of people presenting as homeless and need urgent solutions to pressing housing needs in the short and the long term across all the schemes that welcome new arrivals to the UK."

Regionally, London has the largest number of Ukrainian refugees who have fallen into homelessness at 1145, just over a quarter of the total number of households owed prevention duty.

This is followed by the south-east, which has 22% of the total number of Ukrainian refugee households who have fallen into homelessness (947). The north-east has the lowest number of Ukrainian refugee households who have fallen into homelessness, at almost 3% of the total (119). This is followed by the East Midlands which has seen 190 households present to their local authority as homeless, equating to 4% of the total. A London Councils spokesperson said: "Boroughs in the capital are extremely concerned by the number of Ukrainian refugees becoming homeless." They pointed out that "the capital's chronic shortage of affordable housing" had made it "extremely hard to find suitable accommodation for everyone who needs it" and that "pressures remain immense".

"We will continue doing all we can to help Ukrainian refugees into suitable housing and will keep working with government on this important issue. This includes ensuring councils have the resources we need to deliver support on the ground to Ukrainians alongside other refugee and asylum arrivals and the wider community."

https://www.lgcplus.com/services/housing/urgent-solutions-needed-to-tackle-rapid-homelessness-rise-among-ukrainian-refugees-10-02-

2023/?eea=*EEA*#038;eea=Vm1DUmxQYkFweFArNkhodzFEWHVQTC9zbUVvSDVjOW1XL3dlK1FtN0lCRT0%3D&utm_source=acs&utm_medium=email&utm_campaign=CONE_LGC_EDI_SUBS_Daily_100223&deliveryName=DM115536

Nearly 9 in 10 authorities struggle with planning enforcement backlog

Nearly nine in 10 local planning authorities are struggling with a backlog of planning enforcement cases as "unmanageable workloads" mean many councils cannot meet demand, a report by the Royal Town Planning Institute has found.

A survey of 103 local planning authorities carried out by the RTPI revealed that a 43% drop in resources in the planning system since 2009-10 has had a detrimental impact on planning enforcement. Of those surveyed, 80% said they did not have enough planning officers to carry out their workload with 70% responding that they had had difficulty recruiting enforcement officers over the past five years. Almost all of those surveyed (96%) said their planning enforcement action would benefit from a central government pot which could be used to fund direct action.

The RTPI has said that the impact of the new planning enforcement powers rolled out in the Levelling Up and Regeneration Bill could be limited without "sufficient capacity" to hold those who commit breaches of planning regulations to account. Victoria Hills, chief executive of the RTPI described enforcement officers as the "custodians of the planning system" and the "unsung heroes of the planning world".

But Ms Hills added that the enforcement officers the RTPI has spoken to "describe a system falling apart, where unmanageable workloads and insufficient staff has left most councils unable to meet public demand. Struggling to meet even a proportion of the complaints generated by the public, councils are having to put proactive action on the back burner," Ms Hills said.

Izindi Visagie, National Association of Planning Enforcement (NAPE) committee member and partner at Ivy Legal said: "The job of a planning enforcement officer is tougher than ever before. "You upset either a planning offender or a complainant, and often both. Throw in a shortage of resources, training and talent pool and add in court delays and appeal delays, and it's no surprise planning enforcement officers are in low supply and morale."

A spokesperson for the Department for Levelling Up, Housing & Communities said: "We have announced our intention to increase fees so that all local planning authorities can increase their resources. We will consult on these proposals in due course."

https://www.lgcplus.com/services/regeneration-and-planning/nearly-9-in-10-authorities-struggle-with-planning-enforcement-backlog-28-11-2022/

APPENDIX I - DEFINITIONS

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.		
Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.		compliance with some
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address inyear.	controls is weakened	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address inyear.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

FOR MORE INFORMATION: GREG RUBINS

greg.rubins@bdo.co.uk

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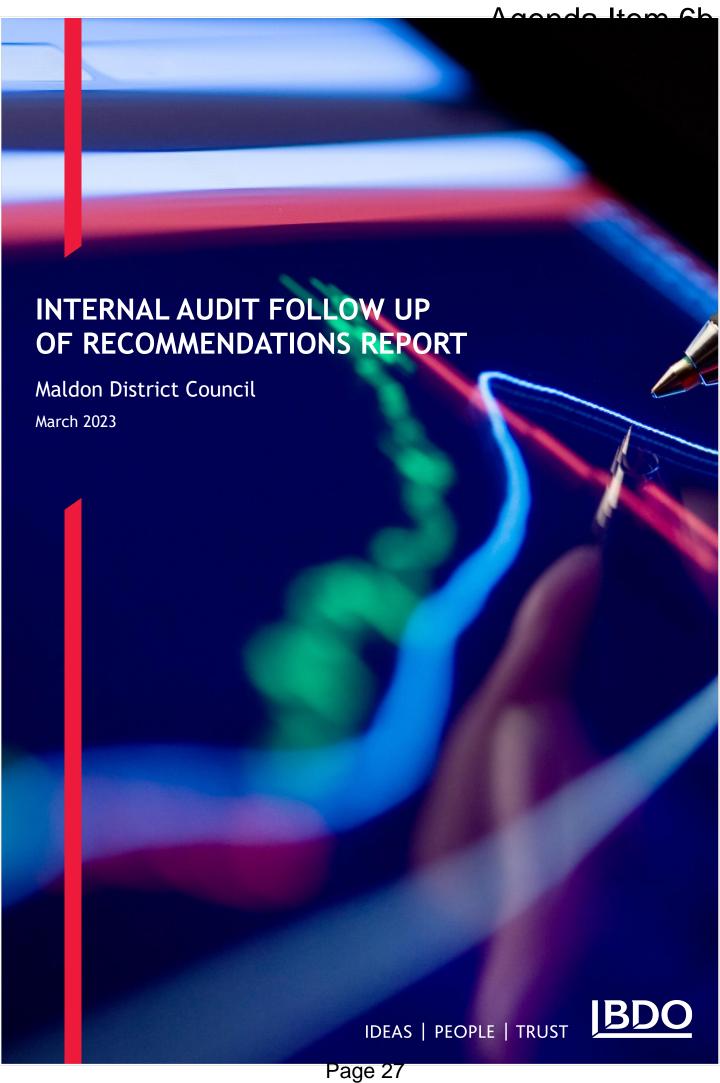
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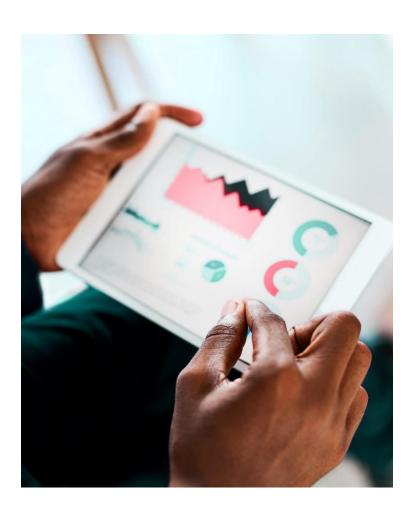
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SUMMARY

2019/20	Total H M L To Complete		olete	Ove	rdue	Not Due					
	Recs				follow up	нм		Н	M	н	M
Flood Risk Management	4	-	4	-	4	-	1	-	3	-	-
Total	4	-	4	-	4	-	1	-	3	-	-

2020/21	Total	Н	М	L	To	Complete		Overdue		Not Due	
	Recs				follow up	Н	М	Н	M	Н	M
Knowledge Management	3	-	3	-	3	-	2	-	1	-	-
Total	3	-	3	-	3	1	8	-	1	-	-

2021/22	Total Recs	Н	М	L	To follow	Complete		Overdue		Not Due	
	Recs				up	Н	М	н	М	н	M
Management of Property	4	1	3	-	4	-	1	1	2	-	-
Commercialisation	4	-	1	3	1	-	-	-	-	-	1
Contract Management	3	-	3	-	3	-	-	-	-	-	3
Total	11	1	7	3	8	-	1	1	2	-	4

2022/23	Total Recs	Н	М	L	To follow up	Comp H	olete M	Ovei H	rdue M	Not H	Due M
Corporate Governance	2	-	2	-	2	-	2	-	-	-	-
Payment Controls	4	1	3	-	4	1	3	-	-	-	-
Flood Management	2	-	2	-	2	-	-	-	1	-	1
Safeguarding	4	1	3	-	4	-	-	-	1	1	2
Strategic Performance - Place	2	-	1	1	1	-	-	-	-	-	1
Community Safety	2	-	1	1	1	-	-	-	-	-	1
Total	15	2	11	2	14	1	5	-	2	1	5

SUMMARY

2019/20

▶ Flood Risk Management - Three recommendations remain overdue despite an extended implementation date as part of the recent 2022/23 review. These are reported below.

2020/21

Of the 2 high and 10 medium recommendations raised in 2020/21, there has been movement as per below:

▶ Knowledge Management - There remains one medium priority recommendation which has a further revised implementation date of June 2023. This is reported below as overdue.

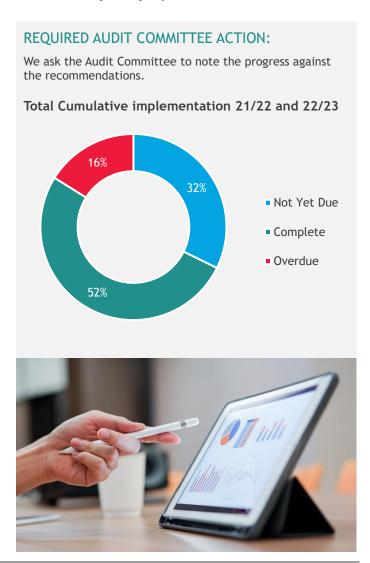
2021/2022

1 high and 16 medium recommendations were raised in 2021/22 in total. No recommendations have become due since the previous PGA.

2022/2023

2 high and 11 medium recommendations have been raised as part of the 2022/23 plan to date. Of these, three have become due:

- ▶ Corporate Governance Both recommendations have now been implemented and reported as complete below.
- Safeguarding One recommendation has become due and is not yet fully implemented.



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
		2022	:/23		
Corporate Governance	The report from the CGWG should be reconsidered by the Council. If the Council is unwilling to accept the full recommendations at this time it should be considered whether separate voting be done on the recommendations of the report, to allow adoption of some of the other five improvements in the absence of the full report being approved.	Medium	Cheryl Hughes	31 December 2022	The area planning matter was reconsidered, as recommended, by Council on 15 th December 2022. Additionally, Overview and Scrutiny committee also has a workplan item of planning decision making so the wider points are also being picked up.
Corporate Governance	A) The Council should continue to remind Members of the importance of completing regular training, which for key areas such as Planning, Licensing and Scrutiny should be on an annual basis. B) Due to Scrutiny training being considered mandatory, the Council should assess if it is appropriate to remove Councillors from committees where they have not yet completed the necessary scrutiny training, similar to those who do not attend Planning and Licensing training who have their roles reduced and are temporarily prevented from voting on certain items.	Medium	Cheryl Hughes	31 January 2022	A) Draft training onboarding plan agreed at working group 30/01. Members agreed to mandatory courses to be added, and comms on the training dates will be shared with Members far in advance to ensure attendance (when they register as an election candidate). B) Working group agreed with the mandatory training element. While there has not been a constitutional update, it has been advertised for the Member onboarding. Once the PGA working group is set up, it is something we would take back through them if there is an issue with compliance. Audit Comment: Minutes from the onboarding group were seen and

5

RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they missed their agreed implementation date or no update has been provided.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS		
	2019/20						
Flood Risk Management	The Council should design and implement a formal SUDS strategy that includes the designated responsibilities and formal governance arrangements to manage and monitor SUDS. Training should be provided where necessary potentially incorporating this as part of the wider flooding risk management training	Medium	Damien Ghela	30 September 2021 34 January 2022 34 December 2022 30 June 2023	Maldon Council are not the lead flood authority. Flooding responsibility sits with the EA and Essex County Council. As such, Maldon are governed by the ECC wide SUDS strategy and flood strategy which ECC control. However, MDC have our own master list. It is intended that this will be formed into a more strategic document to support the County wide strategies. The Maldon Master Flood List has been given to partners for update. An adapted Strategy will be drafted after the list is updated.		
Flood Risk Management	Discussion should be held with external bodies on the training support they may be able to provide and discussions should also be held with the service delivery officers on the elements they would like covered in training.	Medium	Damien Ghela	30 September 2021 34 January 2022 34 December 2022 30 June 2023	Anglian water have engaged with recent flood partnership meetings however, there are no flood management training courses other than ad-hoc, informal training. The Officer overseeing the Flood Workstream has had partnership meetings to discuss Maldon's flood risk requirements.		
Flood Risk Management	The Council should ensure all staff across the Council work-streams involved in managing flooding risks undertake and complete training on flooding risk management. The Council should consider involvement and representation from external flooding agencies to lead on specific training as required.	Medium	Damien Ghela	30 September 2021 31 January 2022 34 December 2022 30 June 2023	Anglian water have engaged with recent flood partnership meetings however, there are no flood management training courses other than ad-hoc, informal training. The Officer overseeing the Flood Workstream has had partnership meetings to discuss Maldon's flood risk requirements. Audit Comment: Given the similarities in the two above recommendations and work being done to complete these, it is suggested that these are amalgamated as one action whereby training needs are collated and external agencies are utilised to deliver this training where possible.		

2020/21					
Knowledge Management	Ensure all BCPs are updated and held centrally	Medium	Hannah Wheatley	31 December 2021 34 December 2022 30 June 2023	Initial discussions with another local authority in Essex to see how they may be able to assist. The proposal is for the LA to share all templates and activity they have undertaken. Current thinking is to build this work into the service planning work this spring. Service delivery will be re shaped over this period and Heads of Service will have the clarity over the services to complete. We have also reviewed out statutory service lists to establish what must continue in the event of disruption (this work is in connection with possible national power failure) so activity is happening there. In addition, IT maintain the Disaster Recovery Plan of all ICT which of course underpins BC.
		20	022/23		
Flood Risk Management	The Council should review the Action Plan to assess whether it could be further improved to incorporate the key risks, controls and action owners and to ensure that the projects sufficiently cover all of the specific flooding risks faced by the Council.	Medium	Damien Ghela	34 December 2022 31 March 2023	Original action from 19/20 review was completed, However, through the new flood risk management audit a further improvement has been identified with a recommendation made. This is being worked on and will be updated in due course.
Safeguarding	A) All required attendees should be reminded of their responsibility to attend the bi-monthly safeguarding meetings and continual non- attendance escalated to CLT		Damien Ghela and Alistair Morrell	34 January 2023 31 May 2023	A) Current DSOs have been reminded of the need to attend the safeguarding meeting. Work on updating our DSOs has begun. It was a discussion point in the Safeguarding and ASB meeting on the 09/02/23.
	B) A tracker should be introduced within the safeguarding meeting to ensure the attendees are able to monitor progression of any actions raised.				B) This was also part of discussions. The action tracker should be in place from April 2023 meeting onwards.

