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MALDON
DISTRICT COUNCIL

28 May 2025

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CHIEF EXECUTIVE
Doug Wilkinson

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on **THURSDAY 5 JUNE 2025** at **7.30 pm**

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

Please Note: All meetings will continue to be live streamed on the Council's YouTube channel 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 / attend in person please complete a Public Access form (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

Chief Executive

COMMITTEE MEMBERSHIP:

CHAIRPERSON	Councillor W Stamp, CC
VICE-CHAIRPERSON	Councillor N D Spenceley
COUNCILLORS	M G Bassenger
	D O Bown
	S J Burwood
	J C Hughes
	M G Neall
	R G Pratt
	U C G Siddall-Norman
	M E Thompson
INDEPENDENT PERSON (non-voting)	Mr Derek Smith

Please note: Electronic copies of this agenda and its related papers are available via the Council's website www.maldon.gov.uk.

AGENDA
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
THURSDAY 5 JUNE 2025

1. **Chairperson's Notices**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 5 - 72)

   To confirm the Minutes of the Performance, Governance and Audit Committee held on 20 February 2025 (copy enclosed).

4. **Matters Arising** (Pages 73 - 74)

   To note the Matters Arising from the last meeting (20 February 2025).

5. **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).

6. **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.

7. **Reappointment of Independent Person to the Performance, Governance and Audit Committee**

   Following the Council decision on 11 July 2024 (Minute No. 165 refers), the Committee is required to complete an annual review of the Independent Person (Mr Derek Smith) and then either reconfirm the postholder, or recruit into the role delegated to the Committee for the Municipal Year 2025 / 26.

8. **Internal Audit Reports** (Pages 75 - 76)

   To consider the report of the Chief Finance Officer (copy enclosed).

   a)   Progress Report 2024 / 25 and 2025 / 26 (Pages 77 - 88)

   b)   Follow Up of Recommendations Report (June 2025) (Pages 89 - 98)

For further information please see the Council's website.

c) <u>Building Control Final Report (May 2025)</u> (Pages 99 - 120)

d) <u>IT Disaster Recovery and Business Continuity Final Report (May 2025)</u> (Pages 121 - 132)

e) <u>General Data Protection Regulation (GDPR) Final Report (May 2025)</u> (Pages 133 - 152)

9. **Appointment of Representatives on Outside Bodies and Working Groups** (Pages 153 - 154)

To consider the report of the Chief Executive, (copy enclosed).

10. **Review of Corporate Risk - Quarter 4** (Pages 155 - 168)

To consider the report of the Chief Executive, (copy enclosed).

11. **Risk Management Policy** (Pages 169 - 182)

To consider the report of the Chief Executive, (copy enclosed).

12. **Annual Governance Statement Actions Update** (Pages 183 - 186)

To consider the report of the Chief Executive, (copy enclosed).

13. **Health and Safety Update - Quarter Four 2024 / 25** (Pages 187 - 196)

To consider the report of the Deputy Chief Executive, (copy enclosed).

14. **Proposed Community Governance Reviews - Various Parishes** (Pages 197 - 204)

To consider the report of the Chief Executive, (copy enclosed).

15. **Headline Results and Action Plan of the Staff Survey** (Pages 205 - 208)

To consider the report of the Chief Executive, (copy enclosed).

16. **UK Shared and Rural England Prosperity Funds** (Pages 209 - 218)

To consider the report of the Chief Executive, (copy enclosed).

17. **Any other items of business that the Chairperson of the Committee decides are urgent**

For further information please see the Council's website.

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
We do not have any fire alarm testing scheduled for this meeting. In the event of a fire, a siren will sound. Please use either of the two marked fire escape routes. Once out of the building please proceed to the designated muster point located on the grass verge by the police station entrance. Please gather there and await further instruction. If you feel you may need assistance to evacuate the building, please make a member of Maldon District Council staff aware.
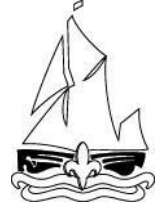
Health and Safety
Please be advised of the different levels of flooring within the Council Chamber.

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MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
20 FEBRUARY 2025

PRESENT

Vice-Chairperson (in the chair)	Councillor N D Spenceley
Councillors	S J Burwood, J C Hughes, R G Pratt, J C Stilts and M E Thompson
Independent Person	Mr Derek Smith

551. CHAIRPERSON'S NOTICES

The Chairperson welcomed everyone to the meeting and went through some general housekeeping arrangements for the meeting.

552. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M G Bassenger, U G C Siddall-Norman and W Stamp.

553. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 16 January 2025 be approved and confirmed.

554. MATTERS ARISING

The Committee noted the matters arising from the last meeting.

555. DISCLOSURE OF INTEREST

There were none.

556. PUBLIC PARTICIPATION

No requests had been received.

557. REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF FINANCIAL YEAR 2023 / 24

The Committee considered the report of the Interim Chief Finance Officer presenting a number of external audit documents for review. The Officer presented the report before referring to the external auditors to provide further information in relation to their reports (appendices 1 – 3).

- **International Standards on Auditing (ISA) 260 Audit report** (Appendix 1 to the report)
  This report aimed to ensure that auditors communicated significant findings from the audit to those responsible for governance. An updated version of this appendix had been circulated prior to the meeting.

  It was noted that due to a number of factors, including the completion of the 2022 / 23 financial year audit, the external auditors had not been able to progress significant volumes of work. All risk assessments had been completed along with planning work in order to allow an audit opinion to be issued. The audit disclosure checklist had been completed along with basis casting and consistency checks of the financial statements. Therefore, a disclaimed audit opinion was being issued on the 2023 / 24 financial statements. It was noted that page 46 of the report pack outlined the rationale behind this.

- **Annual Audit report for the financial year 2023 / 24** (Appendix 2)
  This report evaluated how effectively an organisation used its resources to achieve its objectives. An updated version of this appendix had been circulated prior to the meeting.

  This was required to be published alongside the Council's financial statement on its website and provided a high-level overview of the findings of both external audit's financial statement audit along with more rationale and detailed assessment of the findings of Value for Money (VFM) work. It was noted that external audit had raised a recommendation in response to significant weakness detailed within the report and a management response to this was set out on page 96 of the report pack. Members were informed that the rationale for the significant weakness was in respect of the Council's delivery of the draft 2023 / 24 financial statements and external audit being unable to progress the 2023 / 24 external audit due to what they believed were constraints within the Council's finance team.

- **Audit Plan report for 2023 / 24** (Appendix 3)
  This report set out the plan for the accounts audit and it was noted that this was normally presented before the audit took place, however due to constraints of backstop dates issued by the Government this report was being presented at this time. The Terms of Reference of this Committee included a requirement to review the external auditor's opinion on the Statement of Accounts of the Council.

  It was highlighted that page 103 of the report pack outlined the significant risk areas for the 2023 / 24 report which external audit had identified through its planning and risk work along with enquiries with the Council as well as knowledge of the wider Local Government sector. Three areas of significant risk had been identified and the external auditors took Members through each of them.

In response to a question raised by the Independent Person, regarding the value fully depreciated within the 2024 accounts, the Interim Chief Finance Officer advised that

the Council's technical accountant had prepared the financial statements, and he would therefore provide the requested information outside of the meeting.

The Chairperson moved the recommendations set out in the report. These were duly seconded and agreed.

RESOLVED

(i)   That Members considered:

- the ISA 260 Audit Report for 2023 / 24 at Appendix 1 to the report;

- the Annual Audit Report for 2023 / 24 (Appendix 2 to the report)

- the Audit Plan Report for 2023 / 24 (Appendix 3 to the report;

(ii)   That delegated authority be granted to both the Chairperson of the Performance, Governance and Audit Committee and Chief Finance Officer (Section 151) to liaise directly with the external auditors, KPMG, to facilitate the signing of the accounts and its subsequent publication online.

558.   INTERNAL AUDIT REPORT

The Committee considered the report of the Interim Chief Financial Officer and associated Internal Audit report from BDP LLP, attached on the agenda as follows:

8a)   Progress Report 2024 / 25 (February 2025)

8b)   Follow-Up of Recommendations Report (February 2025)

8c)   Capital and Commercial Project Management Final Report (January 2025)

8d)   Contract Management Final Report (January 2025)

8e)   Health and Wellbeing 2024 / 25 Final Report (January 2025)

8f)   Internal Audit Annual Plan 2025 / 26 and Strategic Plan 2023 - 26

Progress Report 2024 / 25 (February 2025)

Mr Andrew Billingham (BDO LLP) presented his report to the Committee which provided and update on completion of the 2024 / 25 internal audit plan. It was noted that since the last report to the Committee three further reviews had been finalised, two were at draft report stage and field work was ongoing for the remaining three audits which would be completed by the end of the financial year.

Follow-Up of Recommendations Report (February 2025)

Mr Billington (BDO LLP) presented the report and advised that no recommendations had been reached their implementation dates, so there was no follow-up. There was one outstanding recommendation on Licensing and Management of Property and Members were advised that this would be due and followed-up before the next meeting of the Committee.

Capital and Commercial Project Management Final Report (January 2025)

Mr Billington (BDO LLP) presented the report and advised that this had received a substantial opinion for the design of controls and a moderate opinion for effectiveness of controls. It was noted that three recommendations had been raised around ensuring the business case templates were completed in all cases and updating project management guidance, the Asset Management and Commercial

Strategies.

Contract Management Final Report (January 2025)

Mr Billington (BDO LLP) presented the report and advised that this had received a substantial opinion for the design of controls and a moderate opinion for effectiveness of controls. It was noted that two recommendations had been raised the first was around ensuring contract managers received the correct training and establishing a quality assurance process and the second about updating contract management guidance.

Health and Wellbeing 2024 / 25 Final Report (January 2025)

Mr Billington (BDO LLP) presented the report and advised that this had received a substantial opinion for both the design of controls and effectiveness of controls. It was noted that two low priority recommendations had been raised and were to ensure that actions resulting from the staff survey were SMART (Specific, Measurable, Achievable, Realistic and Time-bound) and improving governance arrangements for the Council's Mind, Body and Sole Group.

Internal Audit Annual Plan 2025 / 26 and Strategic Plan 2023 - 26

Mr Aaron Winter (BDO LLP) presented the report and highlighted the annual plan for 2025 / 26 which had been collated following the annual planning process and consideration by the Council's Corporate Leadership Team. The Plan detailed nine reviews which the Internal Auditors would undertake during 2025 / 26 which were a mix of cyclical coverage and specific areas of potential risk. It was noted that the Plan would be reviewed to ensured it prioritised the risks that the Council faced, and any changes reported to this Committee.

Members' attention was drawn to page 219 of the agenda pack which set out the internal audit charter. Mr Winter advised the Committee that from the beginning of January 2025 there were new global audit standards which had become applicable. As a result, there was a new set of Public sector Internal Audit Standards which would come into effect from 1 April 2025 and to which the 2025 / 26 Plan would be delivered. Members were given assurance that there were no significant changes and Mr Winter advised that BDO had already reviewed its process to ensure compliance.

In response to questions raised Members were advised:

- If any future changes created risk Internal Audit would review this in discussion with senior officers and report back to the Committee. Internal Audit had a statutory requirement to ensure that the Internal Audit Plan was aligned to those risks.

- The Building Control audit was currently underway, and the concerns and challenges faced had been built into the background of that review. Although the audit could not help improve recruitment by saying that more resources were required if it was the root cause for a backlog or they had concerns around process delivery this would be reflected.

In response to a question regarding the Council's reserves and the future of the Council, the Deputy Chief Executive advised that the Essex Chief Executives and Leaders Group had commissioned external consultants to look at the various financial issues and options in relation to Devolution and unitary authorities. The Council meeting on 25 February 2025 would be considering a paper on this matter to ensure all Members had a full oversight of the analysis. The internal audit plan also included a preparedness for the Local Government Reform (LGR) audit. He outlined

the current timeline relating to LGR and advised that the audit and checklist would be reviewed to ensure the Council was undertaking due diligence.

Internal Audit report continued

The Chairperson then moved the three recommendations set out in the report, taking into consideration the earlier discussions. This was duly seconded and approved.

RESOLVED

(i)   that the Committee considered, commented, and approved the following reports as set out on the agenda:

   (a)   Progress Report 2024 / 25 (February 2025) at 8a;

   (b)   Follow-Up of Recommendations Report (February 2025) – at 8b;

   (c)   Capital and Commercial Project Management Final Report (January 2025) – at 8c;

   (d)   Contract Management Final Report (January 2025) – at 8d;

   (e)   Health and Wellbeing 2024 / 25 Final Report (January 2025) - at 8e

   (f)   Internal Audit Annual Plan 2025 / 26 and Strategic Plan 2023 – 26 – at 8f.

The Chairperson thanked the External and Internal Auditors for their reports and attendance. At this point thanks was also given to the Finance Team, particularly the Interim Chief Finance Officer.

559.   CORPORATE PERFORMANCE - QUARTER 3

The Committee considered the report of the Chief Executive that required the Committee to undertake a quarterly review of the Corporate performance, as assurance that performance was being managed effectively to achieve the corporate outcomes as set out in the Council's Corporate Plan 2023 - 2027. Appendix 1 to the report provided an overview of performance as at the end of Quarter 3 (Q3) (October to December 2024).

The Chairperson introduced the report and deferred to the Assistant Director – Programmes, Performance and Governance to present the detail. The Assistant Director took the Committee through the report highlighted section 3.2 which gave a high level view for each priority of delivery along with the specific indicators within the priority that had been marked at risk. It was noted that a new corporate plan had been adopted in December 2024. Work had been taking place to map the new Key Performance Indicators, along with an internal session booked with Committee Members prior to Quarter 1 being reported against the new corporate plan.

The Chairperson proposed that the recommendations as set out in the report be agreed and this was duly seconded.

In response to questions raised during the discussion that ensued the following information was provided:

- Develop and launch of Maldon's youth engagement programme – It was confirmed that this priority was on track with conditional elements.

- <u>Number of trees planted within the District in partnership</u> – The Assistant Director - Place and Community agreed to supply details of the number of trees planted and their location outside of the meeting.

- <u>Training</u> – In response to comments from the Independent Person regarding training, the Deputy Chief Executive advised that the Corporate Performance report would not normally provide the level of detail he raised. The comments raised would be taken into account and reviewed within the Council's review of reporting for the future.

The Chairperson then moved the recommendations set out in the report and these were duly agreed.

RESOLVED

(i)   That Members reviewed the information as set out in this report and Appendix 1 to the report, with priority focus given to the Strategic Priority level performance;

(ii)   That Members confirmed they are assured through this review that corporate performance was being managed effectively.

560.   REVIEW OF CORPORATE RISK - QUARTER 3

The Committee considered the report of the Chief Executive that required Members to undertake a quarterly review of the Corporate Risk Register as assurance that the Council's corporate risks were being managed effectively. A summary and detailed table of the Corporate Risk Register, latest ratings and officer commentary was attached as appendix 1 to the report.

The Chairperson introduced the report and deferred to the Assistant Director - Programmes, Performance and Governance to address the detail. The Assistant Director advised that the report covered the Corporate Risks for the third quarter of 2024 / 25, (October - December 2024). She advised that since quarter two there had been three changes to risks, as follows:

- Failure to maintain a Five-Year Housing Land Supply – this risk has increased.

- Failure to plan and deliver balanced budgets over the medium term – this risk has decreased.

- Failure to engage and prepared to be ready any impact of Local Government Review – this was a new risk.

Members were advised that work was taking place to refresh the risk management Policy which was due for renewal in 2025 and as a result of this a review of risk scoring would also take place in the coming quarters.

The Chairperson moved the recommendations set out in the report. These were duly seconded and agreed.

RESOLVED

(i)   That Members reviewed the Corporate Risk Register in Appendix 1 to the report and provided comment and feedback for consideration;

(ii)   That Members reviewed progress of the Corporate Risk Mitigating actions in Appendix 2 to the report and provided comment and feedback for consideration;

(iii)   That Members are assured through this review that corporate risk is being managed effectively;

(iv)   That Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved.

561.   HEALTH AND SAFETY UPDATE - QUARTER THREE 2024 / 25

The Committee considered the report of the Deputy Chief Executive that provided an update on Health and Safety statistics and activity during Quarter 3 (Q3) (1 October to 31 December 2024). The Chairperson introduced the report and deferred to the Assistant Director - Place and Community and Corporate Health and Safety Manager to present the detail.

The Assistant Director took the Committee through the report advising on the numbers of accidents / incidents, near misses and unacceptable behaviour which were relatively low and dealt with according to Council policies with no particular trends identified during this period. It was noted that the number of accidents and near misses reported demonstrated that Officers continued to follow the correct procedure. The report provided further update in respect of the following areas:

- Health and Safety Actions – the report detailed a number of actions along with an update on the progress of each. It was noted that those actions completed had been removed.

- Health and Safety Groups – Reported incidents were scrutinised through the monthly Health and Safety Managers' Group along with compliance in other areas and monthly performance updates were provided to the extended Corporate Leadership Team.

- System resources

- Fire Risk Assessments

- Policies and procedures

- Health and Safety inspections

- Legionella

- Training – a number of training events had been undertaken during this quarter, including over 70 staff attending training on dealing with violence and aggression.

- Accident-near miss reporting

- Health and Safety Audit – Following the recent audit an action plan had been produced and Members were advised that good progress was being made to implement the related recommendations.

The Chairperson proposed that the recommendations as set out in the report be agreed and this proposal was duly seconded.

During the discussion that followed and in response to questions raised, the following information was provided:

- Shellfish Sampling – Members were advised that there was a statutory requirement for this and certain techniques that had to be employed for sampling and the Council was exploring using an external consultant. The Health and Safety Manager advised he was unable to provide information

regarding the suggestion that a boat was used to carry out sampling however, would raise this matter with the appropriate team.

- The Council employed best practice along with a Strategy regarding the assessment of trees in public parks. The Assistant Director - Customer Services and Operations advised that in addition the Council had a regular programme of tree inspections which provided a good level of reassurance. A high winds new working practice had recently been introduced and provided clear guidance to staff regarding wind speed and the steps taken if there were high winds.

- In response to a question regarding the impact of unacceptable behaviour on members of staff, the Health and Safety Manager agreed to get an update from the relevant Manager.

The Chairperson then moved the recommendations which were duly agreed.

RESOLVED

(i)   That Members considered the accident and incident statistics and incidences of unacceptable behaviour reported;

(ii)   That Members considered progress of key health and safety themes (as set out in section 3.2 of the report).

562.   **BALANCE SCORECARD EXCEPTIONS (JULY - DECEMBER 2024)**

The Committee considered the report of the Chief Executive reporting exceptions to operational service and provided visibility of any identified Balance Scorecard Key Performance Indicators (KPIs) that had met their threshold, supported by an action plan to ensure targets were met.

The Chairperson introduced the report and deferred to the Assistant Director, Programmes, Performance and Governance to present the detail. It was noted that the report covered the period July to December 2024 and section 3.2 contained detail on underperforming areas and the action being taken. The Assistant Director drew Members' attention to section 3.3 which highlighted two indicators where the Council was overperforming, section 3.4 flagged those areas where closer monitoring was taking place and it was noted that areas of tolerance were marked for closer monitoring by the leadership team. Internally, the Senior Management Team monitor this data and discuss it monthly to help address performance issues in real time where possible, with a six-monthly report provided to this Committee to show the exceptions and any areas of under / over performance. Appendix 1 to the report provided further performance data.

The Chairperson moved the recommendations as set out in the report. This was duly seconded and agreed.

RESOLVED

(i)   That the Committee reviewed and commented on exceptions to service reporting provided in the report;

(ii)   That Members noted the additional performance detailed in Appendix 1 to the report;

(iii) That Members confirmed they were assured through this review, that operational performance was being managed effectively.

563. ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

The Committee considered the report of the Chief Executive providing Members with an update on the actions identified in the Annual Governance Statement (AGS). The Chairperson introduced the report and deferred to the Assistant Director Programmes, Performance and Governance, to present the detail.

The Assistant Director took the Committee through the report that covered the best practice governance actions identified in the 2023 / 24 AGS and an update on progress against these. It was noted that the AGS was in line with the Chartered Institute of Public Finance and Accountancy best practice, reflective of governance matters and forward looking about where the Council could make improvements.

Section 3.5 of the report provided a table of those actions and an update of progress as at Quarter 3 (end December 2024). Actions highlighted in grey denoted actions completed and a further six actions were ongoing for the year, with updated text provided. The Assistant Director highlighted how the draft AGS for 2024 / 25 was due to be considered as a separate item on the agenda and would continue to build on best practice.

The Chairperson proposed that the recommendation as set out in the report be agreed. This proposal was duly seconded and agreed.

RESOLVED that the Committee reviewed the Annual Governance Statement table at paragraph 3.5 and the updates within the report and challenged where necessary.

564. ANNUAL GOVERNANCE STATEMENT 2024 / 25

The Committee considered the report of the Chief Executive presenting the Annual Governance Statement (AGS) 2024 / 25 (attached at Appendix 1 to the report) for review and adoption by the Committee.

The Chairperson introduced the report and deferred to the Assistant Director – Programmes, Performance and Governance to present the detail. The Assistant Director advised that the AGS was a key statutory document that had to be produced and appended to the Council's Statement of Accounts and followed the Council's adopted template to reflect the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice advice. It was noted that the report commented on the Council's position against the seven principles of good governance identified by CIPFA and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in 2016. In addition, comments on the Council's arrangements against the CIPFA financial management code had been provided, particularly standard C. It was noted that this AGS was being brought forward prior to the end of the financial year, it was not expected that the commentary would change, however should there be any change these would be reported to the Committee.

The first page of the appendix highlighted the achievements of the 2024 / 25 financial year in terms of governance arrangements. Overall, the statement demonstrated that the Council had appropriate governance arrangements in place. It was noted that the appendix identified some actions for the coming year in line with best practice. The AGS also reflected on achievements in the 2024 / 25 financial year.

The Chairperson proposed that the recommendations set out in the report be agreed. This proposal was duly seconded and agreed.

RESOLVED

(i)   That the Annual Governance Statement (attached at Appendix A to the report) be approved and appended to the Statement of Accounts.

(ii)   That the Performance, Governance and Audit Committee monitors the progress of the action plan identified in the Annual Governance Statement through a quarterly report.

565.   ANNUAL REVIEW OF FINANCIAL REGULATIONS

The Committee considered the report of the Interim Chief Financial Officer presented revised Financial Regulations (attached as Appendix 1 to the report) for review and recommendation to the Council for approval.

The Financial Regulations provided a framework to ensure sound financial management and control within a local authority, aligned with the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Codes, and complied with relevant legislation and best practices in public financial management. It was noted that the Regulations were reviewed annually in accordance with the Council's Constitution to ensure they remained current and effective. The Interim Chief Financial Officer advised how the Financial Regulations had been updated to reflect the new leadership structure implemented in December 2024 and would be kept under constant review and refined, where necessary to adapt to emerging financial management challenges and opportunities.

The Chairperson moved the recommendation set out in the report and this was duly seconded.

In response to questions raised by the Independent Person, Officers reported that the Finance Working Group was a cross-Committee group that made recommendations to the Strategy & Resources and Performance, Governance & Audit Committees, as appropriate. Further explanation in terms of the remit of each Committee was also provided and the Deputy Chief Executive advised that further clarification could be provided outside of the meeting.

The Chairperson then put the recommendation which was duly agreed.

RECOMMENDED that the revised Financial Regulations at **APPENDIX 1** to these Minutes be approved.

There being no other items of business the Chairperson closed the meeting at 8.31 pm.

N D SPENCELEY
CHAIRPERSON

MALDON DISTRICT
COUNCIL

MALDON DISTRICT COUNCIL

Financial Regulations and Financial Procedures

Updated January 2025

Changes log

Committee version	Change
C 2.1 changed to reflect audit committee responsibility as opposed to finance and corporate services.	June 2018
Throughout – Amend the references to Chief Executive and Assistant Directors titles in line with new structure.	October 2018
Appendix I reference to Deputy for Section 151 removed as this isn't a position.	January 2019
Amended wording relating to cheques as pre-signed cheques are now removed.	January 2019
Appendix G.9. Amended wording on BACS to reflect new BACS system of electronic signatures, and gave delegation of authorisations of BACS to Chief Finance Officer / S151 .	February 2019.
Combined B.1.3 and B.1.4 as no required distinctions.	February 2019
Updated to reflect new Committee Structure	October 2019
Further review and updating for presentation to Members to adopt as part of the Constitution	July 2020
Throughout – Replace references to Directors' titles with the Chief Executive, Deputy Chief Executive, Chief Finance Officer, and Assistant Director, as required, in line with the new leadership structure implemented in December 2024	January 2025

Contents

H	Authorisation Arrangements	53

1. Status of Financial Regulations

1.1.   Financial regulations provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.

1.2.   The regulations identify the financial responsibilities of the Council, the Committees, the Chief Executive, the Deputy Chief Executive, the Chief Financial Officer / Section 151 (S151) and the Assistant Directors. These officers must maintain a written record where decision making under the regulations has been delegated; Delegated decisions made and references in the regulations should be read as referring to them. Actions under the regulations may also be delegated, and again any such authorisations should be documented, however the responsibility to ensure that these actions are happening remains with the person specified in these regulations. (Appendix I)

1.3.   All Council Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

1.4.   The Chief Financial Officer / S151 is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Council for approval. The Chief Financial Officer / S151 is also responsible for reporting, where appropriate, breaches of the financial regulations to the Strategy and Resources Committee. Any non-compliance with the Regulations must be reported to the Chief Financial Officer / S151. Anyone wishing to act outside the provisions of these regulations, in a specific instance, must seek the prior written approval of the Chief Financial Officer / S151 .