FOR MORE INFORMATION: GREG RUBINS

greg.rubins@bdo.co.uk

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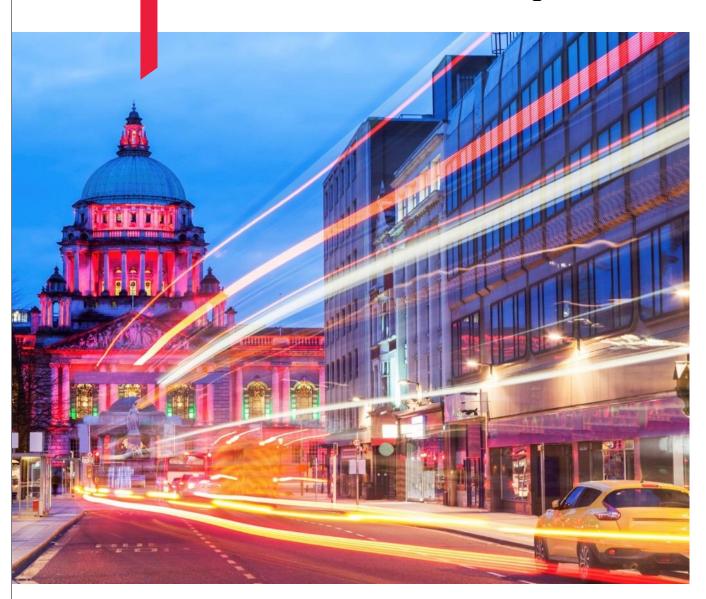
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Agenda Item 6c



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

CONTRACT MANAGEMENT JANUARY 2023

LEVEL OF ASSURANCE				
Design	Operational Effectiveness			
Moderate	Moderate			



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DISTRIBUTION	
Chris Leslie	Director of Resources
Richard Holmes	Director of Service Delivery and Head of Paid Service
Carol Love	Waste & Street Scene Manager
Steven Butcher	Commercial Manager

REPORT STATUS LIST

Auditors: Freya Beard

Dates work performed: 11/04/2022 - 19/05/2022

Draft report issued: 24 June 2022

Final report issued: 17 January 2023

EXECUTIVE SUMMARY				
LEVEL OF ASSU	JRANCE: (SE	E APPENDI	X I FOR DEFINITIONS)	
Design	Design Moderate There is a sound system of internal control designed to achieve system objectives.			
Effectiveness	Moderate	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.		
SUMMARY OF F	RECOMMEND	OATIONS: (S	EE APPENDIX I)	
High		0		
Medium		3		
Low		0		
TOTAL NUMBER OF RECOMMENDATIONS: 2				

BACKGROUND:

The Council enter contracts with suppliers following the procurement process to formalise a legal binding agreement for the service provided, including payment processes, responsibilities of both parties, warranties, etc. While these contracts are ongoing the Council will monitor, manage and take action if the supplier is not adhering to the conditions agreed in the contract.

Sound contract management practices enable the Council to gain ongoing assurance that contracts continue to meet their aims and support Council objectives, along with timely information on potential contract issues to facilitate early resolution.

This review focussed on contracts for:

- 1. Waste and recycling
- 2. Street Cleansing
- 3. Leisure
- 4. Public convenience cleaning

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We also obtained a copy of the Contract Management Policy (2021) to review the processes in place. We obtained a copy of the latest contracts register and selected a sample of contracts under the agreed focus areas. In total five contracts were selected, which included two waste and recycling contracts (the main Council refuse service and a smaller specialist service for comparison), the main Leisure operator contract, the street cleaning contract, and the public convenience cleaning contract.

We sought documentary evidence that the controls are designed and operating as described, by reviewing the signed contracts, and a sample of meeting minutes and KPI reports. We also discussed the arrangements with the contract manager for each of our sampled contracts.

GOOD PRACTICE:

We noted the following areas of good practice:

- A Contract Management Policy is in place which is supplemented by an additional Contract Procedures Rules document. The policy was formally approved by the Council in February 2021 and is set to be reviewed again in 2024. The policy is well detailed and outlines the roles and responsibilities of directors and officers in relation to contract management
- For a sample of five key suppliers we were able to verify a signed contract was in place
- KPI's, where in place, were monitored in line with requirements with those on higher value contracts being reported to Members on a quarterly basis
- For all high value contracts penalties had been included in the contract
- Break clauses were included in all of our sampled contracts
- Where meeting minutes and monitoring reports were available, we were able to agree that issues with performance (such as logged issues and resident complaints) had been shared with the contractors.

KEY FINDINGS:

We have raised the following key findings:

- Meeting minutes for two sampled contractor meetings and an annual review were not available, and one annual review had not taken place. Meetings and annual reviews were not required with some contractors (Finding 1 - Medium)
- There were no KPI or formal performance monitoring arrangements in place for one of the key sampled contracts for public convenience cleaning (Finding 2 Medium)
- Risk assessments and risk registers were not able to be evidenced as maintained for any contracts reviewed, in breach of the Contract Procedure Rules (Finding 3 -Medium)

CONCLUSION:

In conclusion, we note there is a clear contract management policy and procedure rules document in place. Detailed contracts were available that had been signed and included sufficient details on penalties, termination and monitoring. Meeting minutes and monitoring reports, where available, were satisfactory. However, we have raised three medium findings in relation to the absence of formally documented meetings and reviews and KPIs lacking in some of our sampled contracts as well as clear risk assessments not having been completed and risk registers maintained.

We have concluded a moderate operational design and moderate operational effectiveness opinion.

DETAILED FINDINGS

RISK: THERE ARE NO CONTRACT MANAGEMENT MEETINGS IN PLACE WITH THE PROVIDERS TO ENABLE REGULAR CONTRACT DISCUSSIONS TO TAKE PLACE. MINUTES AND/OR KEY ACTIONS ARE NOT FORMALLY RECORDED AND ARE NOT ACTIONED WITHIN AGREED TIMESCALES

Ref Significance Finding

1. Medium

Per the Contract Procedure Rules (2021) a pre-contract meeting should be held between the Council and contractor to agree a monitoring arrangement and regular meeting schedule prior to the start of the contract. The frequency of the meetings should be relative to the complexity of the contract/service.

To assess this, we reviewed the meeting arrangements set out in the contracts for our five sampled suppliers and discussed the arrangements with the contract owner. Where applicable, we then selected a further sample of meeting minutes to review.

We identified:

- 1. One contract (Places for People) stated meetings should be held monthly. For a sample of three months, minutes were only available for one of these. However, from review of this set of minutes and discussions with the contract lead, there is good discussion of KPIs, finances as well as discussions on any contractual issues.
- 2. Two contracts (Appletons and Kingdom) stated meetings should be held on an ad-hoc basis, with a formal annual review. There were no minutes available for the meetings, so we were unable to assess the frequency or format of these. There was also no reports or minutes available for either of the formal reviews and management confirmed only one formal review had taken place
- 3. The remaining contract (General Holding Ltd) was a low value, specific service (£8k value) and therefore did not require a regular meeting schedule (as determined in the Contract Procedure Rules).

For the three contracts where there were no regular formal meetings, we discussed the arrangements with the contract manager. We were advised that although there were no formal meetings the nature of the contracts means there is regular informal meetings and contact between the Council and contractor.

Without formally held and documented meetings, there is a risk that discussions and key actions will not be recorded and therefore potentially not followed up on. For significant contracts it is important to ensure a level of record keeping in case issues need to be escalated or contract ownership changes.

RECOMMENDATION:

A) The Council should ensure the Contract Procedure Rules are adhered to, including formal monthly meetings with contractors as well as any annual requirements. These may wish to be in line with the requirements established as part of Recommendation A in Finding 2 whereby a threshold value is used.

B) Where it has been agreed that regular meetings or annual reviews will take place, contract managers should ensure sufficient audit trails are maintained, including formal minutes being taken and actions retained.

MANAGEMENT RESPONSE:

Regarding the Places Leisure contract monthly management meetings are now minuted & in place. KPI's are monitored on a monthly basis by the extended leadership team (via the balanced scorecard) During the period of the audit a number of meetings had taken place in person on site, but the focus was specifically on post covid performance, commissioning & decommissioning of the covid test centre at the Leisure Centre (& any associated issues with operations) and financial information.

The post covid meetings in relation to the contract are no longer required. Whereas the monthly contractual meetings have now resumed as normal.

Responsible Officer: Steve Butcher Implementation Date: Completed

For the Appletons contract quarterly meeting now take place and minutes kept. The Kingdom contract has quarterly joint inspections of all facilities - no minutes but notes kept on any items that need attention.

Responsible Officer: Carol Love Implementation Date: March 2023

- A) We will remind Officers of the requirements of the CPRs and the guidance. Training sessions have been provided and guidance will continue to be given in terms of the requirements for a tender process and the resulting contract. We have a toolkit that provides support around Contract Management and a guidance pack which can be reinforced with Officers. Going forward we will ensure that all higher value contracts have robust and appropriate KPIs and contract management requirements in place prior to commencing the tender process.
- B) Officers are advised to retain all documentation and communication for procurements they complete, and this will be reiterated to them. In addition, Procurement also holds copies of documentation and a signed copy of the contract for all new contracts placed. We are and will continue to ensure that fully signed and agreed contracts are placed and held by the contract manager and procurement. We will keep minutes from all meetings and update the risk registers where appropriate.

Responsible Officer: Debbie White Implementation Date: March 2023

DETAILED FINDINGS

RISK: MONITORING MECHANISMS, SUCH AS KEY PERFORMANCE INDICATORS (KPIS), ARE NOT IN PLACE AND MONITORED EFFECTIVELY TO ENSURE THE SERVICE IS PROVIDED IN LINE WITH THE CONTRACT. KPIS ARE NOT SMART INDICATORS, DO NOT COVER ALL ASPECTS OF THE SERVICE OR ARE NOT SUBJECY TO SUFFICIENT SCRUTINY BY THE COUNCIL

Ref Significance Finding

2. Medium

Monitoring mechanisms, such as Key Performance Indicators (KPIs), should be in place for key contracts and should be regularly reviewed and reported on. The Contract Procedure Rules states KPIs should be set by the Council and included in the tender documents, in order to set expectations with contractors. These should then be monitored by the Council throughout the life of the contract.

For three of the five contracts reviewed as part of our sample, we confirmed there were KPIs in place. For one this involved quarterly reporting on fly tipping levels, another was the monthly data on missed bins and waste tonnage and the final was monthly data on leisure centre participation. In all cases our sampling showed the figures had been collated and adequately analysed as described.

However, for the two remaining contracts we did not identify any form of KPI targets or monitoring. One of these samples (General Holding Ltd) is a low value, specific service relating to clinical waste (£8k value) so would not necessarily require regular KPI monitoring. However, the other (Kingdom Services) was a contract of significant value (£997k - albeit over 12 years) and related to public convenience cleaning.

Without sufficient performance arrangements and easily measurable targets the Council is at risk of not adequately monitoring contractors and identifying potential issues with service delivery in a timely manner.

RECOMMENDATION:

- A) The Council should review the Contract Procedure Rules and ensure it provides sufficient, actionable guidance as to when KPIs should or should not be formally set out during the tendering process (eg. all contracts over £50k should have KPIs or those deemed high risk or high profile as part of their risk assessment) and included as part of the contract and ongoing monitoring arrangements.
- B) The Council should review the current KPI and performance monitoring arrangements with its key contractors, based on the thresholds decided as part of a) to ensure sufficient arrangements in place

MANAGEMENT RESPONSE:

A) Additional Contract Management guidance is provided in the toolkit and also within the Contract Management training / guidance slides. Further guidance is given preprocurement. We will ensure further training and guidance is given to contract managers prior to commencing the tender process, and support where appropriate

- throughout the life cycle of the contract. We will review the Contract Procedure Rules and assess the thresholds for KPIs and contract monitoring.
- B) We are currently working to put in place longer term contracts, where defined robust KPIs and monitoring arrangements can be added at the earliest stage, then continue throughout the contract following award. We will ensure that all high value contracts over £50k will have KPIs and detailed contract management appropriate to the contract is in place.

Responsible Officer: Debbie White Implementation Date: May 2023

DETAILED FINDINGS

RISK: CONTRACT OWNERSHIP, ROLES, AND RESPONSIBILITIES, INCLUDING CONTRACTOR RELATIONSHIP MANAGEMENT ARE NOT DEFINED OR ARE INADEQUATE AND/OR INEFFECTIVE

Ref Significance Finding

3. Medium

We noted that the Contract Procedure Rules (2021), section 20 includes detail on risk assessment and contingency planning, stating:

For all contracts with a value of over £50,000, contract managers must:

- maintain a risk register during the contract period;
- undertake appropriate risk assessments and for identified risks;
- ensure contingency measures are in place.

To assess whether this was in place we discussed the risk assessment process with Contract Managers. We were advised that although contractors may conduct their own risk assessments for services they perform for the Council and contingency plans have been put in place in response to situations such as Covid-19 and extreme weather, management do not maintain a risk register specifically relating to contracts. However, we were provided with one for Suez (waste and recycling) but this was dated 2015.

The procedure rules also include a table which helps managers identify whether contracts are low, medium or high risk. They state that in the case of high-risk contracts, monthly formal reviews with the contractor should occur. Whilst four of our five sampled contracts exceeded the £50k threshold for the above, from our review of the documentation associated with each of our sampled contracts and discussions with management we could not identify that a formal risk status had been applied to the contracts.

There is a risk contracts are not being assessed and monitored as prescribed in the Contract Procedure Rules resulting in insufficient levels of contract management.

RECOMMENDATION:

- A) The Council should ensure Contract Managers are aware of the need to maintain a risk register and undertake risk assessments and contingency planning for high value contracts
- B) All contracts should be assessed and have an agreed risk status applied of high, medium or low at the start of the contract, in order to easily determine which requirements of the policy will apply to the management of the contract going forwards.

MANAGEMENT RESPONSE:

Places Leisure currently hold a risk register in relation to the delivery of the service & operations. A risk register for the contract risks/issues will be set up as per our contractual guidelines. A risk status will also be applied.