1.5.   The Council's detailed financial procedures, setting out how the regulations will be implemented, are contained in the appendices to the financial regulations.

1.6.   The Chief Financial Officer / S151 is responsible for ensuring that all staff are aware of the existence and content of the Council's financial regulations and other internal regulatory documents and that they comply with them.

1.7.   The Chief Financial Officer / S151 is responsible for issuing advice and guidance to underpin the financial regulations that Members, Officers and others acting on behalf of the Council are required to follow. Notes and guidance may expand upon, but not contradict the Regulations. Any consultation required under these Regulations must allow sufficient time for a proper consideration of any issues.

1.8.   All financial and accounting procedures must be carried out in accordance with the Regulations.

2. FINANCIAL REGULATIONS

a)   Financial Management

1.   INTRODUCTION

1.1   Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

2.   THE COUNCIL

2.1   The Council is responsible for adopting a Constitution and associated corporate governance arrangements (including Council and Committee Procedure Rules and Committee Terms of Reference), for approving the annual budget and the policy framework within which the Committees operate. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in its corporate governance arrangements. The Council is also responsible for monitoring compliance with the agreed policy and related Committee decisions.

2.2   The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its Committees.

3.   THE COMMITTEES

3.1   The Strategy and Resources Committee is responsible for proposing the annual budget to the Council, and for discharging its own functions in accordance with that budget and framework.

3.2   Once approved, the Strategy and Resources Committee is responsible for the administration of the budget for the services set out in its Terms of Reference.

3.3   Committee decisions can be delegated to an officer or a sub-committee.

3.4   The Committees are responsible for establishing protocols to ensure that decisions take account of legal and financial liabilities and risk management issues that may arise from the decision.

3.5   The Overview and Scrutiny Committee, has power to scrutinise decisions made, or action taken, in respect of any of the functions of the Council which have financial implications. It also has powers to make recommendations on future financial policy options and for reviewing the general financial policy and service delivery of the Council.

3.6   The Joint Standards Committee is established by the Council and is responsible for promoting and maintaining high standards of conduct amongst councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Members' code of conduct, and for monitoring the operation of the code.

4.   THE STATUTORY OFFICERS

4.1   The Council will appoint the Chief Executive, Deputy Chief Executive or a senior officer to the following statutory roles:

- Head of Paid Service – responsible for the co-ordination of the operational activity involved in delivering the Council's services and functions, including the appointment and management of staff.

- Section 151 Officer or Chief Finance Officer – responsible for the proper administration of the Council's financial affairs.

- Monitoring Officer – reports to the Council on cases of maladministration, the conduct of councillors and officers, and responsible for the review and updating of the Constitution (including the provision of advice and interpretation).

Further information on these roles is contained within the Council's constitution although of particular relevance to these Regulations are the following statutory provisions:

4.2   Section 151 Officer (Chief Finance Officer)

4.2.1   The Officer appointed by the Appointments Board as the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

a)   Section 151 of the Local Government Act 1972;
b)   The Local Government Finance Act 1988;
c)   The Local Government and Housing Act 1989;
d)   The Accounts and Audit Regulations 2015;
e)   The Localism Act 2011.

4.2.2   The Section 151 Officer (Chief Finance Officer) is responsible for:

a)   the proper administration of the Council's financial affairs;

b)   setting and monitoring compliance with financial management standards;

c)   advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;

d)   providing financial information;

e)   preparing the revenue budget and capital programme;

Operational responsibility for these matters is assigned to the Chief Finance Officer / S151.

4.2.3   Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (Section 151 Officer) to report to the Council, Committees and external auditor if the Council, Committees or one of its officers or members:

a)   has made, or is about to make, a decision which involves incurring unlawful expenditure;
b)   has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
c)   is about to make an unlawful entry in the Council's accounts.

Section 114 of the 1988 Act also requires:

d)   the Chief Finance Officer to nominate a properly qualified member of staff to deputise should They be unable to perform the duties under section 114 personally;

e)   the Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

5.   CHIEF EXECUTIVE, DEPUTY CHIEF EXECUTIVE, ASSISTANT DIRECTORS

5.1   The above officer's are responsible for ensuring that Committees are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer / S151;

5.2   They are responsible for signing contracts on behalf of the Council.

5.3   It is the responsibility of these officers and Committees to consult with the Chief Finance Officer / S151 and seek approval on any matter liable to affect the Council's finances, before any commitments are incurred.

5.4   The Chief Executive is responsible for keeping the Council's corporate governance arrangements up to date.

6.   OTHER FINANCIAL ACCOUNTABILITIES

6.1   Virement

6.1.1   The Council is responsible for agreeing procedures for revenue and capital virements of expenditure or income between budget headings.

6.1.2   The Chief Executive, Deputy Chief Executive and Assistant Directors must consult the Chief Finance Officer / S151 on all virements, (see **Appendix F**)

6.2   Treatment of year-end balances

6.2.1   The Chief Finance Officer / S151 is responsible for agreeing procedures for carrying forward under-spending on budget headings.

6.3   Accounting policies

6.3.1   The Chief Finance Officer / S151 is responsible for selecting accounting policies and ensuring that they are applied consistently.

6.4   Accounting records and returns

6.4.1   The Chief Finance Officer / S151 is responsible for determining the accounting procedures and records for the Council.

6.5 **The Annual Statement of Accounts**

6.5.1 The Chief Finance Officer / S151 is responsible for ensuring that the annual Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Local Authority Accounting in the United Kingdom and that the annual accounts are published by the deadline set out in the Accounts and Audit Regulations each year. The Performance, Governance & Audit Committee is responsible for approving the annual Statement of Accounts.

b)   Financial Planning

1.   INTRODUCTION

1.1   The Council is responsible for agreeing the Council's policy framework, in particular the Corporate Plan. It is also responsible for agreeing the budget, the main framework of which will be proposed by the Strategy and Resources Committee. In terms of financial planning, the key elements are:

a)   the revenue budget;
b)   the medium term financial strategy (MTFS);
c)   the capital programme.

2.   POLICY FRAMEWORK

2.1   The policy framework comprises a number of statutory plans and strategies, which are set out in the Councils corporate governance arrangements.

2.2   The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. The S151 Officer and/or Monitoring Officer, as appropriate, should refer decisions to the Council.

2.3   The Committees are responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

2.4   Preparation of the Corporate Plan

2.4.1   The Chief Executive or Assistant Director of Strategy, Partnerships and Communication is responsible for proposing the Corporate Plan to the Council for approval.

3.   BUDGETING

3.1   Budget format

3.1.1   The general format of the budget will be approved by the Strategy and Resources Committee and the Council on the advice of the Chief Finance Officer / S151. The draft budget should include current approvals updated for inflation and volume changes, proposals for growth and savings, together with the proposed taxation level.

3.2   Budget preparation

3.2.1   The Chief Finance Officer / S151 is responsible for ensuring that a revenue budget is prepared on an annual basis and a MTFS at least on a three-yearly basis for consideration by the Strategy and Resources Committee, before submission to the Council. The Council may amend the budget before approving it.

3.3   Budget monitoring and control

3.3.1   The Chief Finance Officer / S151 is responsible for providing appropriate financial information to enable budgets to be monitored effectively. They must monitor and control expenditure against budget allocations and report to the Strategy and Resources Committee on the overall position on a quarterly basis.

3.3.2   It is the responsibility of Assistant Directors to control income and expenditure within their areas and to monitor performance, taking account of financial information provided by the Chief Finance Officer / S151. They should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer / S151 to any problems.

3.4   Resource allocation

3.4.1   The Chief Finance Officer / S151 is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's strategic and financial planning process.

3.5   Preparation of the Capital Strategy

3.5.1   The Chief Finance Officer / S151 is responsible for ensuring that the Capital Strategy and Capital Programme are prepared on an annual basis for consideration by the Strategy and Resources Committee before submission to the Council.

3.6   Guidelines

3.6.1   Guidelines on budget policies are issued by the Chief Finance Officer / S151 following approval of the Strategy and Resources Committee. The guidelines will take account of:

a)   legal requirements;
b)   medium-term financial strategy;
c)   the Corporate Plan;
d)   available resources;
e)   spending pressures;
f)   other relevant guidelines issued by government or external audit;
g)   other internal policy documents;
h)   cross-cutting issues (where relevant);
i)   external partnerships.

4.   MAINTENANCE OF RESERVES

4.1   It is the responsibility of the Chief Finance Officer / S151 to advise the Strategy and Resources Committee on prudent levels of reserves for the Council.

c) Risk Management and Control of Resources

1. INTRODUCTION

1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

2. RISK MANAGEMENT

2.1 The Performance, Governance and Audit Committee is responsible for approving the Council's Risk Management Policy and for reviewing the effectiveness of risk management.

2.2 The Assistant Director of Programmes, Performance and Governance is responsible for preparing the Council's Risk Management Policy and for promoting it throughout the Council and is responsible for advising the Committees on proper insurance cover where appropriate.

3. INTERNAL CONTROL

3.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient, and effective use of resources and that the Council's assets and interests are safeguarded.

3.2 The Assistant Directors are responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with the statutory and other authorities that govern their use.

3.3 It is the responsibility of Assistant Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

4. AUDIT REQUIREMENTS

4.1 The Accounts and Audit Regulations require every local Council to maintain an adequate and effective internal audit.

4.2 The Secretary of State for Communities and Local Government, via the Local Government Association has delegated the appointment of external auditors to each local authority to a body called Public Sector Audit Appointments Ltd (PSAA). The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by the Local Audit and Accountability Act 2014.

4.3 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues and Customs, which have statutory rights of access.

5. PREVENTING FRAUD AND CORRUPTION

5.1 The Chief Finance Officer / S151, is responsible for the development and maintenance of an Anti-Fraud and Anti-Corruption Policy.

6.   **ASSETS**

6.1   Assistant Directors should ensure that records of the Council's assets in excess of the limit set out in section 1.7 of **Appendix F** are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place. The Chief Finance Officer / S151 should ensure that all assets above the specified value are properly recorded in the asset register.

7.   **TREASURY MANAGEMENT**

7.1   The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

7.2   The Strategy and Resources Committee is responsible for approving the treasury management policy and Treasury Management Practices (TMP's) setting out the matters detailed in CIPFA's Code of Practice for Treasury Management in Local Authorities. The Chief Finance Officer / S151 has delegated responsibility for implementing and monitoring the TMP's.

7.3   All money in the hands of the Council is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the Code as the Chief Finance Officer / S151.

7.4   Subject to the Council setting the overall borrowing limits in accordance with the Prudential Code, the day-to-day decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer / S151, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

8.   **STAFFING**

8.1   The Head of Paid Service is responsible for providing overall management to staff. Assistant Directors will be responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.

8.2   Assistant Directors, in consultation with the Chief Finance Officer / S151, are responsible for controlling total staff numbers by:

a)   advising the Council on the budget necessary in any given year to cover estimated staffing levels;

b)   adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs;

c)   the proper use of appointment procedures.

d)   Systems and Procedures

1.   INTRODUCTION

1.1   Sound systems and procedures are essential to an effective framework of accountability and control.

2.   GENERAL

2.1   The Chief Finance Officer / S151 is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. The Chief Finance Officer / S151 must determine any changes proposed by Chief Executive, Deputy Chief Executive or Assistant Directors to the existing financial systems or the establishment of new systems. However, Assistant Directors are responsible for the proper operation of financial processes in their own services.

2.2   Any changes to agreed procedures by Assistant Directors to meet their own specific service needs should be agreed with the Chief Finance Officer / S151.

2.3   The Chief Finance Officer / S151 should ensure that all staff receive relevant financial training.

2.4   Assistant Directors must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation. Assistant Directors must ensure that staff are aware of their responsibilities under freedom of information legislation.

3.   INCOME AND EXPENDITURE

3.1   It is the responsibility of Assistant Directors to ensure that a proper scheme of internal authorisation has been established within their area and that it is operating effectively. The scheme of delegation, or a system of internal recording, should identify in writing staff authorised to act on the Assistant Directors' behalf, or on behalf of the Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The Strategy and Resources Committee is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

4.   PAYMENTS TO EMPLOYEES AND MEMBERS

4.1   The Chief Finance Officer / S151 is responsible for all payments of salaries and allowances to all staff, including payments for overtime, and for payment of allowances to Members.

5.   TAXATION

5.1   The Chief Finance Officer / S151 is responsible for advising Assistant Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

5.2   The Chief Finance Officer / S151 is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

6.   TRADING ACCOUNTS

6.1   It is the responsibility of the Chief Finance Officer / S151 to advise on the establishment and operation of trading accounts.

e)   External Arrangement

1.   INTRODUCTION

1.1   The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social, and environmental well-being of its area.

2.   PARTNERSHIPS

2.1   Committees are responsible for approving frameworks for partnerships. The Committees are the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

2.2   While Committees can seek to delegate functions, including those relating to partnerships, to officers, any proposals to alter the Committee Terms of Reference and the Scheme of Delegation must be considered by the Performance, Governance and Audit Committee under the Council's corporate governance arrangements.

2.3   The Chief Finance Officer / S151 is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.

2.4   The Chief Finance Officer / S151, in consultation with the Council's Monitoring Officer, must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are robust and comply with best practices. They must also consider the overall corporate governance arrangements and in consultation with the monitoring officer, legal issues when arranging contracts with external bodies. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

2.5   Committees are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

3.   EXTERNAL FUNDING

3.1   The Chief Finance Officer / S151 is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

A.   FINANCIAL MANAGEMENT PROCEDURES

A.1.   FINANCIAL MANAGEMENT STANDARDS

1.1   Why is this important?

1.1.1   All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

A.1.2   Key controls

1.2.1   The key controls and control objectives for financial management standards are

(a)   their promotion throughout the Council;

(b)   a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Performance, Governance and Audit Committee.

A.1.3   Responsibilities of the Section 151 Officer

1.3.1   To ensure the proper administration of the financial affairs of the Council.

1.3.2   To set the financial management standards and to monitor compliance with them.

1.3.3   To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.

1.3.4   To advise on the key strategic controls necessary to secure sound financial management.

1.3.5   To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

A.1.4   Responsibilities of Assistant Directors

1.4.1   To promote the financial management standards set by the Section 151 Officer in their service and to monitor adherence to the standards and practices.

1.4.2   To promote sound financial practices in relation to the standards, performance, and development of staff in their departments.

A.2.   MANAGING EXPENDITURE

2.1   Scheme of Virement

2.1.1   Why is this important?

2.1.1.1   The scheme of virement is intended to enable the Strategy and Resources Committee, Assistant Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.

A.2.2   Key controls

2.2.1   Key controls for the scheme of virement are:

(a)   it is administered by the Chief Finance Officer / S151 within guidelines set by the Council. Any variation from this scheme requires the approval of the Council;

(b)   the overall budget is proposed by the Strategy and Resources Committee and approved by the Council. Assistant Directors and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement (i.e. switching resources between approved budget headings of expenditure or income). For the purposes of this scheme, a budget heading is considered to be a line in the Budget Summary of the Budget Book;

(c)   virement does not create additional overall budget liability. Assistant Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Assistant Directors must plan to fund such commitments from within their own budgets.

A.2.3   Responsibilities of the Chief Finance Officer / S151

2.3.1   To prepare jointly with the Assistant Directors, a report to the Strategy and Resources Committee where revenue and capital virements, between different directorates, in excess of specified financial limits, are proposed (see **Appendix F**).

A.2.4   Responsibilities of Assistant Directors

2.4.1   The Chief Executive and Deputy Chief Executive, in consultation with the Chief Finance Officer / S151 may exercise virement within the same directorate under his/her control for any amount. Virements between different directorates must be reported to the Strategy and Resources Committee. The authorisation limits are set out in **Appendix F**.

2.4.2   Amounts that require the approval of the Strategy and Resources Committee must specify the proposed expenditure and the source of funding and must explain the implications in the current and future financial years.

2.4.3   Virement that is likely to impact on the level of service activity of another Assistant Director should be implemented only after agreement with the relevant Assistant Director.

2.4.4   Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

a)   the amount is used in accordance with the purposes for which it has been established.

b)   the Strategy and Resources will approve the basis and the terms, including financial limits, on which it will be allocated. Individual allocations more than the financial limits should be reported to that Committee.

2.4.5   Virements are not permitted in relation to asset charges or other budget headings which are outside the control of the Assistant Directors or where a proposal would adversely affect long term revenue commitments.

A.3.   ACCOUNTING POLICIES

A.3.1   Why is this important?

3.1.1   The Chief Finance Officer / S151 is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom for each financial year ending 31 March.

A.3.2   Key controls

3.2.1   The key controls for accounting policies are:

a)   systems of internal control are in place which ensure that financial transactions are lawful.

b)   suitable accounting policies are selected and applied consistently.

c)   proper accounting records are maintained.

d)   financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

A.3.3   Responsibilities of the Chief Finance Officer / S151

3.3.1   To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which is prepared at 31 March each year, and covers such items as:

a)   income and expenditure.
b)   fixed assets.
c)   treatment of leasing.
d)   depreciation.
e)   charges to revenue.
f)   capital receipts.
g)   debtors and creditors.
h)   support services.
i)   pensions.
j)   government grants.
k)   investments.
l)   reserves.
m)   stocks

A.3.4   Responsibilities of Chief Executive, Deputy Chief Executive and Assistant Directors

3.4.1   To adhere to the accounting policies and guidelines approved by the Chief Finance Officer / S151.

A.4.   ACCOUNTING RECORDS AND RETURNS

A.4.1   Why is this important?

4.1.1   Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, and effectiveness in the use of the Council's resources.

A.**4.2** **Key controls**

4.2.1 The key controls for accounting records and returns are:

a) all Committees, finance staff and budget managers operate within the required accounting standards and timetables;

b) all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;

c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure;

d) reconciliation procedures are carried out to ensure transactions are correctly recorded;

e) prime documents are retained in accordance with legislative and other requirements.

A.4.3 **Responsibilities of the Chief Finance Officer / S151**

4.3.1 To determine the accounting procedures and records for the Council. Where these are maintained outside his/her department, the Chief Finance Officer / S151 should consult with the Chief Executive or Deputy Chief Executive.

4.3.2 To arrange for the compilation of all accounts and accounting records under his/her direction.

4.3.3 To comply with the following principles when allocating accounting duties:

a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them;

b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

4.3.4 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 2015.

4.3.5 To ensure that all claims for funds including grants are made by the due date.

4.3.6 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Audit Committee to approve the Statement of Accounts.

4.3.7 To administer arrangements for under-spending to be carried forward to the following financial year.

4.3.8 To ensure the proper retention of financial documents in accordance with the requirements set out in the Council's document retention guidelines.

A.4.4 **Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors**

4.4.1 To consult and obtain the agreement of the Chief Finance Officer / S151 before making any changes to accounting records and procedures.

4.4.2 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.

4.4.3 To supply information required to enable the Statement of Accounts to be completed in accordance with guidelines issued by the Chief Finance Officer / S151.

A.**5.** THE ANNUAL STATEMENT OF ACCOUNTS

A.5.1 Why is this important?

5.1.1 The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Performance, Governance and Audit Committee is responsible for approving the statutory annual Statement of Accounts.

A.5.2 Key controls

5.2.1 The key controls for the annual Statement of Accounts are:

a) the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Council, that officer is the Officer appointed by the Appointments Board as Section 151 Officer;

b) the Council's Statement of Accounts must be prepared in accordance with proper practices as set out in the latest CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

A.**5.3** **Responsibilities of the Chief Finance Officer / S151**

5.3.1 To sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March.

5.3.2 To select suitable accounting policies and to apply them consistently.

5.3.3 To make judgements and estimates that are reasonable and prudent.

5.3.4 To comply with the latest accounting Code of Practice.

5.3.5 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

A.5.4 **Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors**

5.4.1 To comply with accounting guidance provided by the Chief Finance Officer / S151 and to supply him/her with information when required.

B. FINANCIAL PLANNING

B.1. PERFORMANCE PLANS

B.1.1 Why is this important?

1.1.1 The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement.

B.1.2 Key controls

1.2.1 The key controls for performance plans are:

(a) to meet the timetables set;

(b) to ensure that all performance information is accurate, complete and up to date;

(c) to provide improvement targets which are meaningful, realistic and challenging.

B.1.3 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

1.3.1 To contribute to the development of performance plans in line with statutory requirements.

1.3.2 To contribute to the development of corporate and service targets and objectives and performance information.

1.3.3 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

1.3.4 To ensure that performance information is collected and monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

B.2. BUDGETING

B.2.1 Format of the budget

2.1.1 Why is this important?

2.1.1.1 The structure of the budget determines the level of detail to which financial control and management will be exercised. The structure shapes how the rules around virement operate, the operation of financial limits and sets the level at which funds may be reallocated within budgets.

B.2.2 Key controls

2.2.1 The key controls for the budget structure are:

a) the structure complies with all legal requirements.

b) the structure reflects the accountabilities of service delivery.

B.2.3 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.3.1 To comply with accounting guidance provided by the Chief Finance Officer / S151.

B.2.4   Revenue budget preparation, monitoring and control

2.4.1   Why is this important?

2.4.1.1   Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account, managers responsible for defined elements of the budget.

2.4.1.2   By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual financial limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.

2.4.1.3   For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service or policy area. However, budgetary control may take place at a more detailed level if this is required by the Assistant Directors scheme of delegation or by the Council.

B.2.5   Key controls

2.5.1   The key controls for managing and controlling the revenue budget are:

a)   budget managers should be responsible only for income and expenditure that they can influence;

b)   there is only one nominated budget manager for each budget area;

c)   budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;

d)   budget managers follow an approved certification process for all expenditure;

e)   income and expenditure are properly recorded and accounted for;

f)   performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget;

g)   Managers should supervise the financial management of those reporting to them.

B.2.6   Responsibilities of the Chief Finance Officer / S151

2.6.1   To establish an appropriate framework of budgetary management and control that ensures that:

a)   budget management is exercised within annual financial limits unless the Council agrees otherwise;

b)   each Manager has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;

c)   all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations;

d)   each directly controllable cost centre has a single named responsible officer of either the Chief Executive, Deputy Chief Executive or Assistant Director as agreed with the Chief Finance Officer / S151. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure;

e)   significant variances from approved budgets are investigated and reported by budget managers regularly.

2.6.2   To administer the Council's scheme of virement.

2.6.3   To submit reports to the Strategy and Resources Committee and to the Council, in consultation with the Chief Executive, Deputy Chief Executive or relevant Assistant Director, where they are unable to balance expenditure and resources within existing approved budgets under their control.

2.6.4   To prepare and submit reports on the Council's projected income and expenditure compared with the budget on a quarterly basis.

2.6.5   To approve fees and charges where the budgeted income is less than or equal to £2,000.

B.**2.7**   **Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors**

2.7.1   To maintain budgetary control within their services, in adherence to the principles in 2.6.1, and to ensure that all income and expenditure is properly recorded and accounted for.

2.7.2   To ensure that an accountable budget manager is identified for each controllable item of income and expenditure. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

2.7.3   To ensure that spending remains within the service's overall financial limit, and that individual budget headings are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.

2.7.4   To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that it is operating effectively.

2.7.5   To ensure prior approval by the Council or the Strategy and Resources Committee for new proposals, of whatever amount, that:

a)   create financial commitments in the current or future years;

b)   change existing policies, initiate new policies or cease existing policies;

c)   materially extend or reduce the Council's services.

2.7.6   To ensure compliance with the scheme of virement.

2.7.7   To agree with the Chief Executive or Deputy Chief Executive where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or another Assistant Director's level of service activity.

B.2.8   **Budgets and the Medium-Term Financial Strategy (MTFS)**

2.8.1   **Why is this important?**

2.8.1.1   The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.

2.8.1.2   A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer / S151. Unless the Council or the Strategy and Resources Committee has agreed otherwise, the Chief Executive, Deputy Chief Executive and Assistant Directors must plan to contain the financial implications of such proposals within the relevant financial limit.

2.8.1.3   The revenue budget must be constructed so as to ensure that resource allocation properly reflects the business plans and priorities of the Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit.

2.8.1.4   The annual strategic and financial planning process involves a cycle in which the Chief Executive, Deputy Chief Executive and Assistant Directors develop their own plans for submission to the relevant Committee. As each year passes, another future year will be added to the MTFS. This ensures that the Council is always preparing for events in advance.

B.2.9   Key controls

2.9.1   The key controls for budgets and the MTFS are:

    a)   specific budget approval for all expenditure;

    b)   budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Council for their budgets and the level of service to be delivered;

    c)   a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

B.2.10   Responsibilities of the Chief Finance Officer / S151

2.10.1   To prepare and submit reports on budget prospects to the Strategy and Resources Committee including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.

2.10.2   To determine the detailed form of revenue estimates and the methods for their preparation.

2.10.3   To advise on the medium-term implications of spending decisions.

2.10.4   To encourage the best use of resources and value for money by working with the Chief Executive, Deputy Chief Executive and Assistant Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

2.10.5   To advise the Council on proposals in accordance with his/her responsibilities under section 151 of the Local Government Act 1972.