Responsible Officer: Steve Butcher Implementation Date: March 2023

- A) Higher value contracts that require committee approval should include potential performance monitoring and KPIs appropriate and proportional to the specific contract. Once finalised these will then be included in the tender documentation on commencement of the procurement. We will ensure that the need for risk assessments and registers are reinforced with updated Contract Procedure Rules disseminated to staff with training provided where necessary.
- B) Assessment of risk factors/status identified and included in the tender documentation to allow for proportionate contract monitoring and KPI requirements.

Responsible Officer: Debbie White Implementation Date: March 2023

For the Suez, Kingdom and Appletons contracts a risk status will be applied.

Responsible Officer: Carol Love Implementation Date: March 2023

STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Carol Love Waste & Street Scene Manager

Steven Butcher Commercial Manager

APPENDIX I - DEFINITIONS					
LEVEL OF	DESIGN OF INTERNAL C	ONTROL FRAMEWORK	OPERATIONAL EFFECTIVENESS OF CONTROLS		
ASSURANCE	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.	
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.	
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.	
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.	

RECOMME	RECOMMENDATION SIGNIFICANCE			
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

To review the design and effectiveness of controls in relation to contract management for key contracts held by the Council.

KEY RISKS:

The following potential key risks have been developed through discussions with management, using our collective audit knowledge and utilising the risk assessment undertaken during the development of the internal audit operational plan. These are potential risks associated with the area under review, and not conclusions drawn, which will be considered as part of the audit testing to assess whether they are actual risks to the Council:

- Contract ownership, roles, and responsibilities, including contractor relationship management are not defined or are inadequate and/or ineffective
- Signed contracts with the Council's suppliers are not in place, therefore no assurance that the terms and conditions of the contract are acceptable to the Trust
- There are no contract management meetings in place with the providers to enable regular contract discussions to take place. Minutes and/or key actions are not formally recorded and are not actioned within agreed timescales
- Monitoring mechanisms, such as Key Performance Indicators (KPIs), are not in place and monitored effectively to ensure the service is provided in line with the contract.
 KPIs are not SMART indicators, do not cover all aspects of the service, or are not subject to sufficient scrutiny by the Council
- Areas of poor performance by the provider are not addressed and escalated as a risk
 within the Trust where necessary. Penalties are not included within the contract to
 penalise the provider for ongoing poor performance or break clauses have not been
 referenced within contracts

SCOPE OF REVIEW:

The following areas will be covered as part of this review:

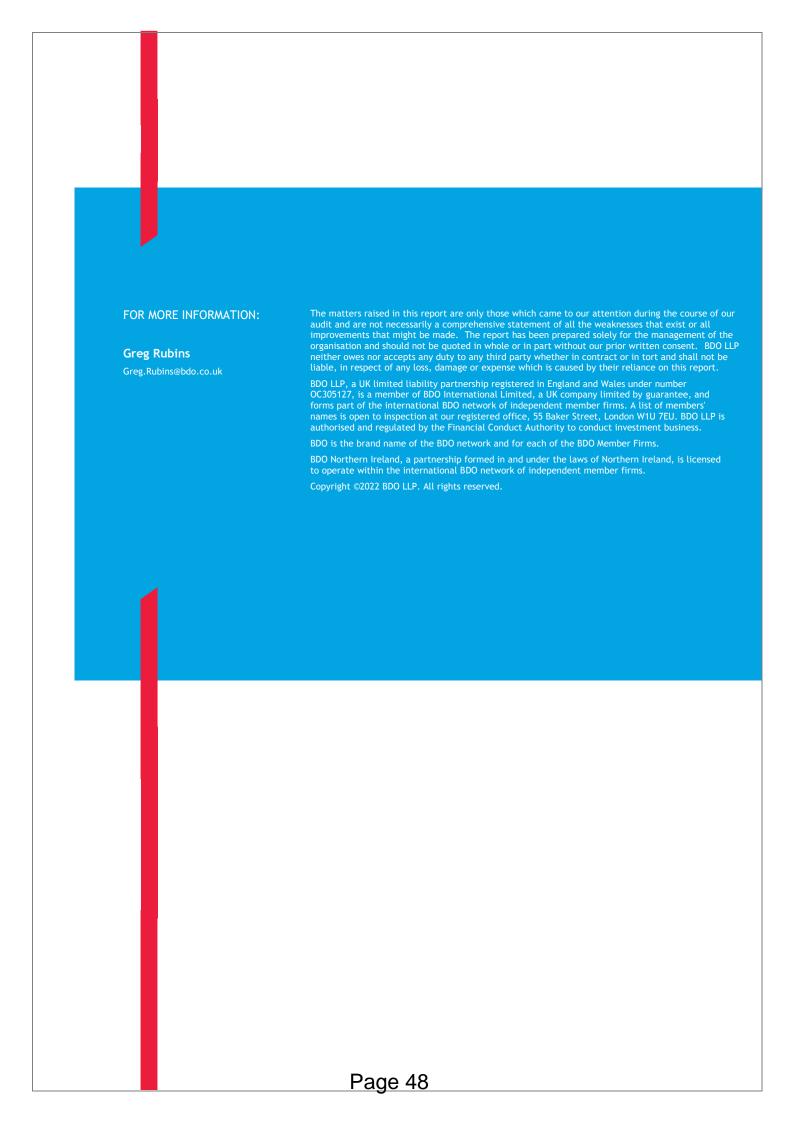
- Analyse the Council's contract procedure rules to ensure sufficient guidance on contract management requirements are included
- Review of contracts to establish KPIs and assess whether these are reviewed and monitored on a regular basis with the contractors
- Check regular contract management meetings take place and any actions are documented with timeframes.

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

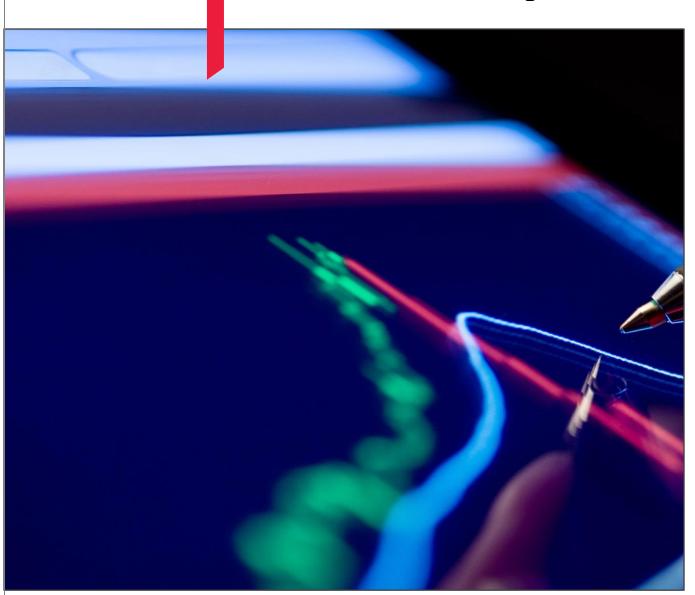
APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.



Agenda Item 6d



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

SAFEGUARDING JANUARY 2023

Design Opinion Limited Moderate **Design Effectiveness**



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DISTRIBUTION	
Richard Holmes	Director of Service Delivery and Head of Paid Service
Damien Ghela	Lead Specialist Community
Debbie White	Lead Specialist Procurement
Joshua Fulcher	Strategic Theme Lead
Al Morell	Resources Casework Manager

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

REPORT STATUS	
Auditors:	Stef Kempster
Dates work performed:	08/06/2022 - 14/10/2022
Draft report issued:	18 October 2022
Final report issued:	17 January 2023

EXECUTIVE SUMMARY

BAF REFERENCE:





BACKGROUND

- ▶ Safeguarding is the right for children, young people and vulnerable adults to participate and be safe in the services provided for them regardless of age, race, disability, culture or gender. This includes a right to protection from abuse.
- Local Authorities have a duty to ensure that the well-being of children, young people and vulnerable adults is promoted, and they are kept safe.
- In Essex Local Authorities follow the Southend, Essex and Thurrock (SET) guidelines which outline the basic safeguarding procedures. Maldon District Council can carry out its responsibilities by ensuring that the needs and interests of children, young people and vulnerable adults are considered by all Councillors, employees, volunteers and contracted services and when taking decisions in relation to service provision. It should also ensure that unsuitable people are prevented from working with children, young people and vulnerable adults through the Council's 'Safe Recruitment Procedure'.
- Our internal audit in 2020 provided moderate assurance on safeguarding arrangements, with one high finding relating to inadequate documentation. Since the previous audit was completed, the Council has begun to use their FreshServe software as their case management system for handling safeguarding concerns.

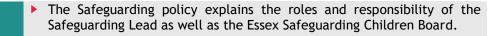
AREAS REVIEWED

We reviewed some of the previous risk areas identified in an audit undertaken in 2020. Where work had been completed or marked as in progress we obtained evidence to assess if this has been implemented. Additionally, we reviewed the policies and procedures to confirm these were adequate, undertook a walk-through of the new case management system to assess whether it is effective in recording and reporting safeguarding concerns and evaluated whether the bi-monthly safeguarding meetings were effective in raising safeguarding concerns.



Our review noted the following areas of strength:

- ► The new Case Management System used to record and report safeguarding concerns is user-friendly and effective in ensuring concerns are addressed and monitored in a timely manner.
- ▶ From our sample of 5 safeguarding concerns, we were able to confirm that the cases had been addressed adequately with a clear audit trail and evidence retained.





- ▶ We were unable to confirm if the Council has a clear list of volunteering organisations that they currently work with and ensure if safeguarding checks are being carried out, including if the volunteers provided by the organisation would be coming into contact with children, young persons or vulnerable adults and therefore whether supervision would be required (Finding 1 High)
- ▶ Whilst some departments within the Council have contractor arrangements to ensure safeguarding procedures are in place, and the procurement team intend to include this in future tenders, the process is not centralised, and no assurance can currently be given that this is operating across all departments (Finding 2 -Medium)
- ▶ The bi-monthly safeguarding meetings are not being utilised effectively as attendance is low for the meetings. Furthermore, there is no clear tracker to monitor and confirm actions raised are being addressed (Finding 3 Medium)
- ► The Council's Safeguarding Policy was last updated in November 2000 and contains reference to Officers who are no longer at the Council (Finding 4 Medium)



The Council have introduced an effective case management system to allow them to address and monitor safeguarding concerns. However, the current controls in place for ensuring safeguarding procedures are implemented for volunteers and contractors are not fully effective and require centralisation to ensure the Council have clear oversight of the process.

Bi-monthly safeguarding meetings have low attendance, reducing the ability of the meetings to monitor and address safeguarding concerns.

Overall, we have concluded a limited assurance over the design and moderate assurance over operational effectiveness of controls in relation to safeguarding.

DETAILED FINDINGS

1

TOR Risk:

Insufficient arrangements to vet, monitor and supervise staff/volunteers

Significance





FINDING

When the Council host events and use volunteers, oversight is provided by the Safety Action Group (SAG) which is Chaired by the Safeguarding Lead. The purpose of the SAG meetings is to review the event organiser's plan, providing advice on public safety and to scrutinise safeguarding measures for both the organiser, any volunteers and third-party members.

The Council also use other volunteer organisations outside of events for example to support the covid pandemic. Our discussions with the Director of Maldon and District CVS, a key volunteer organisation the Council work closely with, confirmed that safeguarding issues are being considered by the volunteer organisation. However, the Council do not currently request evidence that the volunteer organisations are fulfilling their safeguarding obligations.

We were also unable to confirm if the Council has a clear list of volunteering organisations that they currently work with and ensure if safeguarding checks are being carried out for these organisations as no evidence was provided to us.

Furthermore, there is no record in place detailing the usage and the names of individual volunteers from the organisations, and whether a DBS reference has been provided by the volunteer agency or the individual themselves. There is no record of whether the volunteers provided by the organisation would be coming into contact with children, young persons or vulnerable adults and therefore whether supervision would be required.

Without a definitive list of former and current volunteers, and confirmation as to whether the nature of their work involves contact with vulnerable persons, the Council cannot know whether a DBS check is required and/or has been completed. Therefore, there is a risk that the Council may fail to discharge its safeguarding responsibilities



RECOMMENDATION

- a) The Council should ensure they maintain an updated list of all volunteer organisations they currently work with and detail:
 - i. Whether volunteers would be coming into contact with children, young persons or vulnerable adults
 - ii. Who the onus of performing a DBS check rests with
 - iii. Whether volunteers have had a DBS check
 - iv. Whether supervision is required.
- b) The Council should ensure they obtain evidence from the volunteer organisations that sufficient arrangements are being carried out to vet, monitor and supervise volunteers by carrying out annual spot checks or request information for specific volunteers if their services are needed



MANAGEMENT RESPONSE

The Safeguarding Lead will introduce an addendum to the proforma used when entering into agreement with Volunteer agencies or services. The proforma will set out Maldon's safeguarding expectations and contact/escalation pathways.

The Strategy Theme Lead will be the principal custodian for the inter-authority agreements with volunteer organisations.

Inter-Authority Volunteer Agreements set up as part of a Maldon event will be collated as part of the Safety Advisory Group (SAG).

All Volunteer Inter-Authority Volunteer Agreements will be stored in the Maldon Safeguarding SharePoint. The SharePoint folder will be accessible to both the Strategy Theme Lead and the Chair and Co-Chair of the SAG.

The Lead Specialist - Community (Safeguarding Lead) will remain the contact point for all safeguarding concerns involving volunteers.

The Safeguarding Lead will meet with the Volunteer Organisation bi-annually to review safeguarding processes.

Responsible Officer: Damien Ghela/ Joshua Fulcher

Implementation Date: March 2023

2

TOR Risk:

Inadequate contractor arrangements to ensure safeguarding procedures are in place

Significance





FINDING

A finding was raised on this risk area in a previous audit carried out in 2020. The Lead Specialist Procurement Officer noted that the finding and recommendation raised had not been communicated to the Procurement team. As a result, the recommendations have not been fully implemented.

However, departments within the Council are ensuring contractors are implementing safeguarding procedures. For example, the Housing Specialist Lead confirmed that a vetting process is carried out for each contractor the Council decide to work with which includes the contractor agreeing to the Council's SLA detailing the safeguarding issues.

The Lead Specialist Procurement Officer confirmed that the team are due to commence several tenders over the next few months to put in place frameworks/contracts for construction works, electrical works etc and Safeguarding will be included and recorded where appropriate.

Overall, whilst there has been progress by certain departments in ensuring adequate contractor safeguarding arrangements are in place and the Procurement team intend to factor safeguarding into future tendering, there is currently no centralised process in place. Whilst the Safeguarding policy notes that contractors agree to adhere to the requirements of the policy, it is not clear as to what they are agreeing to do or if this is enforced. Therefore, it is unlikely there is consistent approach being adhered as per the policy across the Council and if there is a central record of the progress and evidence from the different departments confirming safeguarding checks are being undertaken.

In the meantime, if suppliers are not required to provide assurances over safeguarding controls there may be inappropriate contact between contractor staff and vulnerable children and adults.



RECOMMENDATION

- a) The Council should compile a list of contractors which it uses regularly, who may come into contact with children, young persons or vulnerable adults. Once this list has been compiled, the Council should contact the providing organisations to gain assurance that the necessary pre-employment checks have been carried out and whether a DBS check needs to be carried out prior to performing work for the Council.
- b) The Procurement team should liaise with each department to ensure the recommendations are being carried out and hold a central document to confirm this is being actioned.



MANAGEMENT RESPONSE

The Lead Specialist - Procurement will ensure that each service/dept will hold a record of the contractors/suppliers they use and will update with them on a bi-annual basis.

This will confirm all checks and records (including DBS checks where appropriate) are up to date, in line with the MDC safeguarding policy as well as the "Contractor and suppliers responsibility for safeguarding" document.

Regular meetings have been diarised to roll out the recording template to ensure a consistent approach to safeguarding with all appropriate services across the Council.

The Lead Specialist - Community (Safeguarding Lead) will remain the contact point for all safeguarding concerns involving Contractors.

Responsible Officer: Debbie White/Damien Ghela

Implementation Date: March 2023

3

TOR Risk:

The bi-monthly safeguarding meetings are not being used effectively to raise any safeguarding concerns and provide a forum to undertake lessons learnt reviews from previous cases

Significance





FINDING

In order to ensure the Council are effectively dealing with safeguarding concerns, the Council have set up a safeguarding group to discuss any issues and provide advice. There are Terms of Reference which list the roles and responsibilities of the group and the requirement to meet bi-monthly.

We reviewed the Safeguarding meetings for the months December 2021 to February 2022 and confirmed they were minuted. However, the attendance was low with 4/9 Officers present in the December 2021 meeting, 3/9 Officers present in the January 2022 meeting and 4/9 Officers present in the February 2022 meeting. We also noted that there were no meetings undertaken from March 2022 to May 2022 due to poor attendance.

Furthermore, whilst there is a clear agenda for each meeting, it is not clear from the minutes if actions that are raised are being monitored and completed.

If attendance of the Safeguarding meetings is not well attended there is a risk that the meetings are no longer effective in addressing safeguarding concerns, resulting in the Council failing to deliver on its safeguarding responsibilities.

If there is no clear tracker confirming actions raised from the meetings have been addressed there is a risk that important actions go unresolved.



RECOMMENDATION

- a) All required attendees should be reminded of their responsibility to attend the bimonthly safeguarding meetings and continual non-attendance escalated to CLT
- b) A tracker should be introduced within the safeguarding meeting to ensure the attendees are able to monitor progression of any actions raised.



MANAGEMENT RESPONSE

Thought has been given about reducing the frequency of the meetings or adjusting the core membership.

A new TOR will be drafted to reflect any changes to the Maldon Safeguarding Meetings. This will also deal with TOR Risk 4 - Updating the list of Safeguarding Leads.

A tracker will be added to future minutes to better track progress of actions arising.

Responsible Officer: Damien Ghela/Al Morrell

Implementation Date: January 2023

4

TOR Risk:

Safeguarding policies are inadequate and/or are not adhered to

Significance





FINDING

The Council has a Safeguarding policy which explains the roles and responsibility of the Safeguarding Lead, other Officers within the Council as well as the Essex Safeguarding Children Board.

The policy also explains the procedures required when dealing with a safeguarding issue. This is split out into three potential pathways:

- If the child/young person or vulnerable adult is thought to NOT be in immediate danger
- If the child/young person or vulnerable adult is thought to be in immediate danger
- If an allegation is against a member of staff or another Councillor

However, we noted that the policy has not been updated since November 2020 and currently contains Safeguarding Officers who are no longer relevant.

Furthermore, the Safeguarding Lead believes that the policy could be more precise and streamlined to enable staff to understand the process quickly and with ease.

If Safeguarding policies are not reviewed and updated there is a risk that they are no longer relevant potentially leading to the Council not acting on their safeguarding duties causing reputational damage.



RECOMMENDATION

The Safeguarding policy should be updated to reflect the current safeguarding leads and reviewed annually for any updates as required.



MANAGEMENT RESPONSE

The Safeguarding Lead will work with the Deputy Safeguarding Lead to update the list of Designated Safeguarding Officers across the Council.

The Safeguarding Lead will work with the Deputy Safeguarding Lead and Community Safety Manager, to update/refresh the Maldon Safeguarding Policy

Upon completion the document will be uploaded to the Councils Intranet (Safeguarding Section)

The updating of the safeguarding leads can be implemented by March 2023 with reviews undertaken annually.

Responsible Officer:

Damien Ghela/Al Morrell

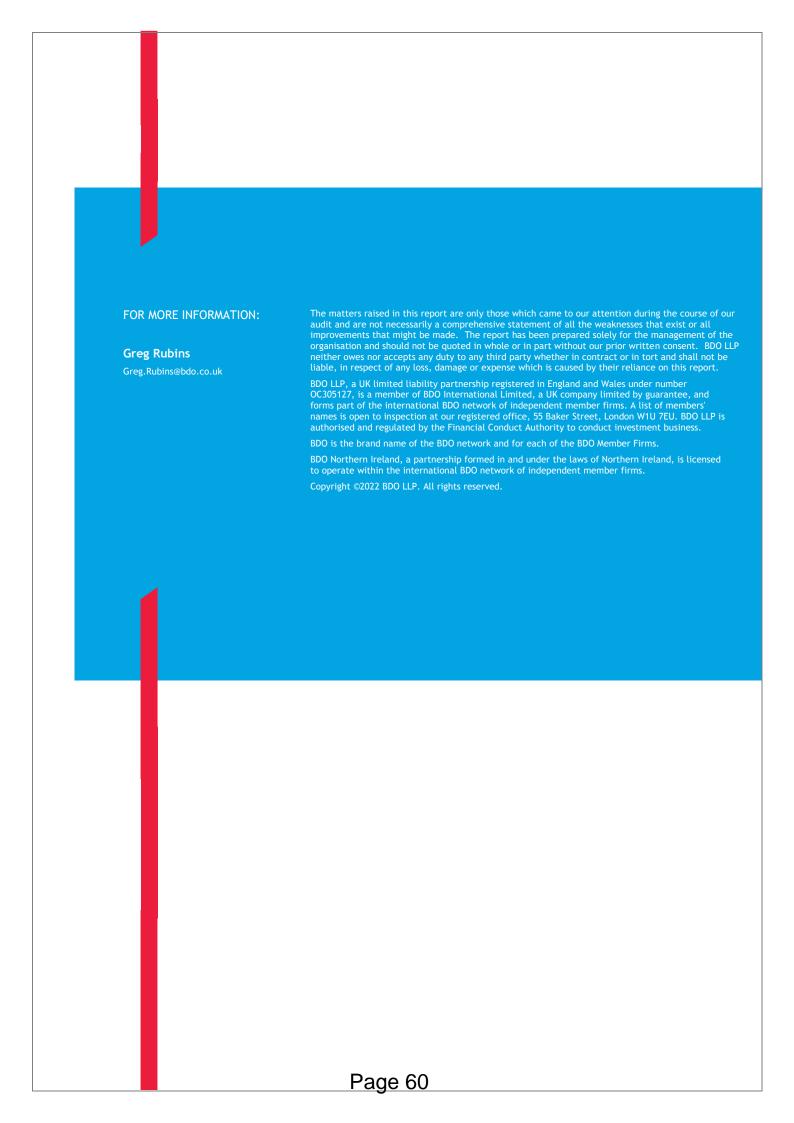
Implementation Date:

March 2023

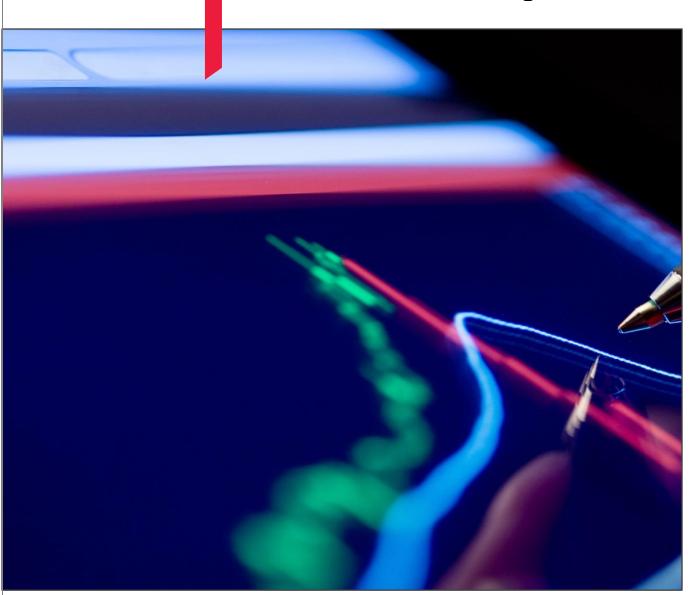
APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL C	ONTROL FRAMEWORK	OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non- compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE			
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.		
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.		
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.		



Agenda Item 6e



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT - FINAL

STRATEGIC PERFORMANCE - PLACE FEBRUARY 2023

Substantial **Design Opinion Design Effectiveness** Moderate

IDEAS | PEOPLE | TRUST

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DISTRIBUTION	
Paul Dodson	Director of Strategy, Performance and Governance and Returning Office
Georgina Button	Strategy, Policy and Communications Manager
Jackie Longman	Strategic Theme Lead - Place

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

REPORT STATUS	
Auditors:	Lucy Burgum
Dates work performed:	14 November 2022 - 22 November 2022
Draft report issued:	30 November 2022
Final report issued:	7 February 2023

EXECUTIVE SUMMARY

BAF REFERENCE:

Design Opinion

Substantial

Design Effectiveness

Moderate

Recommendations









BACKGROUND

- ▶ The Council's Corporate Plan runs from 2019-2023 but was updated part way through this in 2021. The Council's objectives remain under the three themes of Place, Prosperity and Community whereby their key outcomes are listed. The Place Strategy outlines the outcomes the Council has set out to achieve in order to ensure it protects and improves the environment for residents and visitors, alongside securing sustainable growth and new infrastructure.
- In order to achieve this, the Place Strategy notes six key areas:
 - Environmental Protection and Enhancement
 - Housing and Infrastructure Delivery
 - Flood Reliance
 - Air Quality and Pollution
 - Environment and Climate Change
 - Central Area Masterplan Projects (CAMP)

The Strategy identifies five outcomes as well as ten Strategic Partners (including Homes England, DEFRA and Environment Agency) and nine key Stakeholders (including Residents and Businesses, Coastal Groups and Parish, Village and Town Councils). Performance against the targets in the Place strategy is to be reviewed by Members and the Corporate Leadership Team (CLT) on a quarterly basis and reported formally to full Council at the end of each financial year.

AREAS REVIEWED

The purpose of the audit was to undertake a cyclical deep dive review into effectiveness of the actions underpinning the Place Thematic Strategy and the success of these actions.

As part of this audit, we:

- reviewed the Place Strategy and Corporate Plan to assess whether outcomes are consistent and there is a clear link between the two documents
- assessed the updates made to the strategy to confirm whether there was sufficient consideration and approval
- evaluated the Council's latest performance in relation to its outcomes to assess whether it is reported and discussed appropriately and
- confirmed that any areas reported as being below target are identified and action plans are in place.

CRR REFERENCE

R3 - Failure to target services/influence partners effectively to support identified housing needs of increasing aging population



During this audit, we identified the following areas of good practice:

- During the 2021 Corporate Plan update, the corporate outcomes for 'Place' were refocused and reprioritised from 12 to five and associated Key Performance Indicators (KPIs) were updated. We found that the key areas remained targeted within the update to ensure the Council was still able to meet the objectives outlined in the original thematic strategy and the intent behind the 12 original outcomes were incorporated within the five new ones. All statutory obligations outlined in the original thematic strategy remain a focus within the update but there is also a greater focus on Climate Action as the Council declared a Climate Emergency in 2021
- Pollowing the update and adoption of the Corporate Plan 2021-23, the Council published updated 'Thematic Outcomes' documents for each of the three thematic areas: Place, Prosperity, and Community. The corporate outcomes are consistent between the updated Corporate Plan 21-23 and the Place 'Thematic Outcomes' document. Although the underlying Place thematic strategy hasn't been updated since 2019, the KPIs and targets have been updated and approved in line with the 2021 Corporate Plan update and these are reported in the quarterly corporate performance reports to Performance, Governance and Audit Committee (PGA). Furthermore, all areas that the Council reported they would monitor progress against in the refreshed Place 'Thematic Outcomes' document are being monitored within the performance reports to PGA
- The Council has a 'Scrum Board' for each thematic strategy which is a monthly meeting supported by a workspace created on Trello (a visual work management tool utilised by the Council). We reviewed the Place Scrum Board workspace and observed that the five corporate outcomes are listed and have a colour assigned. Partners, Working Groups, Partnerships and Projects for the Place Strategy are listed, and colour coded to the relevant corporate outcomes. All work being carried out on projects, projects awaiting sign-off or with hold-ups and completed projects are also listed and colour coded. Project and KPI owners are required to provide progress updates on the Scrum Board every month. This provides the Strategic Theme Lead with clear oversight on progress and if updates are not provided it highlights concerns and both financial and workforce resource gaps. This is especially important as the Place Strategy is largely governed by statutory and regulatory requirements
- ▶ Since our review of the Community Thematic Strategy in November 2021, the design of the quarterly performance report to the PGA has been improved. The format for the appendix was revised following feedback from the Committee before Q4 21/22 reporting and now incorporates a summary page to show high level delivery. This provides a visual guide to the progress status of the outcomes and the KPIs for each thematic strategy.