B.2.11   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.11.1   To prepare estimates of income and expenditure, in consultation with the Chief Finance Officer / S151.

2.11.2   To prepare budgets that are consistent with any relevant financial limits, with the Council's annual budget cycle and with guidelines issued by the Chief Finance Officer / S151.

2.11.3   To integrate financial and budget plans into business planning, so that budget plans can be supported by financial and non-financial performance measures.

2.11.4   In consultation with the Chief Finance Officer / S151 and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the Strategy and Resources Committee.

2.11.5   When drawing up draft budget requirements, to have regard to:

a)   spending patterns and pressures revealed through the budget monitoring process;

b)   legal requirements;

c)   requirements as defined by the Council in the Strategic and Financial Policy Process;

d)   initiatives already under way and any new service requirements that are likely to require funding within the financial year in question.

B.2.12   Resource allocation

2.12.1   Why is this important?

2.12.1.1 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised, taking account of the Council's legal responsibilities and that resources are allocated to meet the urgent priorities. Resources may include staff, money, equipment, goods and materials.

B.2.13   Key controls

2.13.1   The key controls for resource allocation are:

a)   resources are acquired in accordance with the law and allocated using an approved authorisation process;

b)   resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;

c)   resources are securely held for use when required;

d)   resources are used in the most efficient manner.

B.2.14   Responsibilities of the Chief Finance Officer / S151

2.14.1   To coordinate the Strategic and Financial Planning process to ensure that resources are devoted to the Council's stated priorities.

2.14.2   To advise on methods available for the funding of expenditure plans.

B.2.15   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.15.1   To deliver the Council's key objectives within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.

2.15.2   To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

B.2.16   Capital programmes

2.16.1   Why is this important?

2.16.1.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

2.16.1.2   The Government controls the financing capacity of the Council through the CIPFA Prudential Code. This means that capital expenditure should be integrated into the Council's Treasury Management Strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B.2.17   Key controls

2.17.1   The key controls for capital programmes are:

a)   the development and implementation of asset management plans;

b)   specific approval by the Council for the programme of capital expenditure;

c)   a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Strategy and Resources Committee;

d)   proposals for improvements and alterations to buildings must be approved by the Chief Executive or Deputy Chief Executive;

e)   accountability for each capital project is accepted by a named manager;

f)   monitoring of progress in conjunction with expenditure and comparison with approved budget;

g)   capital spending plans are to be in line with the approved Capital Strategy.

B.2.18   Responsibilities of the Chief Finance Officer / S151

2.18.1   To prepare the capital programme and estimates jointly with Assistant Directors and to report them to the Strategy and Resources Committee for approval. The Committee will make recommendations on the capital programme and on any associated financing requirements to the Council.

2.18.2   To prepare and submit reports jointly with the officers defined as accountable for capital projects to the Strategy and Resources Committee on the progress of the capital programme compared with the approved estimates.

2.18.3   Having regard to regulations determine the definition of 'capital'.

B.2.19   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.19.1   To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer / S151 .

2.19.2   To prepare and submit quarerly reports jointly with the Chief Finance Officer / S151 to the Strategy and Resources Committee on the the progress of the capital programme compared with the approved estimates.

2.19.3   To prepare regular reports reviewing the capital programme provisions for their services. In consultation with the Chief Finance Officer / S151, to obtain authorisation from the Strategy and Resources Committee and/or the Council for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount (see **Appendix F**).

2.19.4   To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer / S151.

2.19.5   To ensure that adequate records are maintained for all capital contracts.

2.19.6   To proceed with projects only when there is adequate provision in the capital programme.

2.19.7   To prepare and submit reports, jointly with the Chief Finance Officer / S151, to the Strategy and Resources Committee, of any increase in contract costs in excess of the approved scheme and estimate, unless the excess can be met by virement from elsewhere within the capital programme. The authorisation limits for capital virements are set out in **Appendix F**.

2.19.8   To prepare and submit reports, jointly with the Chief Finance Officer / S151, to the Strategy and Resources Committee, where it appears that the final cost of a revenue or capital contract will exceed the approved contract sum by more than a specified financial limit (see **Appendix F**).

2.19.9   No leasing arrangements as defined by the Chief Finance Officer / S151 shall be entered into without prior approval.

B.3.   MAINTENANCE OF RESERVES

B.3.1   Why is this important?

3.1.1   The Council must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

B.3.2   Key controls

3.2.1   To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.

3.2.2   For each reserve established, the purpose, usage and basis of transactions should be clearly identified and approved by the Strategy and Resources Committee.

B.3.3   Responsibilities of the Chief Finance Officer / S151

3.3.1   To advise the Strategy and Resources Committee and/or the Council on prudent levels of reserves for the Council.

B.3.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

3.4.1   To ensure that resources are used only for the purposes for which they were intended.

C.   RISK MANAGEMENT AND CONTROL OF RESOURCES

C.1.   RISK MANAGEMENT

C.1.1   Why is this important?

1.1.1   All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

1.1.2   It is the overall responsibility of the Council to approve the Council's risk management strategy, and to promote a culture of risk management awareness throughout the Council.

C.1.2   Key controls

1.2.1   The key controls for risk management are:

a)   procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Council;

b)   a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls;

c)   managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;

d)   provision is made for losses that might result from the risks that remain;

e)   procedures are in place to investigate claims within required timescales

f)   acceptable levels of risk are determined and insured against where appropriate;

g)   the Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

C.1.3   Responsibilities of the Chief Executive and Assistant Director, Programmes, Performance and Governance

1.3.1   To prepare and promote the Council's Risk Management Policy.

1.3.2   To develop risk management controls in conjunction with Assistant Directors.

C.1.4   Responsibilities of the Chief Finance Officer / S151

1.4.1   To include all appropriate employees of the Council in a suitable fidelity guarantee insurance.

1.4.2   To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

C.**1.5** **Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors**

1.5.1   To notify the Chief Finance Officer / S151 immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Council's insurers.

1.5.2   To take responsibility for risk management, having regard to advice from the Director of Strategy, Performance and Governance and other specialist officers (e.g. fire prevention, health and safety).

1.5.3   To ensure that there are regular reviews of risk within their Service.

1.5.4   To notify the Chief Finance Officer / S151 promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.

1.5.5   To consult the Chief Finance Officer / S151 and the Council's legal advisors on the terms of any indemnity that the authority is requested to give.

1.5.6   To ensure those employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

C.**2.**   **INTERNAL CONTROLS**

C.**2.1**   **Why is this important?**

2.1.1   The Council is complex and beyond the direct control of a single individual. It therefore requires internal controls to manage and monitor progress towards strategic objectives.

2.1.2   The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

2.1.3   The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

2.1.4   The system of internal controls is established in order to provide measurable achievement of:

    a)   efficient and effective operations;

    b)   reliable financial information and reporting;

    c)   compliance with laws and regulations;

    d)   risk management.

C.**2.2**   **Key controls**

2.2.1   The key controls and control objectives for internal control systems are:

    a)   key controls should be reviewed on a regular basis;

    b)   managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities;

c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;

d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

C.2.3 Responsibilities of the Chief Finance Officer / S151

2.3.1 To assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

C.2.4 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.4.1 To manage processes to check that established controls are understood and being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

2.4.2 To review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the Chief Finance Officer / S151 . Assistant Directors should also be responsible, after consultation with the Chief Finance Officer / S151 , for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

C.3. AUDIT REQUIREMENTS

C.3.1 Internal audit

3.1.1 Why is this important?

3.1.1.1 The Accounts and Audit Regulations 2015 (para 5) require that a "relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

3.1.1.2 Internal Audit must be seen as independent. This is achieved through operating within a framework that allows unrestricted access to senior management, reporting in its own name and segregation as far as practical from line operations. The function reports directly to the Officer designated under Section 151 of the Local Government Act5 1972 as responsible for ensuring the proper administration of the Authority's financial affairs. Internal Audit also reports directly to the Performance, Governance and Audit Committee.

C.3.2 Key controls

3.2.1 The key controls for internal audit are:

a) that it is independent in its planning and operation;

b) the Audit Manager has direct access to the Chief Finance Officer / S151, all levels of management and directly to elected Members;

c) Internal Auditors work towards complying with the UK Public Sector Internal Audit Standards (PSIAS), and effort is made to preserve objectivity by ensuring staff are free from conflicts of interest. Therefore as far as is practical, Internal Audit will not participate in the day to day operation of any systems of internal financial control.

C.3.3 Responsibilities of the Chief Finance Officer / S151

3.3.1 To ensure that internal auditors have the authority to:

a) access Council premises at reasonable times;

b) access all assets, records, documents, correspondence and control systems ;

c) receive any information and explanation considered necessary concerning any matter under consideration;

d) require any employee of the Council to account for cash, materials or any other asset under his/her control;

e) access records belonging to third parties, such as contractors, when required;

f) obtain direct access to the Strategy and Resources Committee and the Performance, Governance and Audit Committee.

3.3.2 To approve the annual audit plans, prepared by the Audit Manager, and present to the Performance, Governance and Audit Committee for their approval.

3.3.3 To prepare terms of reference for the internal audit function, for approval by the Performance, Governance and Audit Committee.

3.3.4 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

C.3.4 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

3.4.1 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

3.4.2 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

3.4.3 To respond to internal and external audit reports in writing, within a timescale agreed by the Chief Executive, Deputy Chief Executive or appropriate Assistant Director and the Chief Finance Officer / S151 or External Auditor, detailing the action intended to address any recommendations.

3.4.4 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

3.4.5 To ensure that their staff report any suspicion of fraud, corruption or other financial irregularity in respect of Council funds, either directly, or via the Chief Executive, Deputy Chief Executive or Assistant Directors to the Monitoring Officer or Chief Finance Officer / S151 for investigation.

3.4.6 The Monitoring Officer and Chief Finance Officer / S151 must then arrange for appropriate investigation of the matter.

3.4.7   The Monitoring Officer and Chief Finance Officer / S151, will decide whether any matter should be referred to the police for further investigation.

3.4.8   To ensure that the Chief Finance Officer / S151 is given an opportunity, in a timely manner before live operation, to evaluate the adequacy of new systems for maintaining financial records, or records of assets, or changes to such systems.

C.3.5   External audit

3.5.1   Why is this important?

3.5.1.1   Under Schedule 1 of the Local Audit and Accountability Act 2014 all contracts for audit and related services, previously let by the Audit Commission, were transferred to Public Sector Audit Appointments Ltd on 1 April 2015. The external auditor has rights of access to all documents and information necessary for audit purposes (para 22 2014 Act).

3.5.1.2   The general duties of the external auditor are defined in the Local Audit and Accountability Act 2014 (para 20) and the Local Government Act 1999. In particular, Schedule 6 of the 2014 Act sets out that the Comptroller & Auditor General is responsible for preparing a code of audit practice, which external auditors follow when carrying out their duties. Schedule 1 of the code of audit practice sets out the auditor's statutory responsibilities across 3 main headings:

a)   Audit Scope;

b)   Reporting;

c)   Additional powers and duties.

3.5.1.3   The Council's accounts are scrutinised by external auditors, who must be satisfied that the Statement of Accounts 'presents a true and fair view' (Para 20 2014 Act) of the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

C.3.6   Key controls

3.6.1   External auditors were initially appointed by Public Sector Audit Appointments Ltd, however subsequent appointments are to be made by the Local Authority for a maximum period of five years. The Comptroller & Auditor General (National Audit Office) prepares the code of audit practice, which external auditors follow when carrying out their audits.

C.3.7   Responsibilities of the Chief Finance Officer / S151

3.7.1   To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

3.7.2   To work with the external auditor and advise the Council, and Assistant Directors on their responsibilities in relation to external audit.

3.7.3   To ensure there is effective liaison between external and internal audit.

C.3.8   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

3.8.1   To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

3.8.2   To ensure that all records and systems are up to date and available for inspection.

C.4.   PREVENTING FRAUD AND CORRUPTION

C.4.1   Why is it this important?

4.1.1   The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

4.1.2   The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

4.1.3   The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought of or actions involving fraud and corruption. It must guard against the possibility that these expectations will not be fulfilled in all respects.

C.4.2   Key controls

4.2.1   The key controls regarding the prevention of financial irregularities are that:

a)   the Council has an effective Anti-Fraud and Anti-Corruption Policy and maintains a culture that will not tolerate fraud or corruption;

b)   all Members and staff act with integrity and lead by example as per the relevant Code of Conduct;

c)   Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt;

d)   high standards of conduct are promoted amongst Members by the Joint Standards Committee;

e)   the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded;

f)   "whistle blowing" procedures are in place and operate effectively;

g)   legislation including the Public Interest Disclosure Act 1998 is adhered to.

C.4.3   Responsibilities of the Chief Finance Officer / S151

4.3.1   To maintain and review an Anti-Fraud Policy.

4.3.2   To maintain adequate and effective internal control arrangements.

C.4.5   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

4.5.1   To ensure that all suspected irregularities are reported to the Chief Finance Officer / S151

4.5.2   To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

4.5.3   To ensure that where financial impropriety is discovered, the Chief Finance Officer / S151 is informed. Where sufficient evidence exists to believe that a criminal offence may have been committed, after consultation with the Chief Finance Officer / S151, Monitoring Officer and the Chief Executive or Deputy Chief Executive, to ensure that the matter is reported to the Police.

C.4.6   Responsibility of the Monitoring Officer

4.6.1   To maintain a register of Member interests.

C.5.   ASSETS

C.5.1   Security

5.1.1   Why is this important?

5.1.1.1   The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

C.5.2   Key controls

5.2.1   The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

a)   resources are used only for the purposes of the Council and are properly accounted for;

b)   resources are available for use when required;

c)   resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;

d)   an asset register is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location, value and condition of the asset;

e)   all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;

f)   all staff are aware of their responsibilities with regard to safeguarding the security of the Council's Information Communication Technology (ICT) Systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Communication Technology and internet security policies.

C.5.3   Responsibilities of the Chief Finance Officer / S151

5.3.1   To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of a specified financial limit (see **Appendix F**). The function of the asset register is to provide the Council with information about fixed assets so that they are:

a)   safeguarded;

b)   used efficiently and effectively;

c)   adequately maintained.

5.3.2   To receive the information required for accounting, costing and financial records from each Director.

5.3.3   To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

C.5.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

5.4.1   A property database shall be maintained by the Chief Finance Officer / S151 for all properties, plant and machinery and moveable assets currently owned or used by the Council subject to the minimum values specified in **Appendix F**. Any use of property by a service other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

5.4.2   To ensure that lessees and other prospective occupiers of council owned land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Council's legal advisor, has been established.

5.4.3   To ensure the proper security of all buildings and other assets under their control in accordance with laid down guidelines.

5.4.4   Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Director and the Chief Finance Officer / S151 (see **Appendix F**).

5.4.5   To pass title deeds to Land Charges / the Officer responsible for maintaining the central repository of all title deeds.

5.4.6   To ensure that no Council asset is subject to personal use by a Member or employee without prior agreement of the relevant Director.

5.4.7   To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.

5.4.8   To ensure that an inventory is maintained of moveable assets (subject to limits in **Appendix F)** in accordance with arrangements defined by the Corporate Leadership Team.

5.4.9   To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.

5.4.10   To consult the Chief Finance Officer / S151 in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

5.4.11   To ensure cash holdings on premises are kept to a minimum.

5.4.12   To ensure that keys to safes and similar receptacles are kept secure by the person of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer / S151 as soon as possible.

5.4.13   To record all disposals or part exchange of assets that should normally be by competitive tender or public auction in accordance with *Contract Procedure Rules*, unless the Strategy and Resources Committee agrees otherwise.

5.4.14   To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

5.4.15   To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above a specified financial limit in value (see **Appendix F**).

5.4.16   To carry out an annual check of all items on the inventory in order to verify location and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers and cameras should be identified with security markings as belonging to the Council.

5.4.17   To make sure that property is only used in the course of the Council's business, unless the Director concerned has given permission otherwise.

C.5.5   Asset disposal

5.5.1   Why is this important?

5.5.1.1   It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the Council.

C.5.6   Key controls

5.6.1   Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Council, and best price is obtained in accordance with *Contract Procedure Rules* and bearing in mind other factors, such as environmental issues.

5.6.2   Procedures protect staff involved in the disposal from accusations of personal gain.

C.5.7   Responsibilities of the Chief Finance Officer / S151

5.7.1   To issue advice on disposal in accordance with *Contract Procedure Rules*.

5.7.2   To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

C.6.   TREASURY MANAGEMENT

C.6.1   Why is this important?

6.1.1   Millions of pounds pass through the Council's accounts each year. This requires the establishment of codes of practice. These aim to provide assurances that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's investment.

C.6.2   Key controls

6.2.1   That the Council's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the Council's treasury management practices (TMP's).

6.2.2   That the Strategy and Resources Committee receives reports on Treasury activity at least twice a year in accordance with the code of practice and that the Treasury Management Strategy is subject to annual scrutiny before it is agreed.

C.6.3   Responsibilities of Chief Finance Officer / S151 – treasury management and banking

6.3.1   To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's treasury management practices and strategy.

6.3.2   To prepare reports for the consideration of the Strategy and Resources Committee.

6.3.3   To operate bank accounts as are considered necessary – opening or closing any bank account shall require the written approval of the Chief Finance Officer / S151 in accordance with the Banking Mandate (**Appendix G**).

C.6.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors – treasury management and banking

6.4.1   To follow the instructions on banking issued by the Chief Finance Officer / S151 .

C.6.5   Responsibilities of Chief Finance Officer / S151 – investments and borrowing

6.5.1   To ensure that all investments of money are made in the name of the Council.

6.5.2   To ensure that all securities that are the property of the Council and the title deeds of all property in the Council's ownership are held in the custody of Land Charges/relevant responsible Officer or under arrangements approved by the Chief Finance Officer / S151 .

6.5.3   To effect all borrowings in the name of the Council.

6.5.4   To maintain records of all borrowing of money by the Council.

C.6.6   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors – investments and borrowing

6.6.1   To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council.

C.6.7   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors – funds held for third parties

6.7.1   To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer / S151, and to maintain written records of all transactions.

C.6.8   Responsibilities of the Chief Finance Officer / S151 – imprest accounts

6.8.1   To provide employees of the Council with cash imprest accounts to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.

6.8.2   To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.

6.8.3   To reimburse imprest holders, as often as necessary, to restore the imprests.

C.6.9   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors – imprest accounts

6.9.1   To ensure that employees operating an imprest account:

a)   obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;

b)   make adequate arrangements for the safe custody of the account;

c)   produce upon demand by the Chief Finance Officer / S151 cash and all vouchers to the total value of the imprest amount;

d)   record transactions promptly;

e)   reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;

f)   provide the Chief Finance Officer / S151 with a certificate of the value of the account held at 31 March each year;

g)   ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.

C.7.   STAFFING

C.7.1   Why is this important?

7.1.1   In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

C.7.2   Key controls

7.2.1   The key controls for staffing are:

a)   procedures are in place for forecasting staffing requirements and cost;

b)   controls are implemented to ensure that staff time is used efficiently and to the benefit of the Council;

c)   checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, lawfully resident and trustworthy.

C.7.3   Responsibilities of the Chief Finance Officer / S151

7.3.1   To act as an advisor to the Chief Executive, Deputy Chief Executive and Assistant Directors on areas such as Income Tax, National Insurance and pension contributions, as appropriate.

7.3.2   To ensure that staff costs are charged accurately to allow the Chief Executive, Deputy Chief Executive and Assistant Directors to monitor staffing budgets effectively.

C.7.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

7.4.1   To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

7.4.2   To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

7.4.3   To ensure that the Chief Finance Officer / S151 is immediately informed if the staffing budget is likely to be materially over- or under-spent.

D.   **FINANCIAL SYSTEMS AND PROCEDURES**

D.1.   GENERAL

D.1.1   Why is this important?

1.1.1   Services have systems and procedures relating to the control of the Council's assets. Services are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

1.1.2   The Chief Finance Officer / S151 is responsible for ensuring that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

D.1.2   Key controls

1.2.1   The key controls for systems and procedures are:

     a)   basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;

     b)   performance is communicated to the appropriate managers on an accurate, complete and timely basis;

     c)   early warning is provided of deviations from target, plans and budgets that require management attention;

     d)   operating systems and procedures are secure.

D.1.3   Responsibilities of the Chief Finance Officer / S151

1.3.1   To make arrangements for the proper administration of the Council's financial affairs, including to:

     a)   issue advice, guidance and procedures for officers and others acting on the Council's behalf;

     b)   determine the accounting systems, form of accounts and supporting financial records;

     c)   establish arrangements for audit of the Council's financial affairs;

     d)   approve any new financial systems to be introduced;

     e)   approve any changes to be made to existing financial systems.

1.3.2   To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.

1.3.3   To ensure that, where appropriate, computer systems are registered in accordance with Data Protection legislation and that staff are aware of their responsibilities under the legislation.

D.1.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

1.4.1   To ensure that accounting records are properly maintained and held securely.

1.4.2   To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer / S151 .

1.4.3   To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

1.4.4   To incorporate appropriate controls to ensure that, where relevant:

a)   all input is genuine, complete, accurate, timely and not previously processed;

b)   all processing is carried out in an accurate, complete and timely manner;

c)   output from the system is complete, accurate and timely.

1.4.5   To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

1.4.6   To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.

1.4.7   To ensure that systems are documented and staff trained in operations.

1.4.8   To consult with the Chief Finance Officer / S151 before changing any existing system or introducing new systems.

1.4.9   In consultation with the Chief Finance Officer / S151 to establish a scheme of delegation identifying officers authorised to act upon the Assistant Directors behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.

1.4.10   To supply lists of authorised officers, with specimen signatures and delegated limits, to the Chief Finance Officer / S151, together with any subsequent variations.

1.4.11   To ensure that relevant standards and guidelines for ICT systems issued by the Chief Finance Officer / S151 or Lead Specialist ICT are observed.

1.4.12   To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

1.4.13   To comply with the copyright, designs and patents legislation and, in particular, to ensure that:

a)   only software legally acquired and installed by the Council is used on its computers;

b)   staff are aware of legislative provisions;

c)   in developing systems, due regard is given to the issue of intellectual property rights.

D.2.   INCOME AND EXPENDITURE

D.2.1   Income

2.1.1   Why is this important?

2.1.1.1   Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering debts.

D.2.2   Key controls

2.2.1   The key controls for income are:

a)   all income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed;

b)   all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;

c)   all money received by an employee on behalf of the Council is paid in without delay through the Council's payment facility, as the Chief Finance Officer / S151 directs, to the Council's bank account, and properly recorded. The responsibility for cash collection should be separated from that:

   i.   for identifying the amount due
   ii.   for reconciling the amount due to the amount received

d)   effective action is taken to pursue non-payment within defined timescales;

e)   formal approval for debt write-off is obtained;

f)   appropriate write-off action is taken within defined timescales;

g)   appropriate accounting adjustments are made following write-off action;

h)   all appropriate income documents are retained and stored for the defined period in accordance with the document retention guidelines;

i)   money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

D.2.3   Responsibilities of the Chief Finance Officer / S151

2.3.1   To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.

2.3.2   To approve all debts to be written off in consultation with the relevant Director and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 2015.

2.3.3   To obtain the approval of the Strategy and Resources Committee in consultation with the relevant Director for writing off debts in excess of a specified financial limit (see **Appendix F**)

2.3.4   To ensure that appropriate accounting adjustments are made following write-off action.

2.3.5   To order and supply to services all receipt forms, books or tickets and similar items and to satisfy himself/herself regarding the arrangements for their control.

D.2.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.4.1   To implement the charging policy for the supply of goods or services, including the appropriate charging of VAT (in consultation with the Chief Finance Officer / S151 where appropriate), and to review it regularly, in line with corporate policies.

2.4.2   To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.

2.4.3   To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.

2.4.4   To issue official receipts or to maintain other documentation for income collection.

2.4.5   To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.

2.4.6   To hold securely receipts, tickets and other records of income for the appropriate period in accordance with the documentation retention policy.

2.4.7   To secure all income to safeguard against loss or theft, and to ensure the security of cash handling.

2.4.8   To ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.

2.4.9   To ensure personal cheques or other payments are not en-cashed.

2.4.10   To supply the Chief Finance Officer / S151 with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer / S151 to record correctly the sums due to the Council and to ensure accounts are sent out promptly. Assistant Directors have a responsibility to assist the Chief Finance Officer / S151 in collecting debts that they have originated, by providing any further information requested about the debtor, and in pursuing the matter on the Council's behalf.

2.4.11   To notify the Chief Finance Officer / S151 of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Chief Finance Officer / S151 and not later than 15th April.

D.3.   ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

D.3.1   Why is this important?

3.1.1   Public money should be spent with demonstrable probity and in accordance with the Council's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Council's *Contract Procedure Rules*.

D.3.2   General

3.2.1   Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.

3.2.2   Official orders must be in a form approved by the Chief Finance Officer / S151. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Chief Finance Officer / S151.

3.2.3   Each order must conform to the guidelines approved by the Council on procurement Standard terms and conditions and must not be varied without the prior approval of the Chief Finance Officer / S151.

3.2.4   Apart from petty cash, the normal method of payment from the Council shall be by BACS drawn on the Council's bank account by the Chief Finance Officer / S151. The use of direct debit shall require the prior agreement of the Chief Finance Officer / S151. The use of Council procurement/business cards by non card holders shall require the prior agreement of the Chief Finance Officer / S151.