We have raised one key finding:

When Councillors request more detailed information on Place KPIs from responsible officers in the PGA meetings, these are not always actioned or followed up and there is inadequate follow up when KPI's fall behind target (Finding - Medium)



- Our review has found that the Council undertook sufficient discussion and review when developing the updated corporate outcomes in 2021. Although the underlying Thematic Strategy wasn't revised, the KPIs and targets have been updated and approved for the Place theme and these are reported in the quarterly corporate performance reports to the PGA.
- However, the governance around performance monitoring and review could be improved. Corporate performance reporting could be expanded to include monthly updates to ELT to allow greater management oversight of progress and risks faced by the Council and to ensure follow up and accountability when

- actions fall behind target. Actioning Councillor's requests following PGA meetings could also be improved and a more formal process, for example an action log, should be implemented to ensure more detailed information requested is obtained and sufficient oversight is in place.
- ▶ This has led to a final assessment of substantial assurance over the control design and moderate assurance over the control effectiveness.

DETAILED FINDINGS

Performance, Governance and Audit Committee

TOR Risk:

Where performance falls below targets, there are no plans for remediation

Significance





FINDING

Performance against the corporate outcomes and KPIs for the Place Strategy are reported to the PGA quarterly. A report is presented by the Director of Strategy, Performance and Governance (or their delegate) to each meeting summarising the key issues and highlighting the indicators that have been annotated as 'At Risk' for the quarter. An Appendix is also provided which documents the progress against targets for each KPI and any concerns affecting the corporate outcomes in more detail. Once the report has been received, the Chair opens the Committee for discussion.

We observed the virtual recordings of the PGA meetings held in June and September 2022 and found clear engagement from Councillors on the corporate performance report. However, where actions have fallen behind target in one quarter, these are not formally followed up at the next PGA meeting. We have seen evidence that Members query KPI's that are not on track or where there are discrepancies and updates are then provided. However, if actions behind target are not queried, updates are not provided.

In addition to this, we have observed two Place KPIs that have not progressed since Q4 of 19/20:

Firstly, an action reported as 'Not started' in the Q1 22/23 corporate performance report, 'Delivery of Management Plans for all MDC owned Public open spaces', was reported as 'Not met' in the performance report to the PGA in Q4 of 19/20. Although the action was worded slightly differently, it included developing management plans to enable the Council to apply for the Keep Britain Tidy 'Green Flag' Award. This highlights that this action has not progressed in at least two years.

There is another Place KPI reported as 'At Risk' in the Q1 22/23 report, 'Implement Air Quality Management Area (AQMA) Action Plan 2020-2025' where action could have been undertaken earlier. The Q1 22/23 commentary states that the delivery remains suspended following an unsuccessful bid for grant funding in 2020/21 and the Council is currently awaiting the outcome of Essex County Council (ECC) assistance in the grant application for the 21/22 funding round. There are 24 Action Plan Measures within the Air Quality action plan. We have reviewed these and have identified at least five 'quick wins' the Council could have implemented to ensure progression with the Action Plan whilst awaiting the outcome of the funding application. These include:

- 'Set up a working group with bus operators in Maldon',
- 'Promotion of the existing 'free bus service' operated by Tesco under the terms of an S106 agreement',
- 'Update MDC team talk',
- 'Update Maldon District design guide AQ document', and
- 'Research local freight hub'.

In the discussion at the September 2022 PGA meeting, officers outlined that discussions were reinstated regarding the AQMA and funding had been made available. A meeting took place with ECC w/c 22/9/2022 to determine next steps and an update on that meeting would be circulated to Members outside of the meeting. Although progress has commenced following the meeting in September 2022, 'Implementation of AQMA Action Plan Measures' has been ongoing since the performance report to the PGA in Q4 of 19/20.

In our observations of the virtual recordings of the PGA meetings held in June and September 2022 we also found that when more detailed information around associated action plan delivery was requested by Councillors this was not always provided. This was the case for all three themes but only Place examples have been detailed below:

- In the June 2022 meeting, one Councillor stated that it was asked in the previous meeting (March 2022) if any money for fly tipping clearance had been recovered by the Council and this was not followed up after the meeting or reported within the June 2022 meeting pack. The Officer responsible apologised and confirmed statistics would be provided for the next meeting. We can confirm that this was provided within the Q1 Corporate Performance Report to the PGA in September 2022
- In the June 2022 meeting, it was asked how many respondents returned the 'Prom Park & Riverside Park' and 'Maldon is a Clean and Tidy District' resident and business satisfaction surveys and if the number of respondents could be included within the graphs on the face of the corporate performance report. The Officer informed the Council that this was possible and that the number of respondents would be circulated after the meeting. We cannot confirm whether this information was circulated after the meeting but can confirm that the number of respondents were not documented within the Q1 Corporate performance report to the PGA in September 2022 as requested by the Councillor
- We observed during the June 2022 meeting that following the Officer's response regarding the satisfaction surveys, the Chair commented that it was important that the Councillors receive more detailed data when requested implying this is not always obtained.

The Council has a 'Scrum Board' for each thematic strategy which is a monthly meeting supported by a workspace created on Trello (a visual work management tool utilised by the Council). Project and KPI owners are required to provide progress updates to the Scrum Board every month and these are documented on the Trello workspace. Further value could be obtained from the Scrum Board if it were to include another section documenting Councillors' queries or further information that needs to be provided to PGA. This would ensure Officers responsible are aware of Councillors' requests and they are actioned in a timely manner.

There is a risk that if Place KPI's, in particular, do not remain 'on track' and there is not adequate oversight and follow up of these, that the Council will not meet statutory and regulatory requirements. Furthermore, if queries and requests by Councillors are not followed up after PGA meetings that they will not have sufficient oversight over delivery of the corporate outcomes and may not be satisfied or assured that corporate performance is being managed effectively.



RECOMMENDATION

- A. Where an action has fallen behind target in one quarter, this should be followed up by the PGA in the next meeting to ensure progress is being made
- B. Queries that Officers are unable to answer at the PGA meeting and requests for more detailed information should be noted within the minutes of the meeting as actions. These actions should be followed up at the next meeting to ensure the Councillors receive the information requested, for example through the use of an Action log
- C. The Council should consider documenting Councillors' queries or further information needed to be provided to PGA on the Scrum Board to ensure Officers responsible are aware of these and they are actioned in a timely manner.



MANAGEMENT RESPONSE

Committee clerks record a list of queries. However, matters arising will also be added to PGA committee agendas by May 2023, to ensure member challenge and feedback is captured. These will be included in the quarterly performance clinic to ensure they have been addressed / directors to follow up where they have not - officers to feedback committee meeting updates through scrum meetings.

Responsible Officer: Cheryl/ Eloise Implementation Date: June 2023

2 Management Oversight

TOR Risk:

Performance against the delivery of the outcomes noted in the Strategy are not regularly monitored and reported against

Significance



Low



FINDING

Performance against the corporate outcomes and KPIs for the Place Strategy are reported to the PGA quarterly. The Council run a quarterly performance clinic with the directors/ Corporate Leadership Team (CLT) ahead of the reports being finalised for PGA, where the directors will request updates and hold senior officers to account on delivery of corporate outcomes. Minutes from these meetings show clear discussion of thematic outcomes and follow up actions are requested.

The Council has service plans in place for each area which outline their responsibilities towards the corporate plan, and these should be used to identify risks to performance. However, the current reporting mechanisms do not support robust management oversight of these. As performance is only discussed quarterly at the performance clinics there is not a formal governance structure in place to allow monthly management oversight of progress or risks to delivery of the corporate outcomes faced by the Council.

We were also made aware during our review that with the current governance arrangements in place, the onus for delivering on the place outcomes within the corporate plan sits largely with the Strategic Lead for Place rather than the Directors who hold the corporate outcome actions within their service plans, and it is often difficult for the Strategic Lead to raise poor performance with more senior KPI owners.

There is a risk that without monthly Executive Leadership Team (ELT) or CLT oversight of service plans and thus corporate performance, KPIs and KPI owners will not be monitored adequately, and the Council will not meet statutory and regulatory requirements.



RECOMMENDATION

- A. The reporting mechanism for corporate performance should be refreshed to ensure there is sufficient management oversight of KPIs and action plans. Delivery towards corporate outcomes should be monitored through service plans by Directors and a highlight report presented monthly to ELT
- B. When progress against KPIs is found not to be 'on track', action plans should be developed with feasible actions and realistic and achievable timeframes for implementation. These should be followed up at every ELT meeting until completed
- C. Directorate leads should regularly check in with KPI owners for any KPIs not on track and support them to implement the agreed actions.



MANAGEMENT RESPONSE

These will be picked up through the updates to the service plan template, which includes monthly service plan performance reporting with mitigations on risks and resource against KPIs

Responsible Officer: Cheryl/ Georgina Implementation Date: June 2023

APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL C	ONTROL FRAMEWORK	OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non- compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX II - TERMS OF REFERENCE



Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the <u>potential</u> key risks associated with the area under review are:

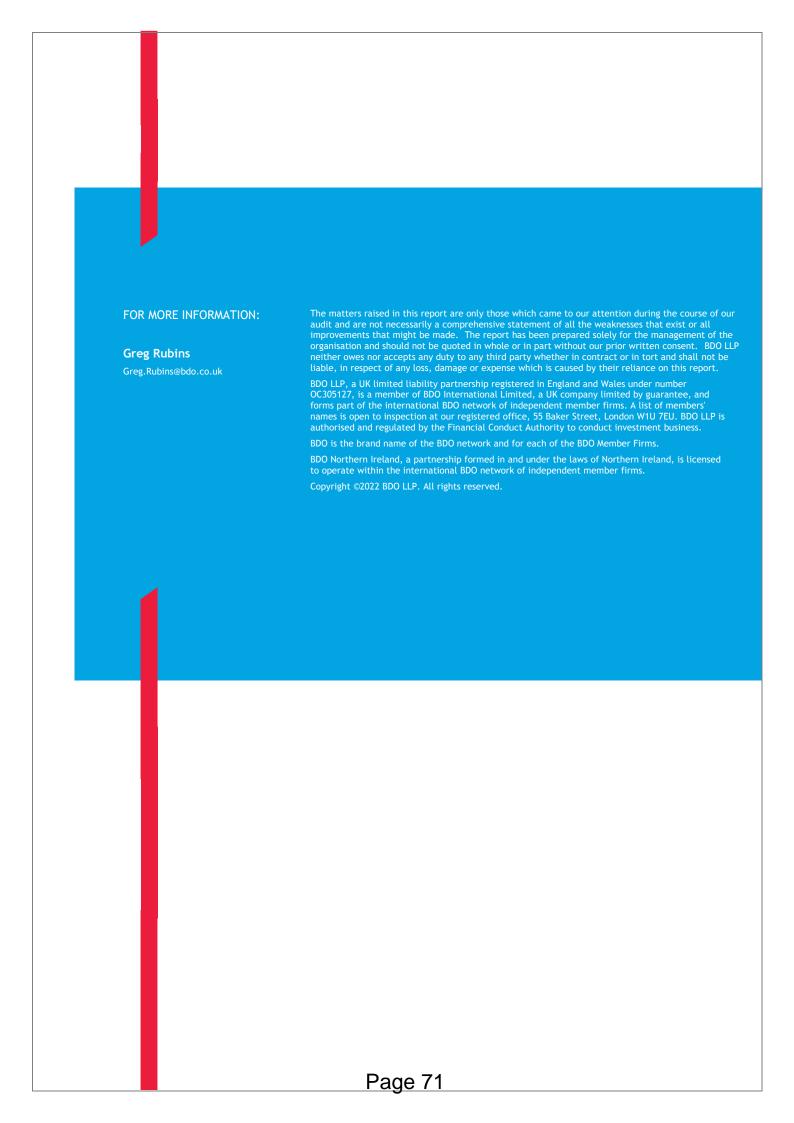
- There was a lack of discussion and review in the identification of the outcomes identified within the Strategy and they do not sufficiently target key areas
- The outcomes in the Place Thematic Strategy do not sufficiently link to the overarching Corporate Plan of the Council
- Performance against the delivery of the outcomes noted in the Strategy are not regularly monitored and reported against
- ▶ Where performance falls below targets, there are no plans for remediation



The following areas will be covered as part of this review:

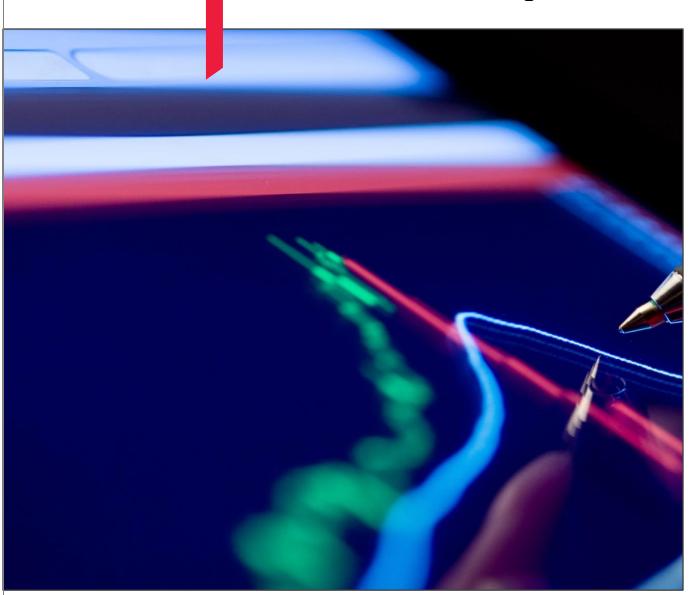
- Review of the updates made to the strategy, ensuring sufficient consideration and approval
- We will review the Council's latest performance in relation to its outcomes and assess whether it is reported and discussed appropriately
- We will confirm that any areas reported as being below target are identified and action plans are in place
- Review of the Place Strategy and Corporate Plan to ensure outcomes are consistent and there is clear link between the two documents

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit.





Agenda Item 6f



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

COMMUNITY SAFETY FEBRUARY 2023

Substantial **Design Opinion Design Effectiveness** Moderate

IDEAS | PEOPLE | TRUST

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DISTRIBUTION	
Richard Holmes	Director of Service Delivery and Head of Paid Service
Spencer Clarke	Community Safety Manager

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

REPORT STATUS	
Auditors:	Nadine Turner
Dates work performed:	January 2023 - February 2023
Draft report issued:	9 February 2023
Final report issued:	15 February 2023

EXECUTIVE SUMMARY

BAF REFERENCE:

Design Opinion Substantial Design Effectiveness Moderate

Recommendations









BACKGROUND

- ▶ The 1998 Crime and Disorder Act sets out the statutory requirements for responsible authorities to work together with other local agencies, organisations, and people, to develop and deliver strategies to tackle crime and disorder and help create safer communities. These statutory partnerships are known as Community Safety Partnerships (CSP).
- ▶ Within Maldon the partnership is made up of a number of local organisations including Maldon District Council, Essex Police, Essex County Council, NHS, Essex Probation, Essex Fire and Rescue Service and voluntary organisations including Neighbourhood Watch.
- ▶ Each year the CSP must undertake a Strategic Assessment which includes data analysis of levels and patterns of crime and disorder and findings from a resident's survey. The results allow the CSP to set its priorities.
- Improvements have been seen over the last few years. The policing precept has increased annually, bringing policing levels back to where they are expected to be whilst communications have also improved through the Maldon Dispatch Twitter account whereby weekly updates are tweeted to improve engagement and awareness.

AREAS REVIEWED

- We reviewed the Community Safety plan, strategic assessments and source data/information used to establish priorities.
- We reviewed progress reports and terms of reference for the Responsible Authorities Group which acts as the forum for the CSP, and the Overview and Scrutiny Committee.
- We interviewed the Community Safety Manager to obtain an understanding of the processes and governance structures in place.



- ▶ There is a Maldon District Council Community Safety plan 2022/23 in place, which clearly shows the key priorities. Work towards the 2023/24 plan is underway.
- ▶ Comprehensive risk assessments are undertaken and show trend data year-on-year.
- ▶ The CSP report into the Overview and Scrutiny Committee meeting as the Crime and Disorder Committee, which forms part of the Council's governance structure. At each meeting a Maldon District CSP update is given and the committee frequently noted the continued good work of the CSP and the liaison it had with Essex Police and other statutory partners; and have also commented on informative presentations.
- ▶ The Maldon Community Safety Manager has a good network of contacts, and therefore a broad source of information/data. This enables him to have a wider understanding of the safety concerns in Essex and what

- specifically applies to Maldon. It also enables him to establish how Maldon benchmarks against other areas of Essex.
- There is good engagement with the public. An annual public facing meeting is held compered by the Deputy Police and Crime Commissioner for Essex. In addition, engagement events for emergency services, Maldon District Council, Community Safety Partnerships and other partners, known as '999 Community days' have been held. Initiatives include drama based live performance and interactive workshops for Maldon's year 6 pupils; bike security marking events; and a senior safety & silver Sunday event was held to share community safety information and to engage with older persons to address social isolation in rural areas.



- ▶ The CSP is operational in the form of a Responsible Authority Group. The group meets on a quarterly basis and has a good coverage of topics/updates on the standard agenda. We found that there was not full representation of the members at all meetings; which meant updates were not always provided (Finding 1 Medium).
- The Responsible Authority Group terms of reference was last reviewed in June 2016. The terms of reference defines the membership, purpose, responsibilities, and authority of the group; and should be regularly reviewed to ensure they remain 'fit for purpose'. We found that a quorum was not defined in the terms of reference (Finding 2 Low).



There is a good understanding of the requirements of The 1998 Crime and Disorder Act with safety concerns known, and horizon scanning conducted. There is a dedicated Community Safety Manager who works well with other authorities, agencies, and organisations to develop and deliver strategies to tackle crime and disorder and help create a safer community in Maldon. Additionally, we confirmed that the Responsible Authority Group (RAG) is operational and meets on a regular basis however, operational effectiveness could be improved with regular attendance and updates. Therefore, we have concluded substantial assurance for control design and moderate assurance for the operational effectiveness.

DETAILED FINDINGS

1 RESPONSIBLE AUTHORITY GROUP (RAG) - MEMBERSHIP AND UPDATES

TOR Risk:

The CSP does not meet regularly and attendance from the Council is insufficient resulting in a lack of engagement.

Significance



Medium



FINDING

The Community Safety Partnership (CSP) meets quarterly as the Responsible Authority Group (RAG). The purpose of the group is to formulate and implement a Strategic Assessment for the reduction of crime and disorder in the Maldon District as per their statutory duty described in the Crime and Disorder Act 1998 (Reform). This group has a terms of reference in place, membership shown below, which were last reviewed in June 2016.

The terms of reference define the membership:

- Chief Executive Maldon District Council; District Commander Essex Police; Senior Nominee - Essex County Council; Senior Nominee of Essex Fire and Rescue Service; Senior Nominee of Mid Essex Clinical Commissioning Group; Senior Nominee of Essex Rehabilitation Company; a nominated District Council Elected Member; Essex Fire Authority; and Senior Nominee of National Probation Service.
- Additional full members may be added by requirements of legislation or by unanimous agreement by members of the Responsible Authorities Group - Strategy (RAGS).
- Each member is allowed to bring one other member of their organisation plus the Partnership Manager Community Safety as non-voting members.

The following RAG meeting notes were reviewed for membership attendance and we identified that there was not a full representation of members at all meetings reviewed:

- 17.03.2022 6/8 members present
- 16.06.2022 5/8 members present
- 08.09.2022 8/8 members present

There is a standard agenda item for 'reporting back & feedback from Partnership meetings' this gives the members an opportunity to update the RAG at each meeting (see below):

- Report of the Community Safety Partnership Manager
- Essex Police Update
- Police, Fire & Crime Panel Update
- Probation Update
- ECC Update
- Essex Fire & Rescue Update
- Mid Essex Alliance Update
- ECC Youth Service and Youth Strategy Group Update

We reviewed the same RAG meeting notes for updated submissions and, similarly, we identified that updates are not always provided, this usually occured if members sent apologies:

17.03.2022 - no Probation update provided

- 16.06.2022 no Essex Police, Essex Fire & Rescue, and Mid Essex Alliance updates provided
- 08.09.2022 no Police, Fire & Crime Panel update provided

The risk of members not attending and updates not being provided could lead to insufficient supporting information/challenge available to make informed decisions.



RECOMMENDATION

We recommend that all members provide regular updates to the meeting. If they are unable to attend to either:

- a) send a written update for the meeting,
- b) or, send a representative to provide a verbal update on their behalf.



MANAGEMENT RESPONSE

The Community Safety Manager supports this proposed recommendation. Whilst attendance at meetings has been good in recent years, and the quality of data provided to partners has improved, full attendance or a substitute enables partners to understand the strategic direction of each body and put action plans in place to mitigate risks and prevent duplication. Written updates will suffice in the event of no substitute being available. However, it is recognised that on occasions urgent operational demands can impact on attendance at short notice.

Responsible Officer:

Spencer Clarke, Community Safety Manager

Implementation Date:

15th June 2023

2 RESPONSIBLE AUTHORITY GROUP - TERMS OF REFERENCE REVIEW

TOR Risk:

The CSP does not meet regularly and attendance from the Council is insufficient resulting in a lack of engagement.

Significance



Low

FINDING

The Responsible Authority Group terms of reference was last reviewed in June 2016. The terms of reference defines the membership, purpose, responsibilities and authority of the group and should be regularly reviewed to ensure they remain 'fit for purpose'.

As identified above, not all members are present at every meeting, therefore it would be beneficial to include a quorum in the terms of reference stating the minimum number of members that must be present for the meeting to be valid.

Section 12 states:

To adopt a rota system for appointing a new Chairman and Vice Chairman every 12 months and ensure that the Chairman and Vice Chairman are aware of their responsibilities.

From the evidence reviewed the current Chair has been in position for at least 11 months, and no Vice Chairman is identified in the terms of reference or in the meeting notes.

Without a regular review process there is a risk of the group not complying with its defined purpose and responsibilities, as outlined in the terms of reference. This may potentially lead to a misalignment with statutory requirements, and the group not achieving its purpose.



RECOMMENDATION

We recommend that the Responsible Authority Group (RAG) terms of reference are reviewed on a regular basis:

- a) A quorum to be added, stating the minimum number of members that must be present for the meeting to be valid.
- b) Section 12 to be reviewed and the requirement to rotate the Chair discussed. The change of Chair should be agreed at the meeting and clearly documented.
- c) A Vice Chair to be identified and the role documented in the meeting notes.



MANAGEMENT RESPONSE

The Community Safety Manager supports this proposed recommendation. It is good practice to review terms of reference on a regular basis to ensure that the partnership addresses any new statutory duties and remains fit for purpose. Horizon scanning is completed during the strategic assessment process.

The partnership is now better established with experienced key partners attending each meeting following the pandemic so the process to address recommendations a, b, and c should be straightforward.

Responsible Officer:

Spencer Clarke, Community Safety Manager

Implementation Date:

15th June 2023

OBSERVATIONS

MALDON DISTRICT COUNCIL WEBSITE

COMMUNITY SAFETY PAGES

The Maldon District Council website pages inform the public about the Community Safety Partnership and its priorities.

The Community Safety page is showing the 2021/22 priorities (see below).

What is the Community Safety Partnership?

The 1998 Crime and Disorder Act sets out the statutory requirements for responsible authorities to work together with other local agencies, organisations, and people, to develop and deliver strategies to tackle crime and disorder and help create safer communities. These statutory partnerships are known as Community Safety Partnerships (CSP).

Within Maldon the partnership is made up of a number of local organisations including Maldon District Council, Essex Police, Essex County Council, NHS, Essex Probation, Essex Fire and Rescue Service and voluntary organisations including Neighbourhood Watch.

Each year the CSP must undertake a Strategic Assessment which includes data analysis of levels and patterns of crime and disorder and findings from a resident's survey. The results allow the CSP to set its priorities.

The Maldon District Council Community Safety Partnership (MDCSP) Priorities for 2021/22 are:



We appreciate that the priorities did not change for 2022/23, however, the date should have been changed so site visitors could see they were viewing the current priorities.

As the 2023/24 priorities are being reviewed/refreshed there is no value in updating the 2022/23 priorities at this time, it will be beneficial to update the website pages once the Community Safety plan 2023/24 has been formally approved.

APPENDIX I - DEFINITIONS

LEVEL OF	DESIGN OF INTERNAL C	ONTROL FRAMEWORK	OPERATIONAL EFFECTIVENESS OF CONTROLS		
ASSURANCE	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.	
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.	
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.	
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.	

RECOMME	RECOMMENDATION SIGNIFICANCE					
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.					
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.					
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.					

APPENDIX II - TERMS OF REFERENCE



Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the <u>potential</u> key risks associated with the area under review are:

- ▶ The strategic assessment has not been completed for 22/23 with the Community Safety plan, and its respective priorities, not being identified resulting in a lack of action being taken to improve community safety
- The CSP does not meet regularly and attendance from the Council is insufficient resulting in a lack of engagement
- Reporting to Overview and Scrutiny Committee does not occur as required, in contravention of their statutory requirements
- There is a lack of engagement with the public with insufficient steps taken to respond to identify and respond to specific incidents.



The following areas will be covered as part of this review:

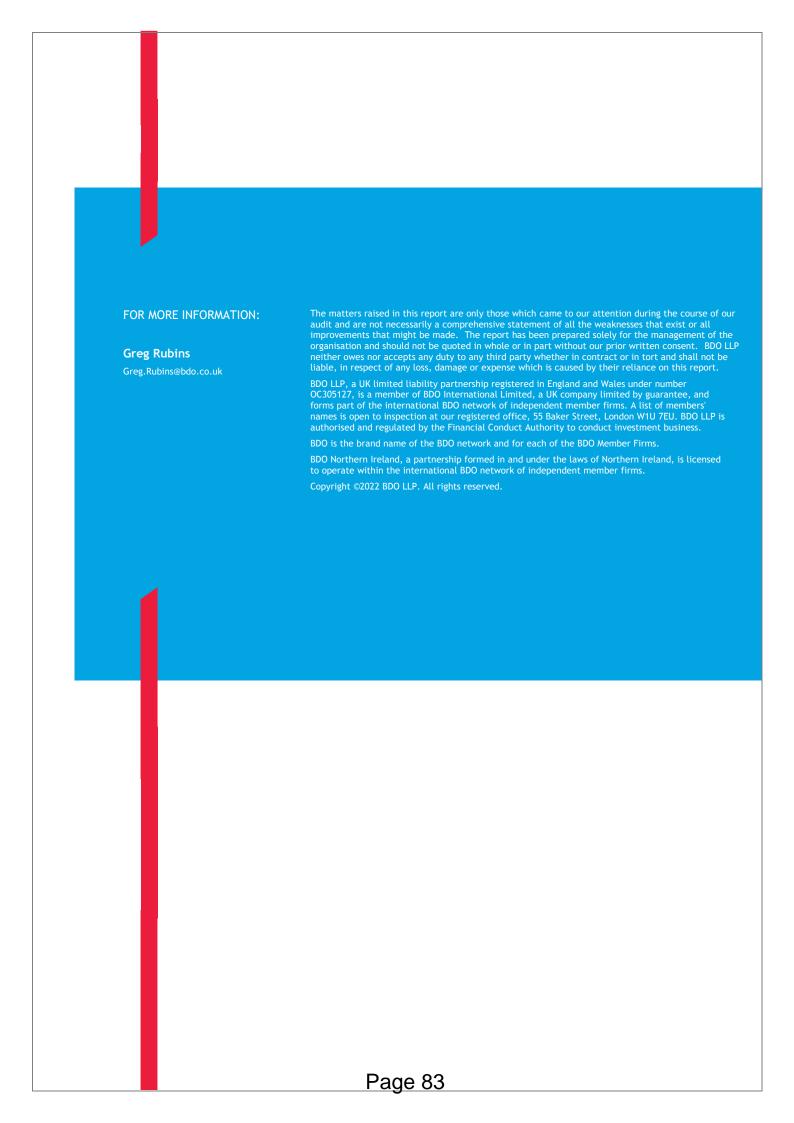
- There is sufficient documentation and evidence that the strategic needs assessment was undertaken to identify key priorities for the CSP
- Attendance from Council representatives is sufficient at the CSP and its Responsible Authorities Group (RAG)
- Reporting on progress against the Plan is completed as required to the Overview and Scrutiny Committee
- Steps have been taken to engage with the public at all levels and, where incidents have occurred (such as a hate crime) steps have been taken to educate and reduce the risk of similar incidents happening again.

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit.