3.2.5   Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, except where there is a specific Council policy to the contrary.

3.2.6   Detailed regulations relating to Procurement are set out in the Council's *Contract Procedure Rules.*

3.2.7   Where an order is not appropriate as discussed in section 3.2.2, authorisation must be provided on the specified form and attached to the invoice for payment. Authorisation thresholds for Officers are set out in **Appendix H.**

D.3.3   Key controls

3.3.1   The key controls for ordering and paying for work, goods and services are:

a)   all goods and services are ordered only by authorised persons and are correctly recorded;

b)   all goods and services shall be ordered in accordance with the Council's *Contract Procedures Rules*;

c)   goods and services received are checked to ensure they are in accordance with the order;

d)   payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards;

e)   all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;

f)   all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention guidelines;

g)   all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected by journal;

h)   in addition, e-commerce requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

D.3.4   Responsibilities of the Chief Finance Officer / S151

3.4.1   To ensure that all the Council's financial systems and procedures are sound and properly administered.

3.4.2   To approve any changes to existing financial systems and to approve any new systems before they are introduced.

3.4.3   To approve the form of official orders and associated terms and conditions in consultation with the Council's legal advisors.

3.4.4   To make payments from the Council's funds on the Director's authorisation that the expenditure has been duly incurred in accordance with financial regulations.

3.4.5   To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

3.4.6   To make payments to contractors on the certificate of the appropriate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

3.4.7   To provide advice and encouragement on making payments by the most economical means, in accordance with the Council's Procurement Strategy and associated guidance.

3.4.8   To ensure that payment is not made unless a proper VAT invoice, where appropriate, has been received, checked and coded, confirming:

(a)   that the invoice has not previously been paid;

(b)   that expenditure has been properly incurred;

(c)   that prices and arithmetic are correct;

(d)   correct accounting treatment of tax;

(e)   that discounts have been taken where available;

(f)   that appropriate entries will be made in accounting records.

3.4.9   To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where the original invoice has been lost, in which case a check must be made to see if payment has been made and if it has not the copy annotated accordingly prior to payment.

D.3.5   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

3.5.1   To ensure that official orders are issued via the e-procurement system for all goods and services, other than the exceptions as specified in 3.2.2.

3.5.2   To ensure that orders are only used for goods and services provided to the service. Individuals must not use official orders to obtain goods or services for their private use (see 3.3.5).

3.5.3   To ensure that only staff authorised to raise orders (Buyers) via the e-procurements system have access to the system. To ensure that only staff authorised to approve orders above the specified limit have access to the system. Buyers and Approvers should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision, and that quotations or tenders have been obtained if necessary. Best Value principles should underpin the Council's approach to procurement. Value for money should always be achieved.

3.5.4   To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories if necessary.

3.5.5   To ensure that the e-payment system is updated to show the receipt of goods, immediately after the goods are received.

3.5.6   Wherever possible to ensure that two authorised members of staff are involved in the ordering and receiving process.

3.5.7   To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Chief Finance Officer / S151.

3.5.8   To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality. Due regard to be taken of the Council's procurement strategy and associated procurement guidance.

3.5.9   To ensure that employees are aware of the national code of conduct for local government employees specified in personnel policies.

3.5.10   To ensure that, loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer / S151.

3.5.11   To notify the Chief Finance Officer / S151 of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Chief Finance Officer / S151.

3.5.12   With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer / S151 the systems and procedures to be adopted in relation to financial aspects. This includes certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

3.5.13   To notify the Chief Finance Officer / S151 immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

3.5.14   To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention guidelines.

D.4.   PAYMENTS TO EMPLOYEES AND MEMBERS

D.4.1   Why is this important?

4.1.1   Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

D.4.2   Key controls

4.2.1   The key controls for payments to employees and Members are:

(a)   proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:

   i.   starters
   ii.   leavers
   iii.   variations
   iv.   enhancements
   v.   and that payments are made on the basis of timesheets or claims;
   vi.   frequent reconciliation of payroll expenditure against approved budget and bank account;

(b)   all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines;

(c)   that HM Revenues and Customs regulations are complied with.

D.4.3   Responsibilities of the Chief Finance Officer / S151

4.3.1   To arrange and control the secure and reliable payment of salaries, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him/her, on the due date.

4.3.2   To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines.

4.3.3   To record and make arrangements for the accurate and timely payment of tax, pensions and other deductions.

4.3.4   To make arrangements for payment of all travel and subsistence claims.

4.3.5   To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.

4.3.6   To ensure that adequate and effective systems and procedures are operated, so that:

(a)   payments are only authorised to bona fide employees;

(b)   payments are only made where there is a valid entitlement;

(c)   conditions and contracts of employment are correctly applied, employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

4.3.7   To ensure that the Chief Finance Officer / S151 is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system (P11d).

D.4.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

4.4.1   To send an up-to-date list of the names of officers authorised to sign records to the Chief Finance Officer / S151, together with specimen signatures.

4.4.2   To ensure that payroll transactions are processed only through the payroll system. Assistant Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenues and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Finance Officer / S151.

4.4.3   To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Chief Finance Officer / S151 is informed where appropriate.

4.4.4   To make, having regard to the particular circumstances of each case, ex gratia payments not exceeding a specified financial limit (see **Appendix F**) in any one case, subject to consultation with the Chief Finance Officer / S151. The circumstances of the proposed payment must not have the effect of circumventing other Council pay and allowance policies, tax rules or other legislation.

4.4.5   To notify the Chief Finance Officer / S151 of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer / S151 .

4.4.6   To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that adequate budget provision is available.

D.4.5   Responsibilities of Members and Officers

4.5.1   To submit claims for travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

D.5.   TAXATION

D.5.1   Why is this important?

5.1.1   Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

D.5.2   Key controls

5.2.1   The key controls for taxation are:

(a)   Finance staff remain abreast of tax legislation, in particular that relating to PAYE, NICs, CIS and VAT.

(b)   budget managers are provided with relevant information and kept up to date on tax issues;

(c)   budget managers are instructed on required record keeping;

(d)   all taxable transactions are identified, properly carried out, accounted for within stipulated time-scales and paid through appropriate financial systems;

(e)   records are maintained in accordance with instructions;

(f)   returns are made to the appropriate authorities within the stipulated timescale.

D.5.3   Responsibilities of the Chief Finance Officer / S151

5.3.1   To complete all HM Revenues and Customs returns regarding PAYE and NIC's.

5.3.2   To complete a monthly return of VAT inputs and outputs to HM Revenues and Customs.

5.3.3   To provide details to HM Revenues and Customs regarding the construction industry tax deduction scheme in accordance with their deadlines.

5.3.4   To provide guidance for Council employees on taxation issues (including VAT).

D.5.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

5.4.1   To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenues and Customs regulations.

5.4.2   To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

5.4.3   To follow any guidance on taxation issued by the Chief Finance Officer / S151 .

D.6. **TRADING ACCOUNTS AND BUSINESS UNITS**

D.6.1 **Why is this important?**

6.1.1   Trading accounts have become more important as local authorities have developed a more commercial culture.

D.6.2 **General**

6.2.1   Trading activities must operate within the Council's overall arrangements and rules for financial, personnel and resource management. Exceptionally, where it can be demonstrated that this would lead to a unit being uncompetitive and losing work, special arrangements can be considered. While the Committees have an overall responsibility for the operations of trading activities, clearly trading activities need freedom within this framework to operate on a commercial basis. Trading activities must adhere to Financial Regulations, unless alternative arrangements are explicitly identified and agreed in writing with the Chief Finance Officer / S151 .

D.6.3 **Responsibilities of the Chief Finance Officer / S151**

6.3.1   To advise on the establishment and operation of trading accounts.

D.6.4 **Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors**

6.4.1   To ensure that the control of the trading activity will be to the financial target (the 'bottom line') rather than to individual expenditure and income estimate headings

6.4.2   To ensure that as a minimum, a break even position should be achieved.

6.4.3   To report to the Strategy and Resources Committee, where a trading activity plans a significant item of expenditure (e.g. a capital scheme, the purchase of a major item of computer software or the creation of a major ongoing revenue commitment), prior to the expenditure being committed, unless already in an approved capital programme

6.4.4   To make a full report to the Strategy and Resources Services Committee, as soon as it is known that the trading activity may make a deficit.

6.4.5   To make a report to the Strategy and Resources Committee on the outturn of each trading activity compared to the financial plan.

6.4.6   To consult with the Chief Finance Officer / S151 and the Council's legal advisors where a trading activity wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

E. EXTERNAL ARRANGEMENTS

E.1. PARTNERSHIPS

E.1.1 Why is this important?

1.1.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

1.1.2 Local authorities usually act as an "enabler" and will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

E.1.2 General

1.2.1 The main reasons for entering into a partnership are:

a) the desire to find new ways to share risk;

b) the ability to access new resources;

c) to provide new and better ways of delivering services;

d) to forge new relationships.

1.2.2 A partner is defined as either:

a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or;

b) a body whose nature or status give it a right or obligation to support the project.

1.2.3 Partners participate in projects by:

a) acting as a project deliverer or sponsor, solely or in concert with others;

b) acting as a project funder or part funder;

c) being the beneficiary group of the activity undertaken in a project.

1.2.4 Partners have common responsibilities:

a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;

b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;

c) be open about any conflict of interests that might arise;

d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;

e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;

f) to act wherever possible as ambassadors for the project.

E.1.3 Key controls

1.3.1 The key controls for Council partners are:

a) if appropriate, to be aware of their responsibilities under the Council's financial regulations and procedures together with *Contract Procedure Rules*;

b) to ensure that risk management processes are in place to identify and assess all known risks;

c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;

d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;

e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

E.1.4 Responsibilities of the Chief Finance Officer / S151

1.4.1 To advise on effective controls that will ensure that resources are not wasted.

1.4.2 To advise on the key elements of funding a project. They include:

a) a scheme appraisal for financial viability in both the current and future years;

b) risk appraisal and management;

c) resourcing, including taxation issues;

d) audit, security and control requirements;

e) carry-forward arrangements.

1.4.3 To ensure that the accounting arrangements are satisfactory.

1.4.4 To maintain a register of all contracts entered into with external bodies.

1.4.5 To ensure that spending has occurred in line with the terms and conditions and any eligibility criteria.

E.1.5 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

1.5.1 To ensure that, before entering into agreements with external bodies the Council's legal advisors are consulted.

1.5.2 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared.

1.5.3 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.

1.5.4 To ensure that all agreements and arrangements are properly documented.

1.5.5 To provide appropriate information to the Chief Finance Officer / S151 to enable a note to be entered into the Council's Statement of Accounts concerning material items.

E.2. EXTERNAL FUNDING

E.2.1 Why is this important?

2.1.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

E.2.2 Key controls

2.2.1 The key controls for external funding are:

a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;

b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council;

c) to ensure that any match-funding requirements and future revenue implications are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

E.2.3 Responsibilities of the Chief Finance Officer / S151

2.3.1 To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.

2.3.2 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

2.3.3 To ensure that audit requirements are met.

E.2.4 Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

2.4.1 To ensure that all claims for funds are made by the due date.

2.4.2 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

E.3. WORK FOR THIRD PARTIES

E.3.1 Why is this important?

3.1.1 Legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risk associated with this work is minimised and that such work is intra vires.

E.3.2   Key controls

3.2.1   The key controls for working with third parties are:

a)   to ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer / S151;

b)   to ensure that contracts are drawn up using guidance provided by the Chief Finance Officer / S151 and that the formal approvals process is adhered to;

c)   to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.3.3   Responsibilities of Chief Finance Officer / S151

3.3.1   To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.3.4   Responsibilities of the Chief Executive, Deputy Chief Executive and Assistant Directors

3.4.1   To ensure that the approval of the appropriate Committee is obtained before any negotiations are concluded to work for third parties.

3.4.2   To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer / S151.

3.4.3   To ensure that appropriate insurance arrangements are made.

3.4.4   To ensure that the Council is not put at risk from any bad debts.

3.4.5   To ensure that no contract is subsidised by the Council.

3.4.6   To ensure that, wherever possible, payment is received in advance of the delivery of the service.

3.4.7   To ensure that the service has the appropriate expertise to undertake the contract.

3.4.8   To ensure that such contracts do not impact adversely upon the services provided for the Council.

3.4.9   To ensure that all contracts are properly documented.

3.4.10   To provide appropriate information to the Chief Finance Officer / S151 to enable a note to be entered into the Statement of Accounts.

F.   FINANCIAL LIMITS

F.1.   General

1.1   Throughout these regulations, there are references to financial limits. These limits will need to be reviewed on a regular basis and, consequently, the latest figures have been consolidated in this appendix in order to facilitate any future changes. The regulations which contain financial limits are listed below:

1.2   Virements between Directorates require the approval of the Strategy and Resources Committee subject to the authorisation limits set out below. For the purpose of virements, salaries are to be considered as a Directorate in their own right.

1.3   The use of reserves is to be approved through the same authorisation process as virements where not approved as part of the annual budget or accounts processes or have specific delegation.

1.4   The financial limits for approval of revenue virements and revenue supplementary estimates are set out below:

(a)   Virements within same Directorate

Chief Executive, Deputy Chief Executive and Chief Finance Officer / S151

(b)   Virements between different Directorates

(i)   Up to **£20,000** – Chief Executive, Deputy Chief Executive and Chief Finance Officer / S151 .

(ii)   Over **£20,000** up to **£50,000** - Chief Executive, Deputy Chief Executive and Chief Finance Officer / S151 in consultation with Chairman of the Strategy and Resources Committee and reported to the next Strategy and Resources Committee meeting;

(iii)   Over **£50,000** - the Strategy and Resources Committee.

(c)   Supplementary Estimates

(i)   Up to **£20,000** – Chief Executive, Deputy Chief Executive and Chief Finance Officer / S151 in consultation with the Chairman of the Strategy and Resources Committee and the Leader and reported to the next Strategy and Resources Committee;

(ii)   Over **£20,000** – the Strategy and Resources Committee.

NB One of the Council's budget policies is to only agree supplementary estimates in exceptional circumstances.

1.5   A capital scheme (an identifiable project) is where expenditure exceeds £**10,000**.

1.6   The financial limits for approval of capital virements and capital supplementary estimates are the same as for revenue.

1.7   Any excess expenditure over the approved contract sum of more than **5%** or **£10,000** whichever is the greater must be reported to the Strategy and Resources Committee (Appendix B paragraph 2.19.8).

1.8   The asset register shall contain all assets with a value in excess of **£10,000** (Appendix C paragraph 5.3.1).

1.9   All items with a value in excess of **£500** shall be included in inventories (Appendix C paragraph 5. 4.15). IT assets (laptops, monitors, printers etc but excluding IT peripherals) are an exception to this limit as are more desirable, and are all recorded on the IT inventory.

1.10   Strategy and Resources Committee approval is required to declare land surplus to requirements where the value exceeds **£10,000** (Appendix C paragraph 5.4.4).

1.11   Strategy and Resources Committee approval is required to write-off bad debts in excess of **£10,000** (Appendix D paragraph 2.3.3), in the case of Non Domestic Rates Debts this is increased to **£20,000.**

1.12   Strategy and Resources Committee approval is required to make ex-gratia payments in excess of **£2,000** (Appendix D paragraph 4.4.4).

1.13   Finance limits relating to contracts are contained in the Council's *Contract Procedure Rules*.

G.   BANK MANDATE

G.1.   Cheques are only to be issued in emergencies and will be from the contingency cheque book.

G.2.   Cheques above £10,000 shall be countersigned by the Chief Finance Officer / S151 or, in their absence, the Chief Executive or Deputy Chief Executive.

G.3.   Amendments to cheques can be countersigned by the above and additionally the Resources Specialist Manager for cheques up to £10,000.

G.4.   Manual CHAPS payments shall be signed by any of the following:

      a)   Chief Finance Officer / S151

      b)   Chief Executive

      c)   Deputy Chief Executive

G.5.   All arrangements with the Council's financial institutions shall be made by the Chief Finance Officer / S151 who shall be authorised to operate such banking accounts/investments/financial instruments as They may consider necessary.

G.6.   All cheques shall be ordered only on the authority of the Chief Finance Officer / S151 or under arrangements made by him/her.

G.7.   All cheques shall be ensured are kept in safe custody by the Chief Finance Officer / S151 until issue.

G.8.   All instructions relating to the Council's banking accounts, shall be authorised by the Chief Finance Officer / S151 or Officers authorised by them.

G.9.   Payments may be made by BACS or CHAPS electronic transmission subject to two electronic signatures; and submission by an authorised card holder authentication. Responsibility for the delegation of authorisation below Director level and limits applicable is set by the Chief Finance Officer / S151.

H.   AUTHORISATION ARRANGEMENTS

Total Value	Category	Authorisation Level
Up to £5,000	Electronic Orders	*Authorised buyer*
£5,001 to £50,000	Invoice Authorisations, Electronic Order Approvals, Mileage and Expenses Claims	*Line Manager*
Above £50,001*	Invoice Authorisations and Order/Contract Approvals	*Chief Executive or Deputy Chief Executive*

* Note requirement for written contracts above £50,000 – See Section 15.2 of Contract Procedure Rules.

Definitions (as per Contract Procedure Rules)

Approved Buyer- An Officer designated by an Assistant Director who is authorised to generate electronic orders on behalf of the Council.

Line Manager - An Officer designated by the Chief Executive or Deputy Chief Executive to exercise the role reserved to the line manager by the contract procedure rules, this will be a Level 3 Assistant Director.

Chief Executive or Deputy Chief Executive - responsible for delivery of services

I. AUTHORISATIONS

I.1.1   Introduction

1.1.1.   The Status of financial regulations section (Section one in this document) refer to the Chief Executive, Deputy Chief Executive and Assistant Directors and Officers authorising others to exercise their responsibilities under these financial regulations. Authorisation should be given in writing, however there are instances where this isn't necessary or not possible due to sickness/leave. These delegations are only applicable where decisions/actions are required urgently, and the relevant officer is not available and written authorisation has not been made as not known required.

1.1.2.   The Monitoring Officer and Returning Officer are able to appoint lawful Deputies who are able to act in the full capacity without separate authorisation unless the terms of their appointment state otherwise.

1.1.3.   The Council's Constitution provides that any power or function delegated to the Chief Executive, Deputy Chief Executive or Assistant Director may, if that Chief Executive, Deputy Chief Executive or Assistant Director or any other Officer authorised by them is absent and unable to act, be exercised by the Chief Executive, Deputy Chief Executive or another Assistant Director should the need arise.

PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE

MATTERS ARISING FROM THE MINUTES

Meeting Date	Item (Title of Report)	Action	Lead Officer	Response / Update	Action response date
16-Jun-24	Infrastructure Funding Statement	Details regarding the allotments at Handley Green to be provided to Councillor J Driver	Head of Service - Planning Policy and Implementation	Councillor Driver was emailed on 22 July 2024. <u>November 2024 update</u> – Officers have written twice to the developer for an update on the allotments. The allotments should be delivered when the housing is complete on Phase 1 (the phase in which the allotments lie). As the housing is well on the way to be delivered Officers will continue to pursue this for the delivery timetable and who will be taking over the management of the allotments.	05/12/24 – The Chairperson requested that this item remained on the matters arising list.
05-Dec-24	Health and Safety 2024 / 25	That the draft Health and Safety (H&S) Policy be brought back to a future meeting of the Committee to review on a performance basis	Corporate Health and Safety Manager	The Policy will be considered at a future meeting of the Strategy and Resources Committee. Compliance and Governance in respect of the Policy will be reported through quarterly Health and Safety reports.	-
20-Feb-25	Report of the External Auditor on the Audit of Financial Year 2023 / 24	Independent Person questioned the actual value of fully depreciated assets within the 2023 / 24 year.	Interim Chief Finance Officer	Sent to Members	11-Mar-25
20-Feb-25	Corporate Performance - Quarter 3	Details of the number and location of trees planted.	Assistant Director - Place and Community	Information sent to Councillor Stilts	28-Feb-25
20-Feb-25	Health and Safety Update - Quarter Three 2024 / 25	It was agreed that an update from the relevant Manager would be sought in respect of the incident of unacceptable behaviour to reception staff.	Health and Safety Manager	The Health and Safety Manager reports that the staff involved in both instances are ok and did not require further assistance / support	21-May-25

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REPORT of
CHIEF FINANCE OFFICER

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

INTERNAL AUDIT REPORTS

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:

- Progress Report 2024 / 25 and 2025 / 26 (June 2025) at 8a;

- Follow-Up of Recommendations Report (June 2025) at 8b;

- Building Control Final Report (May 2025) at 8c;

- IT Disaster Recovery and Business Continuity (May 2025) at 8d

- General Data Protection Regulations (May 2025) at 8e.

2. RECOMMENDATIONS

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

(i) Progress Report 2024 / 25 and 2025 / 26 (June 2025) at 8a;

(ii) Follow-Up of Recommendations Report (June 2025) at 8b;

(iii) Building Control Final Report (May 2025) at 8c;

(iv) IT Disaster Recovery and Business Continuity (May 2025) at 8d;

(v) General Data Protection Regulations (May 2025) at 8e.

3. SUMMARY OF KEY ISSUES

3.1 BDO LLP are the Council's contracted Internal Audit Service provider. The Director, Mr. Aaron Winter, fulfils an equivalent role to that of Head of Internal Audit for the Council.

3.2 The Internal Audit Service provides assurance to the Interim Chief Finance Officer, management and Members of the adequacy of internal controls and checks in the organisation and highlights any risks that the Council may be exposed to in its operations.

3.3 As such, Internal Audit is independent of management and operates within the UK Public Sector Internal Audit Standards (PSIAS) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

4.   CONCLUSION

4.1   This report allows the Committee to fulfil its remit of overseeing governance.

5.   IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1   Internal Audit cuts across the delivery of all priorities in the Corporate Plan.

6.   IMPLICATIONS

(i)   **Impact on Customers** – Any impact on customers will be highlighted with the reports in the appendices.

(ii)   **Impact on Equalities** – 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)   **Impact on Risk (including Fraud implications)** – 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)   **Impact on Resources (financial)** – Same comment applies here as for Impact on Risk above.

(v)   **Impact on Resources (human)** – Same comment applies here as for Impact on Risk above.

(vi)   **Impact on Devolution / Local Government Reorganisation** - ???

Background papers: None.

Enquiries to:
Ben Jay, Chief Finance Officer, Maldon District Council
Aaron Winter (BDO LLP)
Andrew Billingham (BDO LLP)

INTERNAL AUDIT PROGRESS REPORT

Maldon District Council

2024/25 and 2025/26

IDEAS | PEOPLE | TRUST

CONTENTS

SUMMARY OF WORK

INTERNAL AUDIT

This report is intended to inform the Performance, Governance and Audit Committee of progress made against the 2024/2025 and 2025/2026 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.
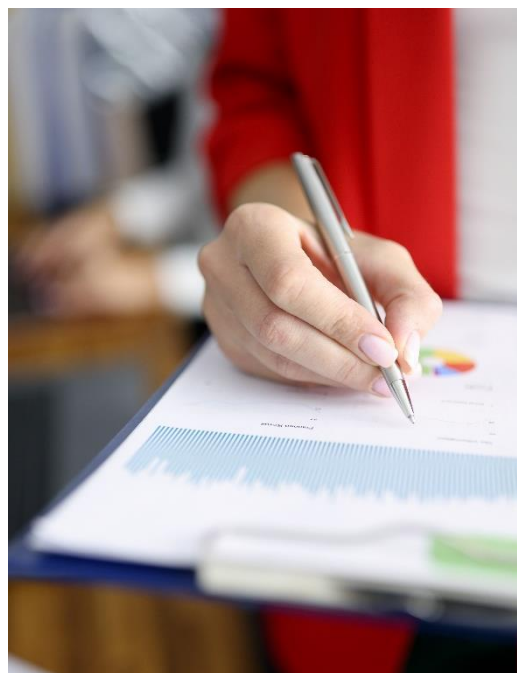
2024/2025 INTERNAL AUDIT PLAN

Since our last progress update in February 2025, we have completed the following reviews and present the final reports to the Committee alongside this progress report:

▶ Building Control

▶ Disaster Recovery and Business Continuity

▶ GDPR

We are making satisfactory progress in the delivery of the remainder of the 2024/25 internal audit plan, and are finishing fieldwork on the two remaining reviews:

▶ Asset Management

▶ Main Financial Systems

We anticipate presenting these reports at the July Committee meeting, which will conclude our work for the year and inform our Annual Report and Head of Internal Audit Opinion.

2025/2026 INTERNAL AUDIT PLAN

We have started work on the 2025/26 internal audit plan. All Q1 audits are scoped and their progress is as follows:

▶ HR System Review – Fieldwork commenced on 08/05/2025

▶ Waste and Recycling – The final terms of reference was issued on 14/05/2025. Fieldwork is due to commence on 02/06/2025.

▶ Local Government Review – The draft terms of reference was issued on 09/05/2025 and is being considered by management.

We anticipate presenting these repots at future Committee meetings.

REVIEW OF 2024/2025 WORK

AUDIT	PGA COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Health and Safety	December 2024	✓	✓	✓	M	L
Capital and Commercial Project Management	February 2025	✓	✓	✓	S	M
Health and Wellbeing	February 2025	✓	✓	✓	S	S
Contract Management	February 2025	✓	✓	✓	S	M
GDPR	June 2025	✓	✓	✓	M	M
Business Continuity and Disaster Recovery	June 2025	✓	✓	✓	S	S
Building Control	June 2025	✓	✓	✓	L	M
Asset Management	July 2025	✓	✓			
Main Financial Systems	July 2025	✓	✓			

REVIEW OF 2025/2026 WORK

AUDIT	PGA COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
HR System Review	September 2025	✓	✓			
Waste and Recycling	September 2025	✓				
Local Government Review	September 2025	✓				
Management of Property	January 2026					
Safeguarding	January 2026					
Corporate Governance	March 2026					
IT Governance	March 2026					
Food Safety	March 2026					
Main Financial Systems	June 2026					

SECTOR UPDATE

Our quarterly public sector 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, non-executive directors and governors.

HOUSEHOLDS DISPOSED OF 5.6 MILLION TONNES OF PACKAGING LAST YEAR

COUNCILS ARE URGING THE GOVERNMENT TO ENSURE THAT REFORMS FOCUS ON REDUCING UNNECESSARY WASTE CREATED IN THE FIRST PLACE AND INCREASING THE RECYCLABILITY OF PACKAGING.

New analysis has found that 5.6 million tonnes of packaging waste was binned by households last year, as councils call on new reforms to reduce packaging and make it easier to recycle.

The study, commissioned by the Local Government Association (LGA), County Councils Network (CCN), and District Councils Network (DCN), found that:

- 3.2 million tonnes of packaging was put into recycling bins

- 2.3 million tonnes was put into residual, or "black" bins

- 70,000 tonnes was mistakenly put in food waste.

It is being published as councillors, politicians and organisations debate how to reform waste services to achieve a zero-waste society at the second day of the LGA's Annual Conference.

New reforms – called the packaging Extended Producer Responsibility scheme - will require industry to pay for the processing of packaging waste by councils from 2026, alongside proposals to change how councils collect waste from homes.

Councils are urging the Government to ensure that reforms focus on reducing unnecessary waste created in the first place and increasing the recyclability of packaging.

Councils need to receive the full actual costs for delivering local waste and recycling services rather than estimates and call on the Government to review the decision to significantly reduce fees facing the packaging industry to ensure that they meet the full costs facing councils. Investment in local waste reduction programmes is also essential to help councils tackle waste more effectively and sustainably.

Recyclable waste that goes in the wrong bins costs councils more to treat and also creates more emissions. These extra costs are unlikely to be met by the payments from the pEPR scheme, placing additional financial pressure on local authorities.

Councils are calling for clearer labelling on packaging to help households dispose of waste correctly.

Households dumped 5.6 million tonnes of packaging last year | Local Government Association

FOR INFORMATION
For the Performance, Governance and Audit Committee Members

GLOUCESTER CITY COUNCIL: MANAGING A CYBER ATTACK

THE COUNCIL HAS PRODUCED A CASE STUDY OF THE CYBER ATTACK SO THAT OTHER COUNCILS CAN LEARN FROM THEIR EXPERIENCE

Background

In December 2021, Gloucester City Council was the subject of a targeted ransomware attack which encrypted its servers and temporarily prevented the council from providing services which relied on the data held on those servers.

Overview

This case study is based on the first-hand experiences of key staff at the council of dealing with the cyber-attack. It includes a timeline of the attack, its impact, the recovery process, the cost of the incident, and the lessons learnt by the council.

Download the full case study below:

Gloucester City Council: Managing a cyber-attack | Local Government Association

ROTHER DISTRICT COUNCIL: EMERGINGOPPORTUNITIES FOR THE RURAL ECONOMY IN PROTECTED AREAS

ACROSS THE RURAL ECONOMY OF ROTHER, A RANGE OF OPPORTUNITIES ARE EMERGING FOR BUSINESSES. THE PRIMARY OBJECTIVE OF THIS PROJECT WAS TO UNDERSTAND HOW TO LEVERAGE THESE OPPORTUNITIES TO ENHANCE THE RURAL ECONOMY.

Introduction

The project unearthed that positive outcomes could be achieved by synthesising sectors across the rural economy, with a focus on bolstering strengths in:

- Tourism and viticulture

- Improving transportation access

- Planning for new land management practices.

This would be achieved by using new and innovative technologies, creating opportunities in the creative and digital sector while also promoting sustainable practices.

The challenge

The main challenge of this project was to stimulate economic growth across rural businesses within Rother while being considerate of the restrictions placed on planning and development practices due to the concentration of protected land across the district.

With the High Weald AONB covering a large amount of land across Rother, opportunities for the direct development of infrastructure are limited in their scale and scope. Thus, rural businesses are required to capitalise on available resources to expand and develop their practices.

Recent political and economic developments have posed obstacles for rural development. While working to develop solutions, consideration was placed on reinforcing and enabling affordable and sustainable lifestyles. Tackling obstacles around the availability of labour and exploring methods to reduce outgoings for rural businesses are crucial factors in facilitating the growth of the local economy.

The solution

The project identified barriers and opportunities across the rural economy of Rother and translated them into actionable recommendations for Rother District Council. These recommendations were categorised by urgency.

Emphasis was placed on developing a communications and engagement strategy to generate support and ensure better engagement with rural businesses. Parallel to this, focusing on developing entry level jobs in industries such as fishing, farming and ecotourism and placing an emphasis on skills and training were highlighted to be of most importance.

Further recommendations focused on developing a cohesive marketing strategy for tourism, facilitating hybrid working practices, working with landowners and farmers to encourage agricultural diversification and facilitating changing land use.

Creating a local scale circular economy, encouraging the uptake of sustainable building practices, and allocating resources to attract and retain a younger, metropolitan demographic while reinforcing transport networks and encouraging decarbonisation all featured as supporting recommendations.

The impact

This project has generated a clear understanding of the main barriers and opportunities facing the rural economy across Rother. Moving forwards, this work will influence the development of a thriving and prosperous rural economy.

The ideal future vision resulting from this work will feature developed and efficient infrastructure networks, a physically and mentally healthy population and a mature, well marketed and sustainable tourism sector based on a thriving viticulture industry with future development that is centered around the preservation and restoration of protected areas.

How is the new approach being sustained?

The council can capitalise on emerging opportunities for the rural economy in Rother and the new approach can be sustained through considering the perspectives of rural businesses in the development of the new Local Plan and other emerging policies and strategies.

Lessons learned

No solution to the challenges facing the rural economy is in itself comprehensive. The perspectives put forward within this project, encompassing the views of stakeholders and informed by desk-based research will weave the fabric of an approach for Rother District Council which will lead to improvement in the condition of the rural economy and the ability to capitalise on emerging opportunities throughout all sectors.

There is a desire to be able to respond quickly but also a recognition that some activity will take time to shape and implement or may be contingent on being able to secure resources or conditions. For this reason, the identification of short-, medium- and long-term priorities was a focal point of the recommendations.

Rother District Council: Emerging opportunities for the rural economy in protected areas | Local Government Association

FOR INFORMATION
For the Performance, Governance and Audit Committee Members

THE DEVOLUTION AND LG REORGANISATION HUB

BRINGING TOGETHER INFORMATION AND RESOURCES ON DEVOLUTION AND LOCAL GOVERNANCE REORGANISATION FOR PUBLIC AND LOCAL AUTHORITIES.

Following the publication of the English Devolution White Paper, the LGA have been working at pace to respond to, and digest the proposals and their respective opportunities and risks.

Our position is clear: we want every council in England to have the ability to secure devolution that works for them, their local economies, and their residents. The devolution of powers and resources can play a huge role in promoting inclusive economic growth, creating jobs, and improving public services. In a very centralised country, moving funding and power from Whitehall to local leaders is needed.

Devolution

Devolution will provide greater freedoms and flexibilities at a local level, meaning councils can work more effectively to improve public services for their area. The result will be more effective, better targeted public services, greater growth and stronger partnerships between public, private and community leaders in local areas.

Local government reorganisation (LGR)

The government has announced that it will facilitate a programme of local government reorganisation for two-tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents.

Proposed reforms in the White Paper will have a significant impact on every council and community. We remain clear that local government reorganisation should be a matter for councils and local areas to decide. There are differing directions of travel underlining the diverse range of views about devolution and local government reorganisation that exist within the local government sector. The LGA will continue to respect each perspective and each choice equally.

The devolution and LG reorganisation hub | Local Government Association

FOR INFORMATION
For the Performance, Governance and Audit Committee Members

KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	We have experienced some delay in completing the final two reviews but remain on track to complete the 2024/25 plan in time to inform our Annual Reporting timetable.	G
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI for 2024/25.	G
3. Customer satisfaction report – overall score at least 3.5 for surveys issued at the end of each audit	Since 2021 the average score received on satisfaction surveys is 4.47.	G
4. Annual survey to PGA committee to achieve score of at least 70%	This will be issued following the presentation of the annual report.	-
5. At least 60% input from qualified staff	We are on target to meet this KPI during 2024/25.	G
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for the seven completed audits for 2024/25.	G
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for the seven completed audits for 2024/25.	G
8. 90% of recommendations to be accepted by management	This KPI has been met for the seven completed audits for 2024/25.	G
9. Information is presented in the format requested by the customer	This KPI has been met for the seven completed audits for 2024/25.	G
10. High quality documents produced by the auditor that are clear, concise and contain all the information requested	This KPI has been met for the seven completed audits for 2024/25.	G
11. Positive result from external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards.	G

APPENDIX 1

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.	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 DEFINITION

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.

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INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Maldon District Council

June 2025

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CONTENTS

Page 90

SUMMARY

2021/22	Total Recs	H	M	L	To follow up	Previously Completed		Complete		Overdue		In progress		Not Due	
						H	M	H	M	H	M	H	M	H	M
Management of Property	4	1	3	-	4	-	3	1	-	-	-	-	-	-	-
Sub Total	4	1	3	-	4	-	3	1	-	-	-	-	-	-	-

2023/24	Total Recs	H	M	L	To follow up	Previously Completed		Complete		Overdue		In progress		Not Due	
						H	M	H	M	H	M	H	M	H	M
Management of s106 funds	3	-	2	1	2	-	1	-	1	-	-	-	-	-	-
Licensing	5	1	3	1	4	1	2	-	-	-	1	-	-	-	-
Homelessness and Temporary Accommodation	3	-	3	-	3	-	2	-	-	-	-	-	-	-	1
CIPFA Financial Management Code	2	-	1	1	1	-	-	-	-	-	-	-	-	-	1
Sub Total	13	1	9	3	10	1	5	-	1	-	1	-	-	-	2

Page 92

2024/25	Total Recs	H	M	L	To follow up	Previously Completed		Complete		Overdue		In progress		Not Due	
						H	M	H	M	H	M	H	M	H	M
Health and Safety	6	2	3	1	5	-	-	-	1	-	-	-	-	2	2
Capital and Commercial	3	-	1	2	1	-	-	-	-	-	-	-	-	-	1
Contract Management	2	-	1	1	1	-	-	-	-	-	-	-	-	-	1
Building Control	5	2	2	1	4	-	-	-	-	-	-	-	-	2	2
Business Continuity and Disaster Recovery	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-
GDPR	4	-	3	1	3	-	-	-	-	-	-	-	-	-	3
Sub Total	21	4	10	7	14	-	-	-	1	-	-	-	-	4	9
Total	38	6	22	10	28	1	8	1	2	-	1	-	-	4	11

The tables above only include audits where there are outstanding recommendations <u>remaining</u>. It does not include advisory reviews where we do not follow up the recommendations or reviews where all recommendations have been previously reported as completed.

SUMMARY

2021/2022

The High priority recommendation for Management of Property is now complete and there are no further recommendations outstanding from the year.

2023/2024

One Medium priority recommendation for the Management of s106 is now complete.

One Medium priority rated recommendation for Licensing has been categorised has "Overdue" as it has not met its revised implementation date, however work is progressing.
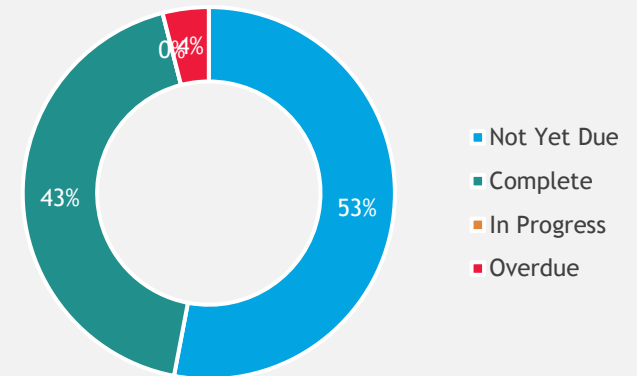
2024/2025

One Medium priority recommendation for Health and Safety is complete. No other recommendations were due to be followed up from this year.

REQUIRED AUDIT COMMITTEE ACTION:

We ask the PGA Committee to note the progress against the recommendations.

Cumulative implementation

- Not Yet Due
- Complete
- In Progress
- Overdue

53%

43%

0% 4%

RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

Page 94

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 – Management of Property	a). The Council should undertake a review of all the assets to ensure they are correctly recorded within the existing system so that accurate records can be migrated when needed. b). The Council should review its assets portfolio to identify its responsibilities to undertake cyclical repairs. A programme of work should be drawn up and prioritised which should be regularly monitored to ensure that the required work is appropriately scheduled and completed to satisfactory standards. c). Where work is contracted out, the Council should ensure that procurement procedures have been appropriately followed and contracts have been authorised and recorded. Copies of all contracts should be retained centrally, and work completed by contractors should be monitored and checked and held with the respective asset on their central register.	High	Sue Green	~~30 August 2022~~ ~~31 May 2023~~ ~~31 October 2023~~ ~~Feb 2023~~ ~~June 2023~~ ~~31 January 2024~~ ~~31 March 2024~~ ~~31 March 2025~~ Closed	Management update: A review of all of the Council's assets has now been undertaken. All of the Council's assets are now on the Uniform system and are correct concerning the basic information on each asset including accurate mapping, locations, descriptions and the child assets and grandchild assets have been added where possible. The service has also agreed additional funding for a dedicated resource, which will ensure that the system is maintained, and cyclical repairs and programmes of work are fully prioritised. As well as regular monitoring to ensure that required works are appropriately scheduled and satisfactory completed. Finally, procurement procedures are appropriately followed when work is contracted out. A central contracts register is held and contractors are monitored during and after work has been completed. Whilst the project to create the register is complete, the Council will ensure that the database is maintained, and enhanced, to help support and inform future maintenance plans, support budget planning and to inform strategic decision making through informing recommendations through its Strategic Assets Working Group to the Strategy and Resources Committee. Internal audit comment: Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information.
2023/24 – Management of s106	a). Maintain authorisation documentation that supports the release of s106 funds. b). Review the robustness of the authorisation process including the due diligence requirements of the secondary signature, consideration should be given to introducing a checklist which will provide assurance that the spend is in line with the agreements.	Medium	Anne Altoft-Shorland	~~31 December 2024~~ Closed	Management update: S106 processes were reviewed and approved by CLT. The Council has introduced a checklist form for expenditure now on S106 outgoings which has to be signed off either by the AD or Director depending on the level of expenditure – this then sits in Sharepoint against the site. The Council did have a S106 Project Liaison Group until early 2022 but it was ineffective and was not a good use of officer

Page 95

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	These authorisation checklists should be kept with the s106 records. c). Consideration should be given to reintroducing a s106 group to provide better accountability for decision making and overall scrutiny of what funds are available and where the funds are to be spent.				time, so it was discontinued. This was largely because although the Council could see having such a governance arrangement was of benefit, the Council did not have the project resources to deliver schemes from S106 funds that related back to the Council (e.g. affordable housing and youth facilities) and each meeting did not progress any matters. This has now been in part rectified with the future employment of a project officer (funded by MDC not using S106 funds) for the projects on the youth facilities funding which is presently part of the S106 funds held by the Council. This will result in the regular project delivery meetings with the relevant officers involved including an officer from the Planning Policy & Implementation Service to ensure oversight of the spend of S106 funding. The same will apply for any other projects involving S106 funding in the future including affordable housing. This is far more effective rather than just having a single cover-all group, as the separate groups can focus in more detail on the delivery of individual projects. Internal audit comment: Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information.
2024/25 – Health and Safety	The Council should create a standard events checklist that covers all essential areas of health and safety. This checklist should be reviewed and verified by the Council's Health and Safety team to ensure appropriate compliance is met. This will help maintain consistent and comprehensive health and safety management at all events.	Medium	Steve Butcher	~~31 March 2025~~ Closed	Management update: A checklist has been added to the booking form to ensure H&S is included for consideration from the beginning. This will put the onus on the organiser to provide this to the Council with the first tranche of info at the first point of contact rather than waiting for the detailed risk assessment. Separate checklists (where required) will be filed separately for each event and/or attraction. The checklist & booking form information will support the SAG process. An update was previously provided to the PGA Committee on 20/02/2025 which detailed the work completed. Internal audit comment: Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information.

RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they have previously revised their implementation date. Therefore, they have now missed at least two implementation dates.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2023/24 Licensing	a) Supporting documentation should be uploaded and retained as part of the review process with licences not issued until this has been completed. A monthly audit of 10% of processed applications would determine whether this is being completed. b) The Council should look to discuss with the Uniform supplier whether amendments to the weekly workload reports could also reflect where attachments have not been saved to files.	Medium	Nick Chapman	~~October 2024~~ ~~April 2025~~ November 2025	Management update: A new Service Level Agreement with CCC was implemented in April 2025 which includes new KPIs that require CCC to meet more robust data entry targets. If they are found to breach these targets then action would be possible via the conditions in the SLA. The Environmental Health Admin Team continue to check for errors but are limited by the functionality within Uniform, which doesn't allow the service to fully meet this audit action. Work is underway to develop Microsoft Dynamic forms for licensing (excluding Taxi & Private Hire) following the removal of forms from the central Government website in March 2026. This will be the first phase in moving MDC Environmental Health processes to Dynamics and its envisaged the entire licensing function could be undertaken by CCC prior to local government reorganisation in 2028. This full migration of activity to CCC would resolve this audit action and enable improvements with payments and system access currently experienced via Uniform Internal audit comment: Recommendation is now classed as Overdue as the revised implementation date has not been met. However, work is progressing in completing the recommendation, which is driving the extended implementation date.

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MALDON DISTRICT COUNCIL
INTERNAL AUDIT REPORT - FINAL

BUILDING CONTROL
MAY 2025

Design Opinion	⬤	Limited
Design Effectiveness	⬤	Moderate

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CONTENTS

DISTRIBUTION	
Matthew Winslow	Assistant Director Planning and Implementation
Michael Johnson	Head of Service Development Management and Building Control
Steve Murray	Building Control Team 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:	Aaron Winter, Partner
	Ben Endersby, Audit Manager (Quality Assurance)
	Andrew Billingham, Audit Manager
Dates work performed:	13 January 2025 - 3 April 2025
Draft report issued:	11 April 2025
Management Response Received:	15 May 2025
Final report issued:	15 May 2025

EXECUTIVE SUMMARY

CRR REFERENCE: UNABLE TO RECRUIT AND RETAIN STAFF WITH SPECIFIC SKILLS SETS IN SPECIALIST AREAS TO MEET THE DEMANDS OF THE SERVICE I.E. PLANNERS AND BUILDING CONTROL SURVEYORS

Design Opinion	🔴 Limited	Design Effectiveness	🟠 Moderate

Recommendations	🔴 2	🟠 2	🟢 1

SCOPE

BACKGROUND

▸ Local authorities have a duty to provide an at cost Building Control service to the public. Maldon District Council's ("the Council") Building Control team helps ensure building work complies with minimum standards for Health and Safety and the duty is set out in the Building Act 1984.

▸ The Council's work involves:

- Checking plans and specifications for proposed building work

- Inspecting building work on-site at various stages

- Issuing completion certificates when work meets required standards; and

- Taking enforcement action if building work does not comply with regulation.

▸ Building Control also looks after other aspects of construction including controlling demolitions and dealing with dangerous structures.

▸ Changes to the Building Control process for higher-risk buildings and wider changes to procedural Building Regulations were introduced on 01/10/2023 through the Building Safety Act 2022 and the Building Regulations 2023. These were introduced to improve accountability and competence, such as establishing a regulated Building Control profession, through the establishment of a Building Safety Regulator (BSR) by the Health & Safety Executive which implemented immediate changes to the qualification requirements of public and private sector building control professionals.

▸ The Council's Building Control team is part of the Development Management & Building Control Service. It has three Building Control officers who are Registered Inspectors, who report to the Head of Development Management & Building Control and is overseen by the Assistant Director of Planning and Implementation. Each year the service receives c.360 Building Control applications which are recorded and processed in the IDOX Uniform system.

PURPOSE

The purpose of the audit was to review the effectiveness of the Council's approach to delivering the Building Control service, including the execution of their responsibilities and how they have implemented the recent national changes to the sector.

AREAS REVIEWED

▸ We reviewed the Council's Building Control Policy/Procedure to ensure it is in line with the BSR's requirements to ensure referrals are identified and assessed properly.

▸ We verified Building Control roles and responsibilities to ensure they are well defined and understood. We also reviewed procedures to manage workforce planning pipelines.

▸ We reviewed training records to confirm that each member of the Building Control team has received training on the new requirements of the Building Safety Act and that they maintain CPD.

▸ We tested a sample of 15 Building Control applications since 01/04/24 to confirm procedures and statutory time limits were complied with.

▸ We analysed management information on team performance to confirm it is regularly produced/monitored and action is taken on any underperformance.

▸ We confirmed whether there is a documented rationale for fee setting and the fees are clearly advertised. We further tested a sample of 15 Building Control applications to confirm the correct fee was applied and recovered.

▸ We reviewed Building Control web pages to verify information is up to date and reflects the current process, fee scales and legislation.

▸ We examined the Building Control IT software and confirmed whether officers have investigated its functionality to ensure it is able to cope with the additional requirements of the BSR.

AREAS OF STRENGTH

▸ We confirmed all three officers of the Building Control team hold a relevant qualification and are members of either the Chartered Association of Building Engineers or the Chartered Institute of Building. We reviewed the training records kept and they clearly detailed an up to date record of the training received including requirements of the Building Safety Act. We finally confirmed that all three members of staff engage in Continuous Professional Development (CPD), adhering to the standards set by their respective Institutes.

▸ There is currently a national shortage of Building Control officers. As part of the Building Control Service Plan and detailed within the Service Risk Register there is "*not having enough skilled professional resource to handle major or complex planning applications*" that is considered an ongoing risk. Controls have been put in place to mitigate the risk as much as possible and these include reviewing the team structure in line with other local authorities and reviewing job descriptions to ensure the reward is competitive. Risks are regularly discussed as part of the monthly balanced scorecard reporting to the Corporate Leadership Team.

▸ We tested a random sample of 15 Building Control applications received since 01/04/24, to ensure the date of decision/approvals of plans was made within two months of the validation date. Three of our sample were Building Notices and therefore did not need a decision. For the remaining 12 notices, we found they complied with the statutory time limit.

▸ Our sample test also found that in all cases where applicable, the fees received matched the fees charged.

AREAS OF CONCERN

▸ The Building Control Policy and Procedures documents the performance targets the service adheres too. Our testing to confirm compliance with the performance targets found several exceptions. There is also incomplete oversight of the performance of the service with only some performance information provided to senior managers. Furthermore, the Service does not currently know how it will meet the new performance reporting requirements of the BSR, as the IDOX Uniform system does not have the required functionality, and officers currently do not possess the expertise to properly interrogate the system. (**Finding 1 – High**)

▸ Increased Building Control fees were approved by Council on 8 October 2024. However, the Building Control service did not amend the fees they advertise on the website or increase the fees charged until 25 February 2025. (**Finding 2 – High**)

▸ The Building Control Policy and Procedures document is not fully compliant with the BSR requirements. The document also does not detail version control, date of last review and a responsible officer for updating it. Furthermore the document is not saved in a central location so it can't be accessed by all relevant officers. (**Finding 3 - Medium**)

▸ The Council does not currently know if its Building Control fees are set at the correct level. There is a documented rationale for the hourly rate charged however there is an incomplete rationale for the costs charged for the various building control work. (**Finding 4 – Medium**)

▸ The Building Control Service has a Career Matrix to help ensure adequate skilled resources are recruited and trained to provide an effective service. However, the document it is still in draft and being developed. (**Finding 5 – Low**)

CONCLUSION

We have provided Limited assurance over the design of the controls in place and Moderate assurance over the effectiveness of controls that are in place to manage the Building Control function.

Control Design

▸ The control design has been assessed as Limited because we identified the following significant gaps in the controls:

- No formal process is in place regarding how Building Control fees, and any updates, are communicated to the Building Control team. There is also an incomplete understanding of whether the fees charged fully cover the Council's costs.

- The contents of the Building Control Policy and Procedures document does not reflect all the requirements of the BSR.

- Limited oversight of the performance of the Building Control function has been defined and is in place.

- The reporting functionality of the IDOX Uniform system does not meet the BSR reporting requirements nor are there alternative processes in place to report against those requirements manually.

▸ We have therefore raised two High and two Medium priority rated recommendations to support the Council mitigate the identified risks.