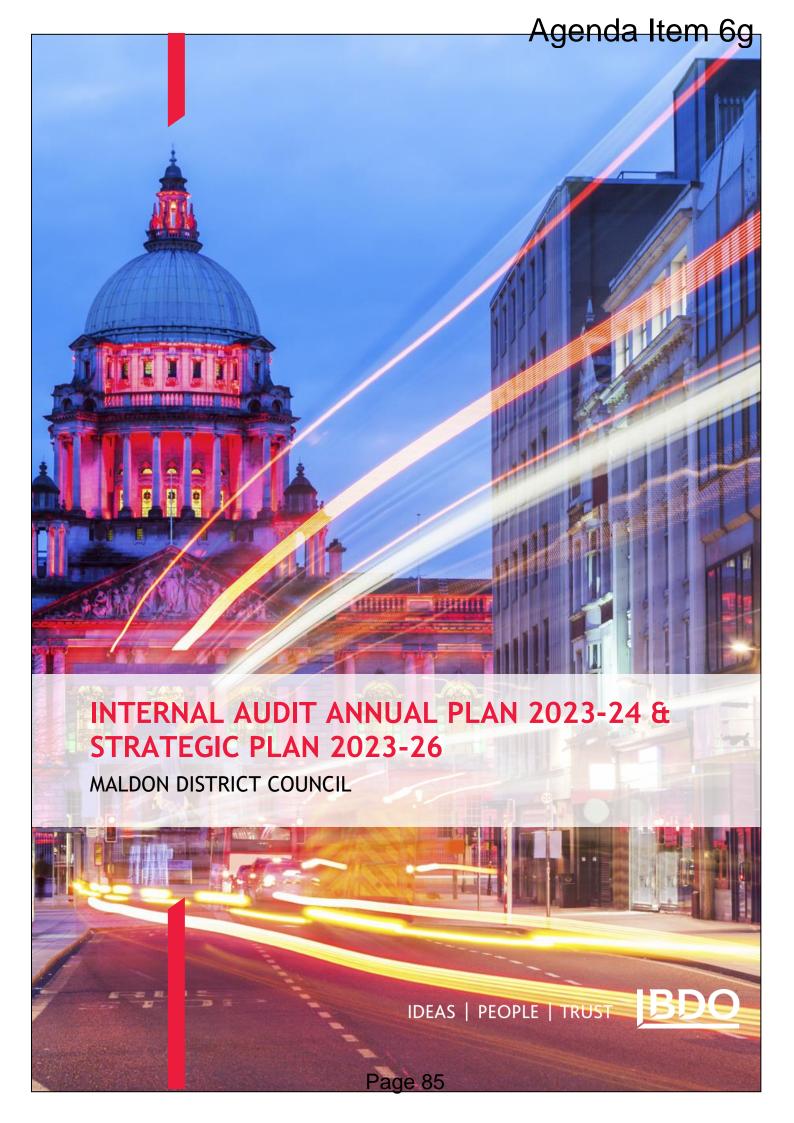
We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

It is intended that this audit will be completed through a combination of remote working and onsite meetings and testing, based upon the most effective way of carrying out the work.

In delivering this review BDO may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. The organisation shall only provide the Shared Personal Data to BDO using secure methods as agreed between the parties. BDO will utilise the data in line with the General Data Protection Regulations 2016 (GDPR) and the Data Protection Act 1998, and shall only share Personal Data on an anonymised basis and only where necessary.







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AUDIT RISK ASSESSMENT

Background

Our risk-based approach to Internal Audit uses the Council's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives. We obtain input from all Directors and key staff within the Council order to bring together a full plan which will be presented at the February Performance, Governance and Audit (PGA) Committee. Additionally, we will use our own sector expertise to identify potential risks.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the Council's current risk profile.

Planned approach to internal audit 2023/24

The indicative Internal Audit programme for 2023/24 is shown from page 8, with an indicative strategic plan for 2023 - 2026 shown from page 12. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. In setting the number of days in the plan we have assumed that the control environment within the Council's will improve as we work with you to address the issues you have.

Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required, we will obtain approval prior to commencing fieldwork.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Council, and which ensures availability of key management and staff.

Variations to the Plan

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we are undertaking, demonstrating we are focusing on your most important issues.

As such our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Executive Directors.

OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

Core assurance

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

Soft controls

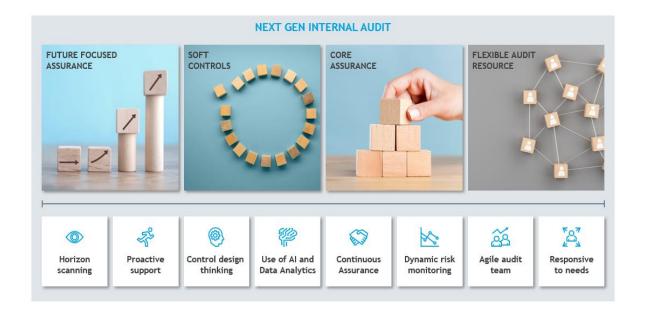
Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

Future focused assurance

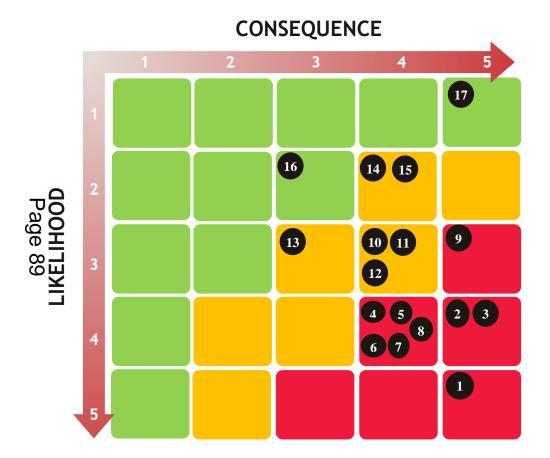
Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

Flexible audit resource

Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



MAPPING YOUR STRATEGIC RISKS



Ref	Strategic Risks from your CRR	Score
1	R7: Failure to maintain a 5-year supply of housing land	25
2	R8: Failure to meet the affordable housing need	20
3	R15: Failure to plan and deliver balanced budgets over the medium term	20
4	R5: Failure to deliver the required infrastructure to support development arising from the LDP	16
5	R14: Unable to recruit and retain staff with specific skill sets in specialist areas to meet the demands of the service (ie, planners)	16
6	R29: Failure to deliver services as a result of Covid-19	16
7	R31: Resources and operating staffing structure is not sufficient for resilience	16
8	R33: Lack of Temporary Accommodation & Social Housing to cope with demand	16
9	R9: Failure to have a co-ordinated approach to supporting inward investment and maximising business rates growth	15
10	R4: Failure to influence Community Safety Partners to address the key areas of public concern (including rural crime) and the negative impact of crime	12
11	R10: Failure to develop jobs to support the growing population	12
12	R11: Failure to protect personal or commercially sensitive data	12
13	R32: Failure to manage the operational impact of the cost-of-living crisis	9

14	R2: Failure to target services and influence partners with the aim of having an effective outcome on the identified (health and wellbeing) needs of the vulnerable population	8
15	R3: Failure to target services/influence partners effectively to support identified housing needs of increasing aging population	8
16	R13: Failure to manage impact of organisational change	6
17	R1: Failure to safeguard children and vulnerable adults	5

MAPPING YOUR CRR TO THE STRATEGIC PLAN

Ref	Strategic Risks from your CRR	2023/24	2023 - 2026
1	R7: Failure to maintain a 5-year supply of housing land		Local Development Plan
2	R8: Failure to meet the affordable housing need		Affordable Housing and Housing Needs
3	R15: Failure to plan and deliver balanced budgets over the medium term	Main Financial Systems Housing Benefits	Main Financial Systems Capital and Commercial Project Management
4	R5: Failure to deliver the required infrastructure to support development arising from the LDP	S106	Local Development Plan
5	R14: Unable to recruit and retain staff with specific skill sets in specialist areas to meet the demands of the service ie., planners)	Workforce Management	Recruitment and Retention
6	R29: Failure to deliver services as a result of Covid-19		Business Continuity and Disaster Recovery
7	R31: Resources and operating staffing structure is not sufficient for resilience	Sickness and Absence Management EDI	Recruitment and Retention
8	R33: Lack of Temporary Accommodation & Social Housing to cope with demand	Homelessness and Temporary Accommodation	Affordable Housing and Housing Needs
9	R9: Failure to have a co-ordinated approach to supporting inward investment and maximising business rates growth		Capital and Commercial Project Management
10	R4: Failure to influence Community Safety Partners to address the key areas of public concern (including rural crime) and the negative impact of crime		
11	R10: Failure to develop jobs to support the growing population		

12	R11: Failure to protect personal or commercially sensitive data	Wireless Network Security GDPR
13	R32: Failure to manage the operational impact of the cost-of-living crisis	
14	R2: Failure to target services and influence partners with the aim of having an effective outcome on the identified (health and wellbeing) needs of the vulnerable population	Health and wellbeing
15	R3: Failure to target services/influence partners effectively to support identified housing needs of increasing aging population	Affordable Housing and Housing Needs
16	R13: Failure to manage impact of organisational change	Business Continuity and Disaster Recovery
17	R1: Failure to safeguard children and vulnerable adults	Safeguarding

We note not all risks have reviews against them. The Council have a large volume of identified risks and our audit plan is constrained. We will monitor these risks and flexibly adapt our audit plan as appropriate and if required to cover these risks. We also note managements own actions seek to mitigate these risks.

INTERNAL AUDIT OPERATIONAL PLAN 2023/24

Area	Days	Timing	Description of the Review	Reason for Inclusion		
CORE	CORE					
Main Financial Systems	20	Q4	Detailed review to include GL controls, system interfaces, journals, as well as cyclical audits of debtors, creditors, payroll, budgetary control, treasury management, council tax and NNDR.	This is a mandatory element of the internal audit programme and forms a key component of the Head of Internal Audit opinion. We undertake a rotational set of reviews covering the Council's key financial systems.		
Equality, Diversity, and Inclusion	20	Q2	Review to assess how the Council has ensured there is a commitment to EDI across the organisation, including tone from the top, governance structures, strategy, and use of data (including both workforce and service design considerations)	Ever increasing area of focus and attention with significant reputational risk.		
Sickness and Absence Management	20	Q4	To review the sickness absence management process and assess whether the Council have adequate controls and triggers in place to monitor and manage sickness absence effectively. We will also assess measures undertaken by the Council to enable staff to return to work quickly.	Last review undertaken in 2018 and key risks on the CRR related to resourcing.		
Fraud	20	Q2	This review will assess the Council's fraud arrangements to ensure robust controls and reporting arrangements are in place	National risk to all organisations due to the increasing number of frauds carried out		

Workforce Management	15	Q3	Review of the internal processes for HR. This could include areas such as workforce planning, appraisals and training and assess if the People and Workforce Development Strategy has been implemented effectively. We will work with the Council at the time of the review to identify the area that would be of most benefit to them.	R14: Unable to recruit and retain staff with specific skill sets in specialist areas to meet the demands of the service ie., planners)to deliver services as a result of Covid-19
Total	95			

Area	Days	Timing	Description of the Review	Reason for Inclusion
OPERATIONAL				
Homelessness and Temporary Accommodation	15	Q3	This audit will review how the Council manages its homelessness and temporary accommodation responsibilities and how effective these arrangements are	 Homelessness Reduction Bill places new responsibilities on Councils to support individuals R33: Lack of Temporary Accommodation & Social Housing to cope with demand
Climate Change and Sustainability	20	Q3	Review of all Council policies and overall strategies to set, approve and achieve environmental aims as well as steps to identify and reduce the area's carbon footprint and activities to provide a safe and clean environment.	 Increased risk following the COP26 and the Environment Bill receiving Royal Ascent in November 2021 Specific requirements for local authorities in relation to street tree felling and tackling air quality
Licensing	15	Q1	Review of processes in place to ensure there are sufficient controls	Specific investigations completed at other Councils stemming from a lack of robust controls around licensing, carrying significant reputational risk.

			over the management of issuing and maintaining licences and whether there are appropriate controls in place to ensure effective recovery of fee income	
Management of s106 Funds	15	Q4	The purpose of the audit is to review and assess the effectiveness of the management of Section 106 funds. This includes the collection against the legal agreements and whether the split approach to holding \$106 funds awaiting expenditure is robust enough for transparency of commitment of commuted sums.	 National risk for all local authorities given the importance of housing and commercial development Large reputational impact where Councils do not have sound arrangements to meet Planning Inspectorate and internal procedure and Member/public expectations Often a tension area between management and Members in authorities which can have a wider impact on relationships
HMRC Employment Status	10	Q1	The purpose of the review will be to assess if the designated employment status of individuals given by the Council, and the evidence behind that designation, is appropriate	The recent request by HMRC's Employment Status & Intermediaries ("ESI") team requires all Local Authorities to assess the employment status of individuals working for the Council
Housing Benefits	15	Q2	Assessment of benefit cases against evidence retained on systems to evaluate whether cases are legitimate and sufficient evidence was received and protocols followed as well and whether reporting of information in this area is appropriate.	Universal credit has been deferred by Government however still uncertainty over the programme and what this means
Total	90			

Area Days		Description of the Review				
Planning, Reporting, and Follow-up						
Follow Up Work	10	Assessment and reporting of recommendations raised.				
Audit Management	20	Creation of audit plan, meeting with Executive Directors, PGA.				
Contingency	5					
Total	35					
Overall Total	220					

INTERNAL AUDIT STRATEGIC PLAN 2023-2026

Area	2023/24	2024/25	2025/26	Description of the Review
Main Financial Systems	20	20	20	Detailed review to include GL controls, system interfaces, journals, as well as cyclical audits of debtors, creditors, payroll, budgetary control, treasury management, council tax and NNDR.
HMRC Employment Status	10			The purpose of the review will be to assess if the designated employment status of individuals given by the Council, and the evidence behind that designation, is appropriate
Corporate Governance			20	Review of the operation of the newly established Committee Structure to ensure that it is fit for purpose and delivering the outcomes required by the District.
Capital and Commercial Project Management		20		Review of significant capital and commercial projects, to include the planning, funding, delivery and the approach to project management to ensure there is sufficient due diligence and that projects are delivered in line with expectations.
Housing Benefits	15			Assessment of benefit cases against evidence retained on systems evaluating whether cases are legitimate and sufficient evidence was received and protocols followed as well and whether reporting of information in this area is appropriate.
Building Control		15		Review of the effectiveness of the Council's approach to and delivery of change to the Building Control service.
Recruitment and Retention		20		To assess the monitoring, reporting and oversight of recruitment i.e. how management judge the success of the Council's overall processes and take action to continuously improve as well

				as steps taken to retain staff and how staff feedback is received and reviewed.
Procurement and Contract Management		20		To consider the adequacy and effectiveness of arrangements for contract management and procurement, assessing whether arrangements are robust and transparent and that effective relationships are maintained with key partners.
Sickness and Absence Management	20			To review the sickness absence management process and assess whether the Council have adequate controls and triggers in place to monitor and manage sickness absence effectively. We will also assess measures undertaken by the Council to enable staff to return to work quickly.
GDPR		15		The purpose of the audit is to provide assurance over the design and operation of the controls in place to comply with the requirements of the General Data Protection Regulations. The risk of non-compliance with the GDPR, may lead to financial penalties and reputational damage
IT Asset Management		20		The purpose of this audit is to provide assurance that the Council has maintained a full and complete asset register for IT equipment. The audit will also assess whether the lifecycle of hardware, including servers, tablets and laptops/PCs has been considered in the IT Strategy and decision-making regarding replacement equipment is future focused
Climate Change & Sustainability	20			Review of all Council policies and overall strategies to set, approve and achieve environmental aims as well as steps to identify and reduce the areas carbon footprint and activities to provide a safe and clean environment.
Management of Property			20	This audit will focus on the Council's arrangements for ensuring property is managed effectively and efficiently, following up on recommendations made in the previous review.