4

Control Effectiveness

▸ The control effectiveness has been assessed as Moderate as our testing confirmed compliance with the statutory performance indicator of plan approval/decision timescales however, we identified several exceptions in our sample testing relating to local performance indicators to confirm whether Building Control applications are dealt with in accordance with documented performance standards.

DETAILED FINDINGS

1	Performance Monitoring

TOR Risks:	Applications and/or notices received are not subject to sufficient review and/or approval to ensure compliance with building control regulations. Decisions to approve or reject applications are not provided within five weeks as required by legislation.
	Management information and oversight is ineffective to monitor the risks, performance and compliance of the Building Control service.
	The Council's Building Control function lacks suitable IT technology and software functionality to support the new Building Safety Regulator requirement resulting in non-compliance.
Significance	🔴 High

🔍 FINDING

The Building Control Policy documents the performance targets which the Service adheres to and covers the following:

1. Register 95% of applications on Uniform within two working days.

2. Check the validity of at least 95% of applications within five working days.

3. Once a valid full plans application has been received, check 95% of all details and drawings deposited for compliance with the specific requirements of Building Regulations within 15 working days. Where details are found to show compliance an approval notice will be issued to the applicant. Where details are found to not show compliance, or information is missing a letter listing the non-compliant, missing items will be issued. Send any required consultations to the relevant parties within 15 working days.

4. In all full plans applications a decision is required by statute to be issued at either five weeks or eight weeks (*this should be expressed as 'two months' and is incorrectly documented*) depending on whether the applicant has agreed to an extension of time. Failure to issue a decision within the required time period, results in the deposited plans being deemed approved and a refund to the applicant of the plan checking fee.

5. Following a satisfactory completion inspection, a completion certificate should be issued within two days of a satisfactory completion inspection being carried out.

We tested a random sample of 15 applications (detailed in Appendix III) since 1 April 2024 to confirm compliance with the performance targets. Our testing showed the following:

1. Date registered within two working days of receipt - There is nothing in IDOX Uniform to show the date of registration so we could not test this.

2. Date validated within five working days of receipt – 14 out of 15 tested applications were validated within five working days of receipt (exception - 24/00391/ONDFP – 7 working days).

3. Plans checked within 15 working days of validation date - This test was only applicable for nine of the sample of 15 as plan checks were not applicable for six (Building Notices and Partnership applications). We confirmed Plans were checked within 15 working days for five out of nine. (exceptions - 24/00238/ONDFP, 24/00459/ONDFP, 24/00391/ONDFP, 24/00367-WSDFP – date range from 18 to 22 working days)

4. Date of decisions/approval of plans within five weeks or if extended, two months of the application received date - Approval is not needed for Building Notices (three of the sample). All of the remaining 12 were approved within two months of the application received or treated as received date.

5. Only one of the sample of 15 had been fully signed off as completed and for this one sample there was an inspection before sign off (within two days). For the remaining 13 (one not applicable), inspections have been completed and were ongoing for the work, which had commenced (total of seven).

A Service Plan Highlight Report is reviewed monthly by senior officers at the Corporate Leadership Team Plus (CLT+) meeting. This details through RAG and supporting commentary whether national performance standards are maintained and provides generic information on validations, dangerous structure responses (if any), budget, staffing levels risk management however it does not include any further detailed performance information in line with the indicators documented in the Building Control Policy i.e. the percentage of validations within five days or receipt, the percentage of plans checked within 15 working days of validation date.

Risk: If there is inadequate monitoring of performance of the Building Control service the quality of the service might decline affecting customer satisfaction, trust and the Council's reputation.

Furthermore, from 1 January 2025 there is a new requirement for councils to monitor set Key Performance Indicators and report quarterly to the Building Safety Regulator from April 2025. This is reflected in the Service Plan Risk Register. Officers confirmed that engagement with IDOX Uniform has taken place but national updates have yet to be rolled out. They do not know how to obtain all of this information from the IDOX Uniform monitoring system or whether the system has the functionality to produce the reports they need. Therefore it is likely that the Council will not meet the Building Safety Regulator requirements, unless an interim or permanent solution can be found.

Risk: A failure to comply with statutory requirements from the Building Safety Regulator could result in legal and/or financial penalties harming the reputation of the Council.

RECOMMENDATION

1.1 Review the performance management requirements detailed within the Building Control Policy to see if they are still relevant and in line with the BSR statutory requirements.
1.2 Establish a process to best monitor and report on the performance of the Building Control service to ensure it is effective and efficient.
1.3 Regular reports based on the new performance management requirements should be presented to ELT Service Catch-Up, to enable exception reporting to senior management, so there is more adequate oversight of the performance of the Building Control service.
1.4 Further investigate the reporting functionality of IDOX Uniform to ensure it is fit for purpose to meet the requirements of the Building Safety Regulator. If required, arrange for additional training for officers so they can fully utilise Uniform. The service could also contact other local authorities who use Uniform, to establish how they are meeting the requirements.

MANAGEMENT RESPONSE

1.1 The Building Control Policy can be reviewed to ensure it includes the latest BSR statutory requirements for validation, plan-checks, approvals and rejections, completion notices and site inspections.

1.2 The service already maintains a PowerBi Building Control Dashboard, but this is now being reviewed for presentation purposes to ensure that the key performance information from the BSR and Building Control Policy is clear and showing when BSR and Policy KPIs are at risk.

1.3 With some changes to formatting, some data that would show compliance with the Building Control Policy from the PowerBi Building Control Dashboard Report can be presented to the monthly ELT Service Catch-Up meetings as part of the Balanced Scorecard review. This will strengthen the purpose of Exception reporting from the Service Plan Highlight Reports which are presented to CLT+, by ensuring general operational performance is presented and discussed more widely in the organisation.

1.3 This is not a problem unique to Maldon District Council and is present for all local authorities that use IDOX Uniform as the software, as the BSR has been slow to be set up by the HSE and its reporting requirements were not developed far enough in advance of them taking effect, which has meant software providers such as Uniform have not been able to adjust their systems quickly. MDC officers have already been on both BSR and IDOX Uniform training however, the issue facing IDOX Uniform appears to be more fundamental on how the software's architecture is built, not only how the data is extracted. MDC has already been engaging with the national Local Authority Building Control (LABC) body, other authorities through the Essex Local Authority Building Control group and on a more one-to-one level with other Essex councils in a similar position, and will continue to do so, but the challenge for the Councils which use IDOX Uniform is that all Councils have been using the Building Control modules differently over decades and there has never been a national requirement for extraction of data or returns of this nature or degree before. This has not therefore been considered when designing the original software and this sector constraint has not been considered adequately enough by the BSR when the national KPIs were set. Retrofitting it to the new requirements is therefore proving difficult. Until the new functionality is in place within the IDOX Uniform system, MDC will have to use an interim solution to collect the data manually and comply with the BSR requirements, although this is not efficient use of officer time and the risk will increase that there may come a time where we are unable to file a return due to system wide issues of retrieval. To further reduce this risk, we have already committed to explore whether we could utilise PowerBi differently to build a new framework to extract the data for the BSR returns by Q3 2025/2026 and this work remains ongoing.

Responsible Officer:	1.1 Building Control Manager/ Head of Development Management & Building Control
	1.2 Building Control Manager/ Head of Development Management & Building Control
	1.3 Building Control Manager/ Head of Development Management & Building Control
Implementation Date:	1.1 End July 2025
	1.2 End Sept 2025
	1.3 End Dec 2025

2   Building Control Fees

TOR Risk:	Building control fees are not set at the correct level and are not consistently monitored to ensure all costs are recovered.
	The Council's building control webpages do not provide up to date information and accurate correct calculation of fees, leading to incorrect scale fees being charged and financial losses to the Council
Significance	🔴 High

🔍 FINDING

We reconciled the 2024/25 fees approved at Council in December 2023 to the fees displayed on the Council's website and none of them matched.

We investigated this further with Council officers and established the following:

1. Building Control fees were based on the amounts approved by Council in July 2023 up to and including 24 February 2025.

2. The 2024/25 increased Building Control fees approved at Council in December 2023 were not implemented, because they were based on the wrong baseline, the s151 officer advised officers to continue using the 23/24 fees (*email evidence of the advice seen*). They were recalculated and re-approved by Council on 8 October 2024. However, the increases were not implemented until 25 February 2025 as they were not communicated to the Building Control team.

Therefore, the correct fees were not advertised or used during the period 8 October 2024 to 24 February 2025.

We selected a sample of 15 Building Control applications from a total population of 358 to review whether the correct fees had been charged and received. Out of the 15 we tested, nine were charged as plan check fees (for three, they were partnership applications so the plan check fee went to another Council and another three were Building Notices and only charged inspection fees). We confirmed the fees charged were correct for seven out of nine as they were based on the 23/24 rate. The remaining two were still based on the 23/24 rates despite the fees increasing in October by 7.4% (exceptions - 24/00459/ONDFP, 24/00391/ONDFP).

14 out of 15 of our sample had been charged inspection fees. Eight were correctly based on the 23/24 amounts. The remaining six were not based on the increased fees in October of 7.4%. (exceptions - 24/00378/WSDFP, 24/00397/WSDBN, 24/00422/WDSP, 24/00391/ONDFP, 24/00367/WSDFP, 24/00305/WSDFP)

Risk: If the correct fees are not charged there is a financial risk to the Council as the cost of completing the work might exceed the income received, or it may charge too much and be liable for refunds.

✎ RECOMMENDATION

2.1 Establish a system to ensure changes in Building Control fees are correctly communicated to the Building Control team, so they are implemented and correctly displayed on the Council website in a timely manner.

2.2 Consider introducing a quality control process to verify correct fees are charged and received throughout the year.

MANAGEMENT RESPONSE

2.1 Any changes approved by Council of Building Control fees and charges cannot be implemented immediately as there is a statutory notice period that must be given and this must be born in mind when any changes to Building Control fees and charges are agreed. In discussion with the Deputy S151 Officer it is agreed that greater assurance is needed to ensure any changes agreed by Council have been implemented and Finance are looking at introducing a pro-forma for all Fees & Charges changes to check and sign off when operational and website changes. This is to be done for the whole organisation however and not just Building Control. Furthermore, in January 2025, changes were made to the Council's Financial Regulations to delegate responsibilities to Chief Executive, Deputy Chief Executive and the Assistant Directors. To this end, in addition to the monthly budget review meetings which take place with Heads of Service, new Finance Business Partner meetings are now scheduled to ensure there is strategic dialogue between the Assistant Director: Planning & Implementation and the S151/ Deputy 151 Officer; followed by similar financial representation at the Service Delivery Leadership Meetings with the Deputy Chief Executive. The agendas for the new Business Partner meetings will include discussion on Fees & Charges and any in-year changes which can then be cascaded once they are approved to ensure they are picked up and actioned at operational levels.

2.2 Introducing a quality control process to verify correct fees are being charged throughout a financial year is supported in principle, however this is not something which should be unique to Building Control and should be an exercise that is completed across all fee & charges in the organisation. This will be explored corporately as part of the Service Planning processes to ensure a consistent approach is implemented by all charging services.

Responsible Officer:	2.1 Assistant Director Planning & Implementation and Interim Deputy 151 Officer. 2.2 Deputy Chief Executive
Implementation Date:	2.1 End April 2025 2.2 End March 2026

3	Building Control Policy

TOR Risk: The Council's Building Control policies and procedures are not in line with the new Building Safety Regulator's requirements, relevant national guidance and best practice. This includes procedures relating to management of dangerous structures, demolitions and other services to ensure referrals are identified and assessed properly.

Significance ⬤ Medium

FINDING

The BSR oversees private and public building control bodies who must follow mandatory codes and standards for Building Control. Guidance is issued by the BSR. 1.6 of the guidance states:

Your policies, procedures and processes for persons delivering your building control functions must be recorded and up to date and must reflect current relevant guidance.

The Council has a Building Control Policy and Procedure, however the document does not state when it was last updated, its review frequency, a responsible owner or any version control.

Risk: Without a documented review schedule or version control, the Policy might not be reviewed when it is required and there will not be a record of changes made.

The Building Control Team Manager stated he is responsible for updating the policy/procedure and has updated the document so it is compliant with the latest legislation. We reviewed the document and it references the latest legislation (Building Safety Act 2022) and covers the following primary areas of Building Control:

1. Registration of Building Inspectors

2. Enforcement of Building Regs

3. Inspections and Dangerous Structures

4. Demolition Notices

5. Administration

The Policy also details the following, which is in accordance with the BSR guidance:

1. Risk based approach

2. Fees

3. Performance targets

4. How records are retained

5. Length of time records are kept for (15 years)

6. Roles and responsibilities

However, it does not include:

1. How persons supporting the building control function are kept fully informed of changes in legislation/national practices.

2. Oversight mechanisms such as quality control/spot checks

3. Complaints/appeals process

Therefore there is scope for the policies/procedure to be expanded.

Risk: If the Policy does not include all the requirements listed in the BSR guidance, there is a risk that officers will follow practices that do not comply with legislation and the practices adopted could be inconsistently applied.

The policy document is saved on the laptop of the Building Control Team Manager and has been shared with the other officers, however it is not stored in a central location.

Risk: If the Policy is not saved in a central location, it will not be accessible by all officers as and when it is required.

RECOMMENDATION

3.1 The Building Control Policy should be updated to include the following:

- Version control

- The date of last review

- Frequency of review

- Responsible officer

- How persons supporting the building control function are kept fully informed of changes in legislation/national practices.

- Oversight mechanisms such as quality control / spot checks

- Complaints/appeals process

3.2 The Building Control Policy should be saved in a central location so it can be accessed by all applicable officers whenever it is required.

MANAGEMENT RESPONSE

3.1 Version controls can be added to the Draft Building Control Policy, responsible officer should be labelled by role and not staff name, in case of changes. Where it has previously been an operational policy and procedure, the Policy will now be updated and presented to the Strategy & Resources Committee/ Council for approval to increase strategic oversight and assurance.

3.2 The Draft Building Control Policy has been saved immediately onto the new Planning & Implementation Sharepoint site, which has access controls, data retention and file accountability built into its functions. Once approved by Council, it will also be published on the Building Control pages of the Council's website to ensure anyone can see the standards which the Council will use to deliver the Building Control service.

Responsible Officer:	3.1 Building Control Team Manager/ Head of Development Management and Building Control 3.2 Building Control Team Manager
Implementation Date:	3.1 End Sept 2025 3.2 Draft by May 2025 and Final by end September 2025

4	Documented Rationale For Building Control Fees

TOR Risk:	Building control fees are not set at the correct level and are not consistently monitored to ensure all costs are recovered.
	The Council's Building Control webpages do not provide up to date information and accurate correct calculation of fees, leading to incorrect scale fees being charged and financial losses to the Council
Significance	Medium

FINDING

The Council has a documented rationale for the Building Control chargeable rates. It is based on the hourly rate of the Principal Building Control Officer and enhanced to consider corporate and productivity on-costs. However, there is no documented rationale to show how the hourly rate relates to the costs charged for the various Building Control work. Officers have begun to compile this information but it is incomplete.

Risk: If the Council does not have a complete understanding of how the Building Control fees relate to the costs charged, the Council may not be adequately covering its costs causing a financial risk.

RECOMMENDATION

4.1 To ensure Building Control fees are set at the correct level, officers should compile a documented rationale for each of the fees based on the Building Control chargeable rate.

MANAGEMENT RESPONSE

4.1Work on the rationale has been underway with Building Control and Finance to provide additional assurance that the fees have been set at the correct level to recover the costs to deliver the service. Building Control and Finance are working on a cost/income assurance model as part of the Development Management & Building Control Service Plan 2025/2026 that can validate whether the fees need to change based on the costs of delivering the service in the Maldon District, which will inform fee setting for 2026/2027.

Responsible Officer:	4.1 Assistant Director Planning & Implementation & Interim Deputy S151 Officer
Implementation Date:	4.1 End Sept 2025

5	Career Matrix Document

| **TOR Risk:** | The Building Control team does not have a plan in place to ensure that adequate skilled resources are recruited and trained to provide a consistently effective service for overseeing all areas of compliance relevant to the District. Key roles and responsibilities are undefined and vacant and staff in place do not possess the required qualifications and registrations to perform their role. |
| **Significance** | 🟢　　Low |

🔍 FINDING

Registered Building Inspectors must now be qualified and registered appropriate to the level of work they undertake. There are four classes of registration:

Class 1. Trainee (Can only work under supervision on all work)

Class 2. Domestic (Can work on domestic extensions and new houses with no more than three storeys or a floor of 7.5m. All other work must be done under supervision)

Class 2. General (Can work on all buildings with a floor less then 18m or 7 storeys, except in-patient care premises, non-standard warehousing, industrial buildings containing hazardous substances of processes, Regulated stands/Certificated stadia and indoor sports/music arenas and MMC/Mass timber/Volumetric etc. Work on these must be supervised)

Class 3. Specialist (Can work on all buildings unsupervised)

Class 4. Technical manager (Can work on and manager people at the level of qualification class held)

These classes are clearly detailed within the Building Control Policies and Procedures.

Building Control and Human Resources are already developing a Career Matrix for Building Control Officers which details the requirement for each class and shows how they can progress through the classes through training and professional development. This needs to be completed and implemented through contractual HR processes for relevant roles. It also does not detail version control for keeping it up to date.

Risk: If the matrix is not finalised it might not be adopted and consistently followed..

✏️ RECOMMENDATION

5.1 The Council should finalise the Career Matrix document and ensure it is implemented.

👥 MANAGEMENT RESPONSE

5.1 The Career Matrix has been being developed with Human Resources Business Partners over the last year and it is at an advanced stage of development and has been adjusted to reflect the new BSR requirements. It is not however standalone and is a contractual document, alongside the Job Description and Terms and Conditions. Version control can however be added to help track adjustments.

| **Responsible Officer:** | 5.1 Building Control Manager/ Head of Development Management & Building Control |
| **Implementation Date:** | 5.1 End of September 2025 |

APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL 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

BACKGROUND & PURPOSE

BACKGROUND

▸ Local authorities have a duty to provide an at cost Building Control service to the public. Maldon District Council ("the Council") Building Control service helps ensure building work complies with minimum standards for Health and Safety and the duty is set out in the Building Act 1984.

▸ The Council's work involves:

- Checking plans and specifications for proposed building work

- Inspecting building work on-site at various stages

- Issuing completion certificates when work meets required standards; and

- Taking enforcement action if building work does not comply with regulation.

▸ Building Control also looks after other aspects of construction including controlling demolitions and dealing with dangerous structures.

▸ Changes to the Building Control process for higher-risk buildings and wider changes to procedural building regulations were introduced on 01/10/2023 through the Building Safety Act 2022 and the Building Regulations 2023. These were introduced to improve accountability and competence, such as establishing a regulated Building Control profession which implemented immediate changes to the qualification requirements of public and private sector building control.

▸ The Council's Building Control team is part of the Development Management & Building Control service. It has three Building Control officers who are Registered Inspectors, who report to the Head of Development Management & Building Control and is overseen by the Assistant Director of Planning and Implementation. Each year the service receives c.360 Building Control applications which are recorded and processed in the Uniform system.

PURPOSE

▸ The purpose of the audit is to review the effectiveness of the Council's approach to delivering the Building Control service, including the execution of their responsibilities and how they have implemented the recent national changes to the sector.

CRR REFERENCE

▸ R14: Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service i.e. Planners and Building Control Surveyors.

KEY RISKS

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 potential key risks associated with the area under review are:

1. The Council's Building Control policies and procedures are not in line with the new Building Safety Regulator's requirements, relevant national guidance and best practice. This includes procedures relating to management of dangerous structures, demolitions and other services to ensure referrals are identified and assessed properly.

2. The Building Control team does not have a plan in place to ensure that adequate skilled resources are recruited and trained to provide a consistently effective service for overseeing all areas of compliance relevant to the District. Key roles and

responsibilities are undefined and vacant and staff in place do not possess the required qualifications and registrations to perform their role.

3. Staff training related to building control compliance is inadequate to meet the objectives of the service and new Regulator requirements. Training is not periodic to ensure updated legislation is incorporated in the Council's processes and practices.

4. Applications and/or notices received are not subject to sufficient review and/or approval to ensure compliance with building control regulations. Decisions to approve or reject applications are not provided within five weeks as required by legislation.

5. Management information and oversight is ineffective to monitor the risks, performance and compliance of the Building Control service.

6. Building control fees are not set at the correct level and are not consistently monitored to ensure all costs are recovered.

7. The Council's building control webpages do not provide up to date information and accurate correct calculation of fees, leading to incorrect scale fees being charged and financial losses to the Council.

8. The Council's Building Control function lacks suitable IT technology and software functionality to support the new Building Safety Regulator requirement resulting in non-compliance.

SCOPE & APPROACH

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

▸ Review the adequacy of the Building Control policies and procedures to ensure they are up to date, compliant with legislation, Building Safety Regulator requirements and clearly detail the processes to be followed when dealing with building regulation compliance, demolition notices and dangerous buildings. (Risk 1)

▸ Interview key staff to confirm that roles and responsibilities within the Building Control framework have been defined and are understood, in addition to relevant skillsets to operate effectively. Review procedures in place to manage workforce planning pipelines. (Risk 2)

▸ Review training records to confirm officers have received training on the new requirements of the Building Safety Act and that CPD is maintained. (Risk 3)

▸ Test a sample of Building Control applications from 01/04/2024 and confirm that procedures were complied with and inspections were completed prior to the building work being signed off and certificate issued. In addition confirm that the five-week legislative parameters for providing a decision was adhered to. (Risk 4)

▸ Review management information on team performance and levels of compliance, verify that it is regularly produced and monitored. Interview stakeholders to determine what action is taken on under performance. (Risk 5)

▸ Confirm that there is a documented rationale for fee setting, that the fees are clearly advertised and test a sample of Building Control applications to confirm the correct fees were applied and recovered. (Risk 6)

▸ Review the Council's public building control webpages, verify that information has been recently updated and reflects the current process, fee scales and legislation. (Risk 7)

▸ Review the current IT software and confirm what officers have done to establish if it is of has the potential to be able to cope with the additional requirements of the Building Safety Regulator. (Risk 8)

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.

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 Data Protection Act 2018 (DPA 2018), and the UK General Data Protection Regulation (UK GDPR) and shall only share Personal Data on an anonymised basis and only where necessary.

APPENDIX III – SAMPLE

Application Number	Data Received
24/00166/WSDFP	03/05/2024
24/00210/WSDBN	07/06/2024
24/00237/ONDFP1	30/10/2024
24/00238/ONDFP	25/06/2024
24/00249/WSDBN	04/07/2024
24/00378/WSDFP	30/09/2024
24/00397/WSDBN	21/10/2024
24/00459/ONDFP	25/11/2024
24/00422/WDSP	05/11/2024
24/00391/ONDFP	14/10/2024
24/00375/WSDFP	25/09/2024
24/00367-WSDFP	20/09/2024
24/00319/WSDFP	28/08/2024
24/00305/WSDFP	17/08/2024
24/00256/WSDFP	09/07/2024

FOR MORE INFORMATION:

Aaron Winter

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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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MALDON DISTRICT COUNCIL
INTERNAL AUDIT REPORT – DRAFT

IT DISASTER RECOVERY AND BUSINESS CONTINUITY
MAY 2025

Design Opinion	●	Substantial
Effectiveness Opinion	●	Substantial

IDEAS | PEOPLE | TRUST

CONTENTS

DISTRIBUTION	
Ben Cookson	Interim Chief Finance Officer
Annette Cardy	Assistant Director – Resources
Grant Hulley	Lead Specialist: ICT Resources Directorate

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:	Aaron Winter – Partner
	Andrew Billingham – Internal Audit Manager
	Antony Hadjirousos – IT Audit Senior Manager
Dates work performed:	25 November 2024 - 20 January 2025
Draft report issued:	14 February 2025
Management responses received:	15 May 2025
Final report issued:	15 May 2025

EXECUTIVE SUMMARY

Control Design	● Substantial	Control Effectiveness	● Substantial

Recommendations	● 0	● 0	● 1

SCOPE

BACKGROUND

The services provided to the public by the Council are dependent on the availability of Information Technology (IT) hardware and systems, as well as the IT infrastructure that underpins it. Any disruption to the availability of these IT systems could result in the Council being unable to provide these services, which could result in financial and reputational losses.

Furthermore, cyber security incidents can have significant impact on the business operations of any organisation and every effort should be made to both prevent and minimise their impact. With an increasing reliance on IT in local government, all councils are required to ensure that IT systems are appropriately protected to prevent any significant disruption and can be recovered quickly in the event of a disaster to limit any impact on customer services.

The Civil Contingencies Act 2004 (the Act) delivers a single framework for civil protection in the UK. The Act establishes a clear set of roles and responsibilities for those involved in emergency preparation and response at a local level. The Act identifies Local Authorities as "category one" responders, which means that they are subject to the full set of civil protection duties.

Effective IT disaster recovery planning is therefore essential to ensuring that the Council can respond to system failures in the event of a major incident or disaster to maintain operations of all critical systems.

Internal Audit completed an IT Disaster Recovery audit in 2019/20, which provided limited assurance over the design of the Council's IT disaster recovery controls and moderate assurance over their operational effectiveness. The audit raised one high and three medium priority recommendations, which related to the absence of documented, finalised and sufficiently tested IT disaster recovery arrangements, including the lack of defined recovery objectives, business impact and risk assessments.

PURPOSE

The purpose of the audit was to provide assurance that the Council has adequate arrangements in place to recover its IT services, hardware, and infrastructure in the event of a disaster, including whether the recommendations raised as part of the 2019/20 have been implemented.

AREAS REVIEWED

The following areas were covered as part of this review:

‣ Determine whether the Council has identified its critical business services and prioritised them as part of its disaster recovery planning activities, including whether the Council has identified, assessed and documented the risks of the loss of its IT systems and services.

‣ Determine whether there are documented procedures in place to recover critical IT infrastructure, hardware, or systems in the event of an incident, including whether the Council has a defined IT Disaster Recovery Plan and IT Business Continuity Plan in place, whether the procedures for recovering critical systems and services have been

2

documented and whether roles and responsibilities for members of staff have been defined and communicated.

▸ Determine whether Recovery Time and Point Objectives (RTOs and RPOs) have been defined and whether they are aligned to the Council's continuity requirements, and whether there are defined backup and recovery arrangements in place for critical IT systems and services.

▸ Determine whether there are arrangements in place for testing the Council's disaster recovery arrangements on a routine basis and providing training to staff.

AREAS OF STRENGTH

During our review, we identified the following areas of good practice:

▸ The Council has identified, assessed, and maintains a listing of its high-risk, medium-risk and low-risk functions, which was found to be regularly reviewed and kept up to date. The register, which subsequently forms the basis for business continuity and disaster recovery planning activities, assesses the business impact of the unavailability of the functions in terms of finance, operations, reputation, people, major projects and legal and regulatory. The listing was last reviewed in March 2024, and is due for further review in March 2025, and is accompanied by an identification of critical IT systems and their suppliers, along with their day-to-day and disaster recovery dependency levels.

▸ Risks to the continuity and availability of the IT Service have also been identified and assessed as part of the Council's IT Risk Register and Data Security Risk Register. Review of the registers found them to include, for each risk, overall risk scores (including a breakdown between likelihood and impact), risk owner details and an overview of existing controls, an assessment of the strength of the current control environment and a mitigated risk score.

▸ The Council's IT network Is set up on high availability and there is live failover between four hosts allowing for instant restore in the event of an incident. There are documented technical standard operating procedures in place for performing full backups through the Veeam solution, which would restore the availability and operation of the network, and critical systems and services, in line with the established recovery objectives.

▸ The Council has a Business Continuity Strategy in place, which was formally approved and adopted in April 2024 and provides a strategic approach to key aspects of business continuity management and a framework for maintaining the Council's ability to deliver critical service functions. Review of the Strategy found it to include the procedures for the invocation of the Council-wide business continuity plans, the roles and responsibilities of members of staff, requirements relating to business continuity risk identification and business impact analysis, and the key resilience and business continuity procedures, including those for the IT Service.

▸ In addition to the Business Continuity Strategy and the Council-wide Business Continuity Plan, there are also defined IT Business Continuity and IT Disaster Recovery Plans in place that specifically define the procedures relating to the continuity and recovery of the IT Service. These were found to be up to data and in line with their annual review cycle requirements, and were found to include, but not being limited to, plan invocation procedures, backup and recovery procedures, example recovery scenarios and the arrangements for restoring from backups, recovery objectives, and key contact details, including supplier and third-party partner information.

- There are arrangements in place for regularly testing the Council's IT disaster recovery and business continuity arrangements, which include system-wide testing twice per year, and an annual tabletop exercise that consists of a discussion-based session where team members review a disaster scenario and how they would respond. The most recent testing was completed in July 2024, and through our review of attendance logs, training slides, and testing notes, we confirmed that key stakeholders and members of staff have been provided with relevant training for their role. Furthermore, backups are tested for recoverability on a regular basis, in line with the Council's backup testing schedule.

AREAS OF CONCERN

During our review, the following area of improvement was identified:

- Whilst there are defined and formally documented RTOs and RPOs in place, the Council has not completed a full assessment of its ability to achieve these in the event of an incident or disaster **(Finding 1 – Low).**

CONCLUSION

We have raised one low priority recommendation to further strengthen the Council's IT disaster recovery and business continuity controls and enhance its IT network resilience and service availability in the event of an incident or disaster.

Control Design

The Council has identified, assessed, and prioritised its critical IT systems and services based on robust business impact and risk assessments and has defined recovery objectives based on this prioritisation and in line with corporate objectives. There are defined business continuity and disaster recovery plans in place, which include procedures and roles and responsibilities of members of staff, as well as technical standard operating procedures for the back-up and full recovery of critical IT systems and services in the event of an incident or disaster. Therefore, we concluded 'Substantial' assurance over the design of the Council's IT business continuity and disaster recovery controls.

Control Effectiveness

The Council has appropriate, and regularly tested, backup and recovery arrangements in place, which alongside the regular testing of the Council's IT disaster recovery and business continuity procedures and the training provided to members of staff would help to ensure that the procedures will be effectively applied in the event of an incident or disaster. Furthermore, recovery objectives have been defined for each individual system or service, and while there has not been a complete assessment of the feasibility of these objectives, the Council has a defined schedule of tests in place that includes a full assessment of all IT systems covering complete physical hardware restores, entire virtual machine restores, and full data restores. Consequently, we also concluded 'Substantial' assurance over the operational effectiveness of the Council's IT business continuity and disaster recovery controls.

The scope of our review is limited to the areas documented under the scope and approach section of the agreed Terms of Reference (see Appendix II). Our work is therefore designed to provide an assessment of the IT disaster recovery and business continuity arrangements that are in place, and the controls assessed support a strong foundation that is informing the opinion provided, but we cannot provide absolute assurance in the event of an incident.

4

DETAILED FINDINGS

1	Recovery Time and Point Objectives (RTOs and RPOs)
TOR Risk:	If the Council's data recovery objectives have not been defined and are not aligned to the Council's business continuity requirements, there is a risk that service continuity and restoring in the event of a disaster will not be in line with the expectations of the Council's and the various Service Areas if the recovery of critical systems or infrastructure is not prioritised.
Significance	🟢 Low

FINDING

Recovery Point Objectives (RPOs) and Recovery Time Objectives (RTOs) are critical components of the Council's IT disaster recovery and business continuity planning. The RPOs define the maximum acceptable amount of data loss measured in time, while the RTOs set the target time for the recovery of each system after a disruption. It is therefore essential that these are defined, thoroughly assessed and regularly reviewed to ensure that recovery and continuity procedures will be sufficient in the event of an incident or disaster.

Whilst the Council has defined the RTOs and RPOs for its critical IT systems and services, we found that there has not been a formally documented assessment of the Council's ability to achieve these in the event of a critical incident or disaster. However, whilst this assessment has not been formally documented, we confirmed through our testing and discussions with Management that there is a full disaster recovery and business continuity testing schedule in place, which includes a full assessment of all ICT systems that covers complete physical hardware restores, entire virtual machine restores, and full operating system and data restores.

Where recovery objectives are not regularly or sufficiently tested, including performing a full assessment of the Council's ability to achieve these in the event of a critical incident or disaster, there is an increased risk that recovery strategies may not be effective during an actual critical incident or disaster, leading to prolonged downtime and potential data loss. This can result in financial losses, reputational damage and non-compliance with regulatory requirements.

RECOMMENDATION

Management should perform, and formally document, a thorough assessment of the Council's ability to achieve the defined recovery objectives in the event of a critical incident or disaster. Following the assessment, the recovery objectives should be reviewed and, where necessary, updated, and arrangements should be put in place for reviewing them on a routine basis, as well as for testing the Council's ability to achieve them.

Furthermore, the procedures that support the recovery of the Council's IT systems and services should also be reviewed and tested on a routine basis to ensure that backup processes are sufficient to achieve the Council's expectations for the recovery of data in the event of a disaster.

MANAGEMENT RESPONSE

We acknowledge the importance of thoroughly assessing and formally documenting our ability to achieve the defined Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) in the event of a critical incident or disaster.

We are committed to enhancing our disaster recovery (DR) and business continuity planning (BCP). As part of this commitment, we will ensure that a comprehensive assessment of our current recovery capabilities is conducted and documented, whilst DR and BCP testing is run for ICT at a minimum of every six months, A full council wide DR and BCP scenario will be arranged and scheduled to run at least once per annum. This assessment will help us identify any potential gaps and areas for improvement in our recovery stages. Following this testing, we will establish a routine schedule for reviewing and updating our recovery objectives to ensure they remain aligned with our changing systems and business continuity requirements.

These scheduled scenarios will be documented and reported to senior management for review upon completion, to define any key RTOs.

Responsible Officer:	Grant C Hulley
Implementation Date:	December 2025

APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL 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

KEY RISKS

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:

▸ Risk 1: If the Council has not identified its critical business services and prioritised them as part of its disaster recovery planning activities, there is a risk that business continuity and disaster recovery procedures may not be adequate to ensure service continuity and provision in the event of a disaster, which could prevent the Council from providing services to the public.

▸ Risk 2: If the Council has not documented the formal procedures required to recover the critical IT infrastructure, hardware, or systems in the event of a cyber incident, there is a risk that it will be unable to operate in the event of a disaster if these critical systems cannot be promptly recovered.

▸ Risk 3: If the Council's data recovery objectives have not been defined and are not aligned to the Council's business continuity requirements, there is a risk that service continuity and restoring in the event of a disaster will not be in line with the expectations of the Council's and the various Service Areas if the recovery of critical systems or infrastructure is not prioritised.

▸ Risk 4: If the Council does not have effective arrangements in place for testing the Trust's disaster recovery arrangements on a routine basis and staff are not adequately trained in this area, there is a risk that the disaster recovery and business continuity procedures may not be sufficient in the event of a disaster, which could prevent the Council from operating and providing services to the public.

SCOPE & APPROACH

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

▸ **Business Impact and Risk Assessments –** We will determine whether the Council has identified its critical business services and prioritised them as part of its disaster recovery planning activities (Risk 1):

- Critical business services have been identified and assessed through an appropriate business impact analysis.

- The Council has identified, assessed and documented the risks of the loss of its IT systems and services.

▸ **Disaster Recovery Planning –** We will determine whether there are documented procedures in place to recover critical IT infrastructure, hardware, or systems in the event of an incident (Risk 2):

- The Council has a defined IT Disaster Recovery Plan and IT Business Continuity Plan in place, which can be accessed in the event of an incident.

- The procedures for recovering critical IT systems and services have been documented.

- Roles and responsibilities for members of staff involved in the Council's disaster recovery arrangements have been defined and communicated.

▸ **Recovery Objectives –** We will determine whether recovery objectives have been defined and whether they are aligned to the Council's continuity requirements (Risk 3):

8

- There are defined recovery time and point objectives in place, and they are reviewed on a routine basis.

- There are defined backup and recovery arrangements in place for critical IT systems and services.

▸ **Disaster Recovery Testing and Training** – We will determine whether there are arrangements in place for testing the Council's disaster recovery arrangements on a routine basis and providing training to staff (Risk 4):

- The Council's IT disaster recovery arrangements are tested on a routine basis and lessons are learned from the tests undertaken.

- Backups are tested for recoverability on a routine basis.

- Key members of staff involved in the Council's disaster recovery processes have been adequately trained.

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 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.

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 Data Protection Act 2018 (DPA 2018), and the UK General Data Protection Regulation (UK GDPR) and shall only share Personal Data on an anonymised basis and only where necessary.

FOR MORE INFORMATION:

Aaron Winter
Aaron.Winter@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT – FINAL

GENERAL DATA PROTECTION REGULATION (GDPR)
MAY 2025

Design Opinion	🟠	Moderate
Effectiveness Opinion	🟠	Moderate

IDEAS | PEOPLE | TRUST

CONTENTS

DISTRIBUTION	
Annette Cardy	Assistant Director – Resources
Emma Holmes	Data Protection Officer

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:	Aaron Winter – Partner
	Christopher Beveridge – National Head of Privacy and Data Protection Services
	Andrew Billingham – Internal Audit Manager
	Antony Hadjirousos – IT Audit Senior Manager
	Alex Russell – IT Audit Assistant Manager
	Bismah Rahman – Internal Auditor
Dates work performed:	8 October 2024 - 16 December 2024
Draft report issued:	10 January 2025
Management Response Received:	16 May 2025
Final report issued:	16 May 2025

EXECUTIVE SUMMARY

Control Design	🟠 Moderate

Control Effectiveness	🟠 Moderate

Recommendations	🔴 0	🟠 3	🟢 1

SCOPE

BACKGROUND

The management and use of personal information in the current environment has become increasingly important as both expectations for information governance and the service expected by customers have become more demanding.

In May 2018, the General Data Protection Regulation (the UK GDPR) replaced the Data Protection Act 1998 (the DPA) as the regulation governing the protection of personally identifiable information in the UK. As a data controller, Maldon District Council ("the Council") is responsible for ensuring that it complies with the UK GDPR and that parties that process information on its behalf are also compliant with the UK GDPR.

The penalties for being in breach of the UK GDPR are greater than those that could be levied under the DPA. This regulation places greater responsibilities on data controllers whilst at the same time increasing the power of the Information Commissioner's Office (ICO) to levy fines of up to £17.5 million or 4% of an organisation's global revenue (whichever figure is higher). Personal data breaches must be reported to the ICO within 72 hours of the Council becoming aware of the breach if that breach is deemed to have a high risk to the fundamental rights and freedoms of the affected individuals.

PURPOSE

The purpose of the audit was to assess the Council's compliance against key parts of UK GDPR, including training and awareness, roles and responsibilities, data breach management, data protection impact assessments, policies and procedures, and governance of information assets.

AREAS REVIEWED

The following areas were covered as part of this review:

▸ Assess whether there is a governance framework in place to support compliance with data protection responsibilities, including defined, approved and up to date policies and procedures.

▸ Determine whether roles and responsibilities with regards to data protection are defined and whether there is a training programme in place for data protection and information management for staff which is regularly refreshed.

▸ Assess whether the Council has a Record of Processing Activities (RoPA) in place and that this is regularly reviewed and updated and captures appropriate information.

▸ Assess whether the Council has defined retention periods in place for held information and that this is adhered to.

▸ Determine whether the Council has defined the lawful basis for collecting, processing, retaining, and sharing information and assess whether this is transparent to data subjects using tools such as privacy

notices. For special category data, assess whether the reasons for processing are appropriate and in line with the original purpose of the processing activity.

▸ Assess whether there is regular monitoring of the Council's compliance with data protection legislation and regulations by senior management, including the identification, assessment, and remediation of identified risks.

▸ Assess whether there are procedures in place to deal with data subject rights requests, including Subject Access Requests (SARs) and Freedom of Information Act requests (FOIs). Determine the extent to which these requirements are complied with, responded to, monitored, and reported on.

▸ Assess whether adequate and effective data breach response procedures are in place.

▸ Assess whether there are adequate procedures in place for performing Data Privacy Impact Assessments (DPIAs) for the processing of data which is likely to present a high risk to the rights and freedoms of individuals.

▸ Where the Council shares personal data as part of its relationships with third parties, determine whether the risks posed by these relationships have been assessed and whether data sharing agreements have been implemented to mitigate these risks.

AREAS OF STRENGTH

During our review, we identified the following areas of good practice:

▸ The Council has a dedicated Data Protection Officer (DPO), who has clearly defined responsibilities in line with the requirements of the UK GDPR and regularly reports to Senior Management. The DPO is responsible for managing the Council's compliance with data subject rights requests, including SARs and FOIs.

▸ The Council has a defined Data Protection Policy in place, which was last reviewed and approved in September 2024 as part of a suite of GDPR policies which includes the Processing of Special Category Data Policy and the Document Retention Schedule policy (which breaks down retention periods by the different service areas). The Data Protection Policy sets out the Council's approach towards complying with the requirements of the UK GDPR, including a defined set of responsibilities that the Council must follow with regard to data processing and data protection.

▸ There is monitoring and reporting against data protection Key Performance Indicators (KPIs) via the Council's management reporting tool, the Balance Scorecard, which is shared with the Extended Leadership Team (ELT) ahead of every monthly meeting, so that performance against KPIs can be discussed as required. By review of the Balance Scorecard, we confirmed that the Council has consistently exceeded its FOI request response target of 95% by attaining 99% compliance through responding within 20 working days every month since May 2024.

▸ Subject Access Request Staff Guidance, which covers the Council's obligations and timelines in relation to Subject Access Requests (SARs), is clear, comprehensive and readily available to all staff on the Legal SharePoint Page.

▸ The Council has a documented process in place for reporting a data breach, the Information Security Data Breach Incident Reporting Management Policy, which requires that any suspected breaches are

3

reported to the DPO, who tracks all breaches within a Breach Record spreadsheet. While no breaches have been reported to the ICO since 2022, per the DPO's Breach Record, there have been nine minor breaches within the last year. We reviewed a sample of two of these and confirmed the correct data breach reporting and response procedure was followed, with the risk and impact assessed and appropriate remedial actions taken.

▸ The Council has a dedicated process in place for performing Data Privacy Impact Assessments (DPIAs) and provides a template for completing these. We reviewed the only DPIA completed in the last year for a Service Level Agreement with Southend Borough Council for the provision of burial services, and confirmed this was completed adequately. The responsible officer's assessment was reviewed by the DPO, who completed an assessment against the six principles of data protection, for which all areas were RAG-rated Green.

AREAS OF CONCERN

During our review, the following areas of improvement were identified:

▸ Although a centralised Record of Processing Activities (RoPA) is in place, our review found that this lacked sufficient detail to allow for accurate oversight of data processing activities, which could lead to ICO guidance not being met and an increased risk of a breach of existing data protection regulation. **(Finding 1 – Medium)**

▸ The RoPA does not clearly provide visibility on the Council's exposure to third party data transfers and, therefore, confirmation on whether the applicable data sharing agreements and/or international data transfer safeguards are in place. **(Finding 2 – Medium)**

▸ The Council's mandatory Data Protection training is comprehensive; however, as of December 2024, completion rates are 81% and 16% for staff and Members respectively. Training should have been completed by April 2024, and compliance is not being monitored and enforced adequately per meeting minutes reviewed for ELT. Furthermore, we noted that only one DPIA was completed at the Council in 2024, which may indicate that there is lack of knowledge and understanding regarding when to conduct a DPIA. While staff are informed about when a DPIA should be completed within the Data Protection e-learning, the training material and/or post-training assessment does not highlight examples of when a DPIA should be considered. **(Finding 3 – Medium)**

▸ We reviewed a sample of seven Subject Access Requests (SARs) and Freedom of Information (FOI) requests and found that three samples highlighted issues with the responses provided. For two of our SAR samples, no justification was provided for extending the response time beyond one calendar month and for one of our FOI samples, the Subject was not provided with a justification for delays outside of the 20 working day response time. **(Finding 4 – Low)**

CONCLUSION

We have raised three medium priority recommendations and one low priority recommendation to improve the Council's data protection controls for ensuring compliance with the requirements of the UK GDPR.

We recognise the Council have been through a significant journey of improvement regarding GDPR compliance. Therefore, we expected to identify gaps in the control environment and/or its effectiveness. As part of our conclusions drawn, we also consider the positive and effective commitment the Council have to this area in the coming months to continue

4

improving arrangements. The level of progress made by the Council to improve arrangements in commended.

We have highlighted the Council's RoPA as a medium finding due to the design being in line with ICO guidance, however it is not effectively completed at this point. This is a crucial aspect for ensuring that the Council complies with UK GDPR. As per finding 1, improvements need to be made to ensure that this contains the required information to record the Council's data processing activities.

The Council are aware of this, and our position is that if improvement is not made within the coming months, this would change our view to a Limited Opinion as prompt action is required. However, at this point we are content and expect progress to continue and therefore are content with a Moderate Opinion.

Control Design

We rated the design of the controls as moderate as there is generally, a sound system of internal control in place, however some weaknesses were identified, primarily with the issues identified with the RoPA in Finding 1. The RoPA is key to ensuring compliance with legislation and data protection principles such as transparency, lawfulness, and data minimisation. Furthermore, there were issues identified with the lack of up-to-date details on the information sharing arrangements the Council has with third parties.

Control Effectiveness

We have concluded moderate assurance over the effectiveness of the controls as we found evidence of non-compliance with some controls in our testing. This can be seen with the individual departments not having individual RoPAs in place in addition to the training compliance and the gaps identified with the response times for FOIs and SARs.

DETAILED FINDINGS

1	Record of Processing Activities
TOR Risk:	If the Council does not monitor its compliance with the requirements of data protection legislation and regulations, there is a risk that personally identifiable information may not be stored correctly, may be kept without sufficient legal basis or consent, or may be erroneously released into the public domain, leading to harm or distress for individuals and potential negative media or regulatory intervention.
Significance	⬤ Medium

🔍 FINDING

The UK GDPR contains explicit provisions about how any organisation's processing activities should be documented and monitored. Data controllers must maintain a Record of Processing Activity (RoPA) in line with the requirements of the UK GDPR Article 30, which should set out all personal data processing activities that an organisation undertakes. For each data processing activity, the organisation must state what information is being processed by the organisation and why, the legal basis for processing this information, the specific retention periods that will be applied, and any data sharing arrangements. This is separate from an Information Asset Register (IAR) which records all information assets that an organisation possesses. The RoPA must be made available to the ICO upon request.

The Council has a central RoPA which includes the following information:
- Director
- Department
- Owner
- Date reviewed (due dates are not provided, and most entries are showing as overdue for review)
- Description of data processing (ie what is the processing activity)
- Classification (official vs official-sensitive, where official-sensitive denotes personal data)
- Lawful basis for processing ie consent, contract, legal obligation, public task, or vital interest (noting that legitimate interests are not specified)
- Location (ie data held on internal and/or external systems)
- Security measures in place (we note that there are gaps for many entries)
- Whether data is transferred out of EU (the RoPA does not indicate whether data is transferred to other jurisdictions)
- Was a DPA required / completed.

It should be noted that the objective of a RoPA is to detail all personal data processing activities. We have noted that the Council's central RoPA has been developed to include both the RoPA and Information Asset Register requirements, and therefore includes non-personal information, which detracts from focusing on GDPR requirements in relation to personal data.

We found that various pieces of expected information were missing for entries within the RoPA. While it cross-references to the Council's retention schedule, it does not state the specific retention periods that will be applied to data being processed by the Council. The RoPA does not outline who the data subjects are, the types of data being collected, and does not differentiate between activities which require processing under Article 6 and Article 9 (the latter is special category data, which requires an additional reason for processing). Furthermore, instances where data is shared with third parties (and, if so, where) are not adequately reflected in the RoPA (please Finding 2 for further details).

We have been informed by the DPO that the RoPA was last reviewed in April 2024, although this has not been subject to a complete review to account for individual departments. While the DPO has met with individual department heads to endeavour to understand the data processing activities in place across the Council, RoPAs are not collated and managed by the individual departments due to a lack of understanding regarding how to update and maintain RoPAs at this level. Individual departments therefore do not document their processing activities and the central RoPA maintained by the Council is high level.

A RoPA also helps the Council to comply with Principle (a) of UK GDPR in that it defines how the Council is processing information lawfully and transparently. The Council has a General Privacy Statement and five separate privacy notices that are published on its website. While each notice has clearly defined sections including what personal data is collected, why, how this is used, and how this is protected, there is lack of clarity around how long this data is retained for, and notice review dates are not provided. In conjunction with this, the lack of an appropriately defined RoPA increases the risk that the Council has not considered all data processing activities and retention periods within each privacy notice and may therefore not be complying with Principal (a).

We noted that the Council have started work on amending the existing RoPA so that it is in line with ICO guidance and consultations with business units have started in March 2024 to support this.

Where a RoPA is not adequately completed or maintained, there is a risk that the Council does not have a full understanding of what information it holds, why it holds it, what it is used for and how it is processed, which in turn can lead to information assets being inappropriately managed or not in line with the requirements of the UK GDPR.

RECOMMENDATION

a) Management, in conjunction with each individual business unit or department, should conduct a full and comprehensive review of all information processing activities that are undertaken by individual departments. With regard to personal data, this information should be captured within a dedicated RoPA, and these should capture, at a minimum, the information identified as missing by this review. The updated RoPAs should be presented to and approved by Senior Management.

b) Following this understanding of data processing activities at the service department level, the Council should revise the centrally defined RoPA and ensure that this captures all the Council's data flows and processing activities. This should be completed and updated on an ongoing basis and there should be arrangements for it to be fully reviewed on at least an annual basis to ensure that it remains current and appropriate.

c) As part of the RoPA review, the Council should consider reviewing the existing privacy notices and updating them in case of any changes to data processing activities, to ensure continued transparency of data processing with data subjects. The Council should ensure that its privacy notices provide clarity on retention periods (even if only indicative timelines) and review dates (ie date notice was last reviewed, date of next review, frequency of review).

MANAGEMENT RESPONSE

The Council accepts the recommendations and would like to thank the auditors for their assistance in providing a compliant template for the Council's ROPA.

On receipt of this document and the draft report the Council immediately began updating the ROPA and quickly populated the new format with information that was already held and this process is in the final stages of completion. Individual Departments are now reviewing the current draft to confirm accuracy and completeness.

As part of the ROPA update all departments will consider if they have adequate Privacy Notices in place to cover specific areas which are not covered by the Council's general privacy notice. All current notices will be amended to include a date and review date for ease of monitoring. The Data Protection Officer will monitor this compliance.