Homelessness and Temporary Accommodation	15			This audit will review how the Council manages its homelessness and temporary accommodation responsibilities and how effective these arrangements are
Local Development Plan			20	Review of the implementation of the Local Development Plan and consistency with other Council strategic needs assessments
Management of s106 Funds	15			The purpose of the audit is to review and assess the effectiveness of the management of Section 106 funds.
Business Continuity and Disaster Recover		15		Review Council arrangements for the overall Business Continuity and Disaster Recovery Plan including how this Plan interacts with local service plans and whether there is adequate oversight that these all remain up-to-date, regularly assessed, and tested.
Fraud	20			This review will assess the Council's fraud arrangements to ensure robust controls and reporting arrangements are in place
Safeguarding			20	Follow up of previous internal audit to review of the Council's policies and arrangements to ensure the safeguarding of children and vulnerable adults.
Affordable Housing and Housing Needs			20	Review of how effectively the Council is managing its strategy around provision of social housing and developing the private rented sector, following up on recommendations made in the previous review.
Workforce Management	15			Review of the internal processes for HR. This could include areas such as workforce planning, appraisals and training and assess if the People and Workforce Development Strategy has been implemented effectively. We will work with the Council at the time of the review to identify the area that would be of most benefit to them.
Health and				The review will assess the health and wellbeing initiatives in place to support staff across the Council
Wellbeing		20		We will consider how the success of initiatives is monitored, where it is reported and how staff feedback is considered
IT Governance			15	The purpose of this audit is to provide assurance over the adequacy and

				effectiveness of the Council's IT governance arrangements	
Flood Management			15	Review of the Council's relationships with the Lead Local Flood Authority and other organisations to manage respective responsibilities over the risk of surface water flooding.	
Licensing	15			Review of processes in place to ensure there are sufficient controls over the management of issuing and maintaining licences and whether there are appropriate controls in place to ensure effective recovery of fee income	
Waste and Recycling			15	To review the management and operational activities of the Council's refuse and kerbside waste collection service	
Equality, Diversity and Inclusion	20			Review to assess how the Council has ensured there is a commitment to EDI across the organisation, including tone from the top, governance structures, strategy, and use of data (including both workforce and service design considerations)	
Health and Safety		20		The purpose of the audit is to provide assurance over the design and operational effectiveness of the controls relating to the application of health and safety policies and practices across the Council.	
Wireless Network Security			20	The purpose of this review is to appraise the design and effectiveness of the Councils' procedures for identifying vulnerabilities and controlling the security of their wireless network infrastructure.	
Planning, Reporting and Follow Up					
Follow up	10	10	10	Assessment and reporting of recommendations raised.	
Management Time	20	20	20	Creation of audit plan, attendance at PGA.	
Contingency	5	5	5		
Total	220	220	220		

APPENDIX I

Internal Audit Charter - Role and Scope of Internal Audit

Purpose of this charter

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Maldon District Council and defines the scope of internal audit activities.

Final approval resides with the Board, in practice the charter shall be reviewed and approved annually by management and by the PGA on behalf of the board of Maldon District Council.

Internal audit's mission

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Standards of internal audit practice

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

Internal audit definition and role

Internal auditing is 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.

Internal audit acts primarily to provide the PGA with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

Internal audit's scope

The scope of internal audit activities includes all activities conducted by Maldon District Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

Effective internal audit

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- · It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Maldon District Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

Independence and internal audit's position within Maldon District Council

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the PGA. The Head of Internal Audit has free and full access to the Chair of the PGA. The Head of Internal Audit reports administratively to the Director of Finance who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the PGA.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Maldon District Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the PGA prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the PGA.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the PGA to discuss the implications.

Internal audit's role in fraud, bribery and corruption

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspect a fraud, this will be referred to appropriate management in the first instance and then the PGA.

Access to records and confidentiality

There are no limitations to internal audit's right of access to Maldon District Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the General Data Protection Regulations 2018.

Coordination and reliance with other assurance providers

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

Internal audit's commitments to Maldon District Council

Internal audit commits to the following:

- working with management to improve risk management, controls and governance within the organisation
- performing work in accordance with PSIAS
- complying with the ethical requirements of PSIAS
- dealing in a professional manner with Council staff, recognising their other commitments and pressures
- raising issues as they are identified, so there are no surprises and providing practical recommendations
- liaising with external audit and other regulators to maximise the assurance provided to Maldon District Council
- Reporting honestly on performance against targets to the PGA.

Internal audit performance measures and indicators

The tables on the right contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The PGA should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

Quality assurance and improvement programme

As required by PSIAS an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the PGA as part of the internal audit annual report, along with corrective action plans.

Table One: Performance measures for internal audit

Measure / Indicator

Audit Coverage

Annual Audit Plan delivered in line with timetable

Actual days are in accordance with Annual Audit Plan

Relationships and customer satisfaction

Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit.

Annual survey to PGA to achieve score of at least 70%

External audit can rely on the work undertaken by internal audit (where planned)

Staffing and Training

At least 60% input from qualified staff

Audit Reporting

Issuance of draft report within 3 weeks of fieldwork `closing' meeting

Finalise internal audit report 1 week after management responses to report are received.

90% recommendations to be accepted by management

Information is presented in the format requested by the customer.

Audit Quality

High quality documents produced by the auditor that are clear and concise and contain all the information requested.

Positive result from any external review

Management and staff commitments to Internal Audit

The management and staff of Maldon District Council commit to the following:

- Providing unrestricted access to all of Maldon District Council's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the organisation
- Not requesting any service from internal audit that would impair its independence or objectivity
- · Providing honest and constructive feedback on the performance of internal audit

Management and staff performance measures and indicators

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each PGA progress report.

Table Two: Performance measures for management and staff

Measure / Indicator

Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe

Co-operation with internal audit

Internal audit to confirm to each meeting of the PGA whether appropriate co-operation has been provided by management and staff

BDO contacts

Name	Grade	Telephone	Email
Greg Rubins	Partner	07710 703441	greg.rubins@bdo.co.uk
Chris Andre	Manager	07870 515532	christopher.andre@bdo.co.uk





Agenda Item 7



REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE 9 MARCH 2023

ESTABLISH A WORKING GROUP OF PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE (PGA)

1. PURPOSE OF THE REPORT

1.1 To establish a Working Group of the Committee for detailed review work.

2. **RECOMMENDATIONS**

- (i) That the terms of reference for the Performance Governance and Audit Committee Working Group are approved at **APPENDIX A**;
- (ii) That Members appoint five Committee members to sit on the Working Group for the remainder of the municipal year .

3. SUMMARY OF KEY ISSUES

- 3.1 On 21 September 2022, Council considered a paper highlighting that the Corporate Governance Working Group (CGWG) and PGA Committee both had responsibility for governance work. The CGWG was removed from the working group structure accordingly (minute 246 refers)
- 3.2 The Council uses working groups as a way for members to give detailed feedback and report to Committees to promote efficient meeting delivery.
- 3.3 The working group would be a good mechanism for governance reviews and detailed constitutional considerations. A proposed terms of reference can be found at **APPENDIX A.**
- 3.4 It is recommended that the PGA Committee establish this working group to support future governance reviews and efficient Committee meeting running.

4. CONCLUSION

4.1 The establishment of a working group of the Committee is proposed to give a mechanism for future detailed work and reporting.

5. IMPACT ON STRATEGIC THEMES

5.1 Good governance structures underpin the performance and efficiency corporate theme.

6. IMPLICATIONS

- (i) <u>Impact on Customers</u> None.
- (ii) <u>Impact on Equalities</u> None.
- (iii) <u>Impact on Risk</u> Working groups enable detailed, robust review work and could reduce corporate risk
- (iv) Impact on Resources (financial) None
- (v) <u>Impact on Resources (human)</u> Running of the working group will require additional officer resource, but this could be balanced by items being managed more smoothly in Committee meetings
- (vi) <u>Impact on the Environment</u> None
- (vii) Impact on Strengthening Communities -None

Background Papers: PGA Committee and CGWG.pdf (maldon.gov.uk)

Enquiries to: Paul Dodson, Director of Strategy, Performance and Governance.

PERFORMANCE GOVERNANCE AND AUDIT WORKING GROUP TERMS OF REFERENCE

The Working Group established of this committee will include Five members to consider, review and report to the committee, with the Chairperson of the working group responsible for presenting the reports on:

- Any core component of the Council's constitution or constitutional documentation, in particular Committee Terms of Reference and Schemes of Delegation, Procedure Rules and Protocols.
- Any decision of the Council, including a new sphere of activity, or other matter that has implications for the Council's corporate governance and constitutional arrangements
- Governance housekeeping matters and consideration of best practice
- Detailed review and consideration of matters arising from committee activity



Agenda Item 8



REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
9 MARCH 2023

NORTH FAMBRIDGE PARISH COUNCIL – REQUEST TO REVIEW ELECTORAL ARRANGEMENTS

1. PURPOSE OF THE REPORT

1.1 To receive and consider a request from North Fambridge Parish Council for a review of its electoral arrangements in terms of the size of its membership.

2. RECOMMENDATION

That the request of North Fambridge Parish Council to instigate a Community Governance Review be agreed.

3. SUMMARY OF KEY ISSUES

- 3.1 The Parish Council has resolved to request the District Council to carry out a review to enable its present membership to be increased from five to seven Councillors. The Parish Council has based its request on the growing size of the village. By increasing its membership it feels that this will potentially improve diversity and provide the opportunity for a younger demographic. It observes that certain existing Councillors are now unable to carry out some of the physical duties arising from the Parish Council's responsibilities, and that an enlarged membership will assist in the distribution of responsibilities and work.
- 3.2 A change to increase the number of Parish Councillors can only be brought about as a result of a Community Governance Review under the Local Government and Public Involvement in Health Act 2007 undertaken by the District Council. A Review may be instigated by resolution of the District Council itself or on petition from local electors. In the case of North Fambridge, a petition would need to be signed by at least 37.5% of the total current electorate.
- 3.3 The District Council therefore needs to consider the request and must have regard to Government advice on Community Governance Reviews It is not known whether the Parish Council has canvassed the views of local electors as to the size of its membership, and further information has been sought on this. It is noted that at the last election in 2019 there was the exact number of candidates to fill the five seats.
- 3.4 The Guidance on Community Governance Reviews says that the Government has made clear its commitment to parish councils. It recognises the role such councils can play in terms of community empowerment at the local level. The 2007 Act provisions are intended to improve the development and coordination of support for citizens and community groups so that they can make the best use of empowerment opportunities.

- 3.5 The Guidance adds that in the interests of effective governance, the principal council should consider the benefits of undertaking a review of the whole of its area in one go, rather than carrying out small scale reviews in a piecemeal fashion of two or three areas. However, it is recognised that a full-scale review will not always be warranted, particularly where a review of the whole area or a significant part of the principal council's area has been carried out within the last few years. Occasionally, it may be appropriate to carry out a smaller review, for example, to adjust minor parish boundary anomalies. When a similar request for another Parish Council was previously considered in 2018 the Council decided that a full-scale review was not merited.
- 3.6 Officer comments on this request are as follows:
 - a) It is acknowledged that the membership size has been set at the minimum legal level along with some other Parish Councils, and that this has been so since 1974. The District Council may therefore wish to broaden the scope of any review to include these although each area must be considered on its own merits.
 - b) Operating at the legal minimum membership need not be an issue in itself, although there will on occasions be the potential threat to a quorum for meetings.
 - c) With regard to sharing workloads and responsibilities, this is something that can of course fluctuate over time. It is always open to a Parish Council to co-opt or bring in other persons to assist, albeit in a non decision-making capacity.
 - d) If a Community Governance Review is undertaken, it will not be concluded to take effect in time for the forthcoming ordinary elections in May 2023, and any increase in membership approved will need to be the subject of a later by-election with the Parish Council being expected to bear the cost. The May elections does however provide an opportunity for new candidates to come forward.
 - e) The National and Essex Associations of Local Councils recommend that the minimum number of Parish Councillors should be seven.
- 3.7 Any such review, which would be at a cost to the District Council, would involve publicity and local consultation. Members will be required to ensure that the community governance within the area under review will be reflective of the identities and interests of the community in that area; and be effective and convenient. Section 95 of the 2007 Act provides, among other things, that when considering the number of councillors to be elected for the parish as a whole, the authority must have regard to the number of electors for the parish, and any change in that number likely to occur in the next five years. In that context, the housing trajectory associated with the Local Development Plan proposes an increase of 123 dwellings which if and when built is likely to increase the village population of 870 (at the 2021 Census) to something approaching 1200.

4. CONCLUSION

4.1 It is concluded that there is merit in undertaking a Community Governance Review for the Parish of North Fambridge as requested by the Parish Council.

5. IMPACT ON STRATEGIC THEMES

5.1 The undertaking of a Community Governance Review is in part a matter of compliance with the law and is also linked to the Strategic Theme of supporting

communities, underpinned by the relevant Core Values for delivery of the Council's Corporate Plan.

6. IMPLICATIONS

- (i) <u>Impact on Customers</u> This may have an indirect benefit on customers in the sense that the electors of North Fambridge are residents of the District and an increase in the size of the Parish Council may be of benefit to or enhance democratic representation.
- (i) <u>Impact on Equalities</u> Not Applicable (N/A).
- (ii) Impact on Risk N/A.
- (iii) <u>Impact on Resources (financial)</u> minimal, with the District Council bearing the cost or the order-making, publication of notices etc.
- (iv) <u>Impact on Resources (human)</u> none other than Officer time to process the Review procedures.
- (v) <u>Impact on the Environment</u> N/A.
- (vi) <u>Impact on Strengthening Communities</u> N/A.

Background Papers: None

Enquiries to: Stuart Jennings, Corporate Governance Project Officer