Responsible Officer:	Data Protection Officer
Implementation Date:	31 August 2025

2	Third Party Data Sharing
TOR Risk:	If the Council has insufficient or ineffective procedures in place for managing data breaches, Data Protection Impact Assessments (DPIAs), data sharing or data subject rights requests, there is a risk of a potential failure to comply with the provisions of UK GDPR, and that personal or sensitive information may not be prevented from release into the public domain, resulting in reputational, legal and financial consequences for the Council.
Significance	🟠 Medium

🔍 FINDING

As per the requirements of the UK GDPR, where data is shared with a third party, appropriate clauses should be in place between a data controller and data processor (including instances where the Council is a joint data controller) to protect a data subject. Due diligence checks and risk assessments should be undertaken to determine what risks are posed where data is shared with third parties (and how these risks are being mitigated). RoPAs should outline instances where data is being shared with third parties, including how the Council ensures appropriate safeguards if sharing personal data with a third party (via data sharing agreements) located in both a local or international jurisdiction.

Regarding the Council's procurement processes, the standard terms and conditions contain Data Protection and Data Sharing clauses as part of due diligence procedures. Furthermore, the Council's data protection policy states that processing activities undertaken by a third party should be subject to a specific contract, a data sharing agreement (DSA), which states how the processing complies with data protection legislation and the Council's policy. We have reviewed an example DSA in place with Essex Police which states the reasons for why information is being shared in addition to the security measures in place to safeguard the data. However, we found that the RoPA does not clearly indicate activities where data is being shared with a third party and, therefore, where applicable, DSAs are not being recorded within the Council's RoPA to ensure that there is clarity over whether data is being shared with third parties, the purposes for sharing this data, and that the Council is meeting its responsibilities under UK GDPR. The DPO has a list of DSAs with third parties, however this does not state when these agreements were signed and which activities these DSAs affect. Furthermore, the DPO has noted that the list contains only the agreements that they are aware of, and the existing agreements are not reflected within the Council's central RoPA.

The lack of clarity within RoPAs regarding third party data sharing, including where data may be being shared (ie in which jurisdiction) increases the risk that the Council is not aware of which sensitive information may be subject to release in the public domain, which in turn can lead to data breaches, inadequate data protection, excessive data transfer, and subsequent reputational and legal consequences for the Council.

✏️ RECOMMENDATION

For any third-party data transfers, the Council should ensure that these are being recorded within the applicable RoPA and that appropriate safeguards, such as Data Sharing Agreements, are in place. Arrangements should be made to ensure that the information sharing arrangements are subject to review on a regular basis.

⌖ MANAGEMENT RESPONSE

The Council is satisfied that it has data sharing agreements in place with those relevant organisations it regularly shares data with. The Council accepts that these were not all set out within the ROPA document.

The current review of the ROPA being undertaken (see above) will include the addition of third-party data transfers. This will ensure that the records are accurate and up to date.

The annual review of the ROPA will ensure that this continues.

Responsible Officer:	Data Protection Officer
Implementation Date:	31 August 2025

3	Mandatory Data Protection Training
TOR Risk:	If roles and responsibilities of members of staff for data protection are not adequately defined and communicated, there is a risk that robust data governance will not be implemented, leading to potential loss of personal or commercially sensitive information or non-compliance with data protection regulations.
Significance	⬤ Medium

🔍 FINDING

Mandatory training is a key mechanism for communicating expected behaviours, responsibilities, frameworks, policies, and procedures. All staff and Members (councillors) are required to complete Data Protection e-learning upon joining the Council, and annually thereafter as a refresher.

As part of a suite of mandatory training, the Council has a dedicated Data Protection mandatory training e-learning module which covers key topics such as definitions, the Data Protection principles, Subject Access Requests, Data Privacy Impact Assessments, transfers of personal data, responsibilities including the role of the Data Protection Officer, and breaches. Staff are required to undertake the training upon joining the Council and annually thereafter. The training is deemed completed following a test of knowledge at the end to consolidate learning and achieve a pass mark of 100%.

The Data Protection e-learning for 2024/25 was rolled out on 8 March 2024, and was required to be completed by all staff within six weeks.

- As of October 2024, the compliance rate for staff across the Council was 79% (this had risen to 81% in December 2024)

- As of December 2024, 16% of Members (elected councillors) had completed the Data Protection 2024 refresher training.

Managers are required to follow up with staff in their teams who have not completed the mandatory training (per the Council's management reporting tool, the Balance Scorecard on PowerBI, managers can view the individual staff members who have not completed the training). While the training is mandatory for all staff and members, it is unclear whether this is enforced and monitored for members.

Regarding monitoring and enforcement, there is monthly reporting to the Extended Leadership Team (ELT) on compliance with mandatory training, which is a key performance indicator (KPI) on the Balance Scorecard:

- Per September 2024 ELT meeting minutes, completion was flagged as below target across the different services, and a colleague demonstrated how to identify staff who have not completed their e-learning, reminding teams to do this. Poor completion was also flagged in October 2024 per ELT minutes, however not in November 2024. It is unclear which remedial actions, if any, were implemented to increase compliance rates.

- KPIs should be reported by-exception to the Corporate Leadership Team (CLT) and Performance, Governance and Audit Committee where they have failed targets for three or more months. However, we found that poor training completion has not been escalated to the CLT (minutes reviewed for August, September and October 2024) or Performance, Governance and Audit Committee (minutes reviewed for June and September 2024).

If Data Protection training is not completed, there is a risk that staff and Members do not understand the Data Protection principles and their roles and responsibilities in relation to these.

Data Privacy Impact Assessments

While it is not expected that all staff should be responsible for completing a DPIA, it is good practice that staff can identify situations where a DPIA should be considered, in case a processing activity poses a high risk to the rights and freedoms of an individual. We note that only one DPIA has been completed in 2024; there was no issue with how the DPIA was completed, however the small number of DPIAs may indicate that there is lack of knowledge and understanding regarding when to conduct a DPIA.

Although all staff are informed about when a DPIA should be completed within the Data Protection training material, the training material and/or post-training assessment should also highlight examples of when a DPIA should be considered. Not having applicable coverage for when a DPIA is required to be completed can contribute to either unnecessary assessments being conducted, or necessary ones being missed.

Should staff not be able to identify instances of when a DPIA is required, this increases the risk that the Council may not fully understand the risks associated with data processing activities, which in turn increases the likelihood and impact of data breaches and regulatory non-compliance.

RECOMMENDATION

a) Where staff and Members have not completed the mandatory refresher Data Protection training, the Council should investigate reasons for non-completion (including any possible barriers to completion) and implement remedial actions as required (for example, explore whether training can be delivered in another format).

b) As Managers are required to follow up with staff in their teams who have not completed the mandatory training, Assistant Directors should follow up with managers to ensure that staff in their teams who have not completed the training do so as soon as possible.

c) While poor completion has been noted at ELT as part of management reporting KPIs in the Balance Scorecard, KPIs should be escalated to CLT and Performance, Governance and Audit Committee where they have failed targets for three or more months, with remedial actions identified.

d) The Council should ensure that Members complete the mandatory refresher Data Protection training, and that this is enforced and monitored going forward.

e) Management should review and, where necessary, update the Council's training module so that it includes:

- Further details on the expectations, roles and responsibilities of staff around DPIAs. The training material and/or post-training assessment should also highlight examples of when a DPIA should be considered, for example if a processing activity poses a significant risk to data subjects such as CCTV implementation.

- FOI requests should be covered as part of the mandatory Data Protection e-learning in addition to SARs.

f) As part of the RoPA review, the Council should retrospectively review all data processing activities, to determine whether a DPIA may be required.

MANAGEMENT RESPONSE

The Council has a comprehensive training programme across a large number of areas. This programme is rolled out annually and we will review the Data Protection and FOI Training with this annual review.

The Data Protection Officer has provided ad hoc and additional training where it has been requested by teams across the Council where a need has been identified and will continue to provide this opportunity. Staff have also received training on the internal systems to process FOI requests. This system provides standard responses to assist in compliance with our legal requirements.

Assistant Directors regularly monitor compliance with all training requirements. Any non-compliance will be raised with individual staff. The Council's balance scorecard is monitored by CLT and areas of concern are addressed.

Councillors will be reminded of the importance of the training and will be asked to complete the training as soon as possible.

Responsible Officer:	Data Protection Officer
Implementation Date:	April 2026

4	Subject Rights Requests
TOR Risk:	If the Council has insufficient or ineffective procedures in place for managing data breaches, Data Protection Impact Assessments (DPIAs), data sharing or data subject rights requests, there is a risk of a potential failure to comply with the provisions of UK GDPR, and that personal or sensitive information may not be prevented from release into the public domain, resulting in reputational, legal and financial consequences for the Council.
Significance	🟢 Low

🔍 FINDING

Under the Data Protection Act 2018, any individual can ask to see a copy of any information held on them (Subject Access Request); the Council has one calendar month to respond (or an extra two calendar months to respond to complex requests, informing the requestor that there will be a delay before the end of the first calendar month). Under the Freedom of Information Act 2000, individuals have a general right of access to all types of recorded information held by most public authorities; the Council has 20 working days to respond to a Freedom of Information request.

We reviewed a sample of Subject Access Requests (SARs) and Freedom of Information (FOI) requests. We found that these were responded to appropriately and in a timely manner for most of our samples. We identified the following areas for improvement:

- The Council received four SARs in the last 12 months, and we reviewed a sample of two. For one sample, the one calendar month window commenced on 12 August 2024, and the Subject was emailed on 10 September 2024 that their data would be ready for collection on 9 October 2024. While this is outside the 1 calendar month window, the Subject was informed of progress on 10 September, ahead of the deadline (which would fall on 11 September 2024), therefore this is not considered overdue by the DPO. However, the Subject was not provided a justification for the extension (ie that this was a detailed request, which required more time).

- The Council received 272 FOIs in the last 12 months, and we reviewed a sample of five. For one of the FOIs in our sample, the 20-working days response window was not met, and this was not a complex request. A discussion with the DPO indicated that this was likely due to lack of staff in the Planning team. However, the individual was not kept informed that their request would be delayed and of the reason(s) for this, as is required by the FOI Act.

Since August 2024, the Council uses the Freshservice management system to manage SARs. This allows for 'tickets' to be raised by any colleague that receives a SAR (ie the DPO or another officer) so that a caseworker can take this forward and collate the request (the DPO has created a template for caseworkers to use to collate a request across different departments). Although since August 2024 procedure requires SARs to be recorded via Freshservice requests, there is a risk that all requests are not centrally logged/tracked, particularly for any historical SARs. We have been informed that, to help keep track of all SARs going forward, these will be logged by the DPO in a centralised spreadsheet, which we have reviewed. Furthermore, there are no policies or procedures to help staff with processing FOIs. Although training has been provided to staff in March 2024, it is helpful to have procedures in place to ensure that staff can respond to requests in a timely manner.

Where FOI and data subject right requests are not responded to within the timeframes required by the FOI Act and the UK GDPR respectively, there is an increased risk of non-compliance with regulatory requirements and financial and reputational harm to the Council.

RECOMMENDATION

a) To help staff, the Council should compile a brief procedure note on completing FOIs (particularly because FOIs are not covered as part of the mandatory Data Protection e-learning).

b) The Council should ensure that SARs and FOIs are responded to within a timely manner, with the subject kept informed throughout in case of any delays and provided a justification for any extensions.

c) As already noted by the DPO, going forward, all SARs should be logged in a centralised spreadsheet. The Council may also wish to review any FOIs to ensure that these are not historical SARs.

MANAGEMENT RESPONSE

The Council exceeds its target for responding to FOI's and this is managed through the Dash System. A procedural note has been drafted to allow staff to respond to requests. The Dash system monitors timeframes and prompts staff where the 20-day deadline is approaching to ensure compliance.

The Council receives a very small number of requests every year on average 2/3 requests. These requests are now logged and managed in one location to ensure compliance with timeframes and to ensure customers are advised where delays are expected.

Responsible Officer:	Data Protection Officer
Implementation Date:	May 2025

APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL 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

KEY RISKS

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:

‣ Risk 1: If the Council has not defined adequate policies and procedures for the management of its information, there is a risk that information will not be controlled or processed by the Council in accordance with the requirements of UK GDPR, leading to potential regulatory intervention, fines, and loss of personal or commercially sensitive information.

‣ Risk 2: If roles and responsibilities of members of staff for data protection are not adequately defined and communicated, there is a risk that robust data governance will not be implemented, leading to potential loss of personal or commercially sensitive information or non-compliance with data protection regulations.

‣ Risk 3: If the Council does not monitor its compliance with the requirements of data protection legislation and regulations, there is a risk that personally identifiable information may not be stored correctly, may be kept without sufficient legal basis or consent, or may be erroneously released into the public domain, leading to harm or distress for individuals and potential negative media or regulatory intervention.

‣ Risk 4: If the Council has insufficient or ineffective procedures in place for managing data breaches, Data Protection Impact Assessments (DPIAs), data sharing or data subject rights requests, there is a risk of a potential failure to comply with the provisions of UK GDPR, and that personal or sensitive information may not be prevented from release into the public domain, resulting in reputational, legal and financial consequences for the Council.

SCOPE & APPROACH

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

‣ Assess whether there is a governance framework in place to support compliance with data protection responsibilities, including defined, approved and up to date policies and procedures. (Risk 1)

‣ Determine whether roles and responsibilities with regards to data protection are defined and whether there is a training programme in place for data protection and information management for staff which is regularly refreshed. (Risk 2)

‣ Assess whether the Council has a Record of Processing Activities in place and that this is regularly reviewed and updated and captures appropriate information. (Risk 3)

‣ Assess whether the Council has defined retention periods in place for held information and that this is adhered to. (Risk 3)

‣ Determine whether the Council has defined the lawful basis for collecting, processing, retaining, and sharing information and assess whether this is transparent to data subjects using tools such as privacy notices. For special category data, assess whether the reasons for processing are appropriate and in line with the original purpose of the processing activity. (Risk 3)

▶ Assess whether there is regular monitoring of the Council's compliance with data protection legislation and regulations by senior management, including the identification, assessment, and remediation of risks. (Risk 3)

▶ Assess whether there are procedures in place to deal with data subject rights requests, including Subject Access Requests (SARs), Freedom of Information Act requests (FOIs) and the exercising of rights by individuals. Determine the extent to which these requirements are complied with, responded to, monitored, and reported on. (Risk 4)

▶ Assess whether adequate and effective data breach response procedures are in place. We will select a sample of recent data breaches to determine whether:

- Internal and external reporting processes were accurately followed.

- Risks and impacts arising from the data breaches had been assessed and mitigated to prevent harm to individuals.

- Lessons learned had been discussed and documented.

- Actions have been implemented to prevent recurrence and these are monitored on a regular basis. (Risk 4)

▶ Assess whether there are adequate procedures in place for performing DPIAs for the processing of data which is likely to present a high risk to the rights and freedoms of individuals. (Risk 4)

▶ Where the Council shares personal data as part of its relationships with third parties, determine whether the risks posed by these relationships have been assessed and whether data sharing agreements have been implemented to mitigate these risks. (Risk 4).

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 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.

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 Data Protection Act 2018 (DPA 2018), and the UK General Data Protection Regulation (UK GDPR) and shall only share Personal Data on an anonymised basis and only where necessary.

FOR MORE INFORMATION:

Aaron Winter
Aaron.Winter@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES AND WORKING GROUPS

1.   PURPOSE OF THE REPORT

1.1   The purpose of this report is to appoint to Working Groups of the Performance, Governance and Audit Committee for the ensuing Municipal Year.

2.   RECOMMENDATIONS

(i)   That the Committee appoints representatives to the Outside Bodies as listed in section 3.1.1 below, for the ensuing Municipal Year;

(ii)   That the Committee appoints representatives to the Working Group as listed in section 3.1.2 below, for the ensuing Municipal Year;

3.   SUMMARY OF KEY ISSUES

3.1   Members are asked to appoint representatives to serve on the following Outside Bodies and Working Groups, aligned to the Performance, Governance and Audit Committee, for the ensuing municipal year.

3.1.1 Outside Bodies

Outside Body	2024 / 25 Representative(s)	To be Appointed
Chairs of Audit Committee Forum	Chairperson of the Performance, Governance and Audit Committee	Chairperson of the Performance, Governance and Audit Committee
Town and Parish Engagement Forum	Chairperson of the Performance, Governance and Audit Committee	Chairperson of the Performance, Governance and Audit Committee
Process Improvement Champions	Councillors J C Stilts and M E Thompson	Two Members of the Committee

3.1.2 Working Groups

Working Groups	2024 / 25 Representative(s)	To be Appointed
Performance, Governance and Audit Working Group	Councillors M G Bassenger, N D Spenceley, W Stamp CC, J C Stilts and M E Thompson	Five Members of the Committee

Background Papers: None.
Enquiries to: Committee Services.

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REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

REVIEW OF CORPORATE RISK – QUARTER 4

1.   PURPOSE OF THE REPORT

1.1   The Risk Management Policy requires this Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks are being managed effectively.

1.2   Online versions of all previous risk reports are available to view on the Members' SharePoint site.

2.   RECOMMENDATIONS

(i)   That Members review the Corporate Risk Register in **APPENDIX 1** and provide comment and feedback for consideration;

(ii)   That Members review progress of the Corporate Risk Mitigating actions in **APPENDIX 2** and provide comment and feedback for consideration;

(iii)   That Members are assured through this review that corporate risk and is being managed effectively;

(iv)   That Members challenge risk where the Committee feels that the Council's corporate goals may not be achieved.

3.   SUMMARY OF KEY ISSUES

3.1   **APPENDIX 1** shows a summary and detailed table of the Corporate Risk Register, the latest ratings and officer commentary. The control strength of each risk as well as if there are any active mitigating actions are also included.

Note: Risk controls are an *embedded* action/process that help control or minimise the likelihood and/or impact of the risk.

3.2   **New corporate risk raised:** Failure to provide adequate building safety and access systems

3.3   **Recommended for closure**: Failure to have a structured way to engage and support local businesses

3.4   There are no changes in existing corporate risk ratings and direction since last quarter

3.5   As of Quarter Four (Q4) 2024 / 25 the corporate risk process has fully migrated to a new internal monitoring system, whilst all risks and supporting detail have been migrated like for like some IDs may have changed when comparing to historic reports.

3.6   Service level risks are identified and monitored in Service Plans by the relevant Service Plan Owners. They are then escalated, if deemed appropriate and necessary, to committee level for consideration

4.   CONCLUSION

4.1   Overall, no major Corporate Risk Register concerns have been raised. Work continues to ensure all risks are mitigated, and where possible, working towards their closure.

4.2   All Risk Management criteria is set out in the Risk Management Framework.

5.   IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1   It is important that risk is monitored and managed effectively, to ensure that Maldon District Council progresses towards and/ achieves its stated priorities.

6.   IMPLICATIONS

(i)   **Impact on Customers** – Those risks in the Corporate Risk Register are defined as having a wider impact on our customers and delivery. The monitoring and mitigation of these will reduce the impact on customers.

(ii)   **Impact on Equalities** – None.

(iii)   **Impact on Risk** – If risk is not managed effectively by the Council, it puts the Councils strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.

(iv)   **Impact on Resources (financial)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.

(v)   **Impact on Resources (human)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.

(vi)   **Impact on Devolution / Local Government Reorganisation (LGR)** - Quarterly review of risk considers the wider implications of Devolution and LGR as part of the risk register.

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive Officer.

Corporate Risk Register

16
Active Risks

5
Mitigating Actions

Risk Category

Category	Count
Operational	10
Strategic	4
Financial	1
Regulatory	1

Priority Risk

Priority	Value
Delivering good quality services	7
Supporting our communities	6
Investing in our district	3
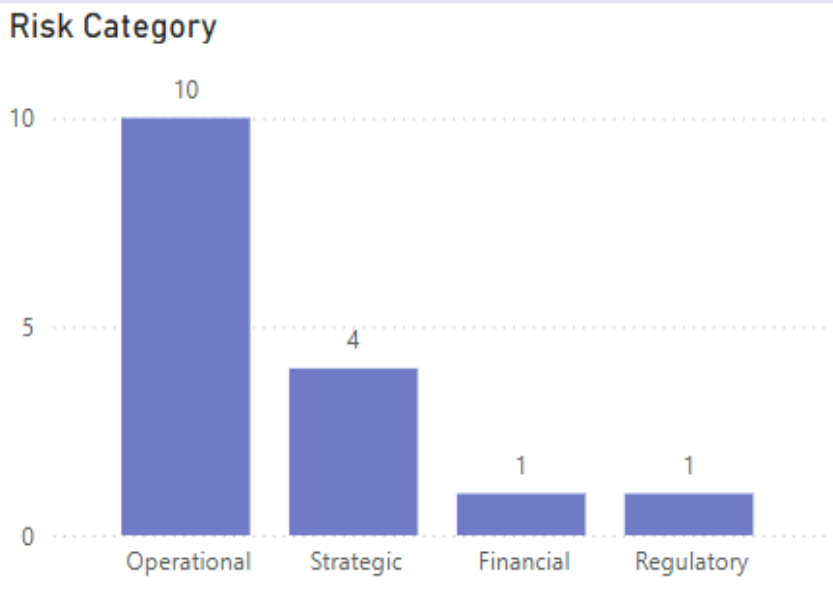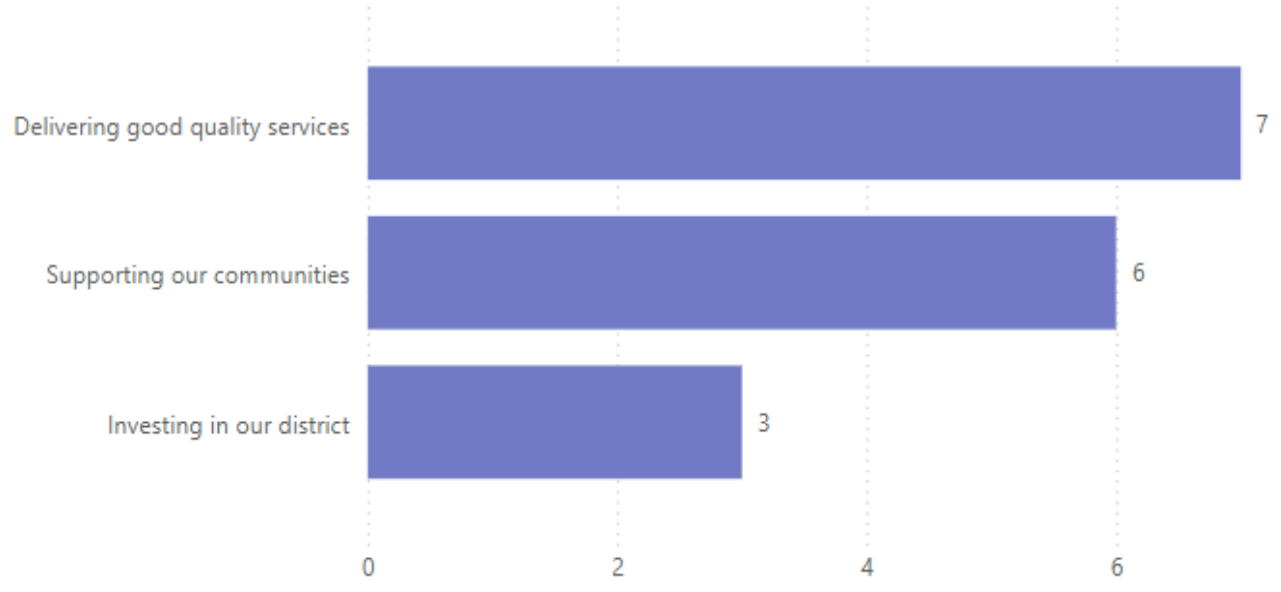
Tolerance Split

- Amber Tolerance
- Red Tolerance
- Yellow Tolerance

1 (6.25%)
6 (37.5%)
9 (56.25%)
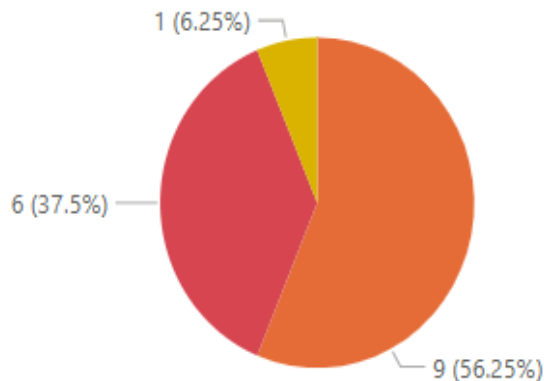
Risk Control Strength

- Good
- Fair
- Excellent

1 (6.67%)
5 (33.33%)
9 (60%)

Rating Direction

Direction	Value
Risk rating unchanged	15
New risk	1
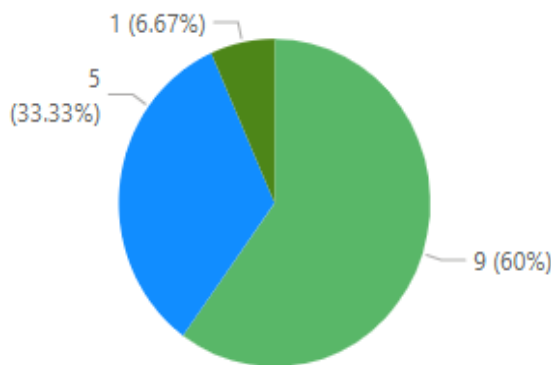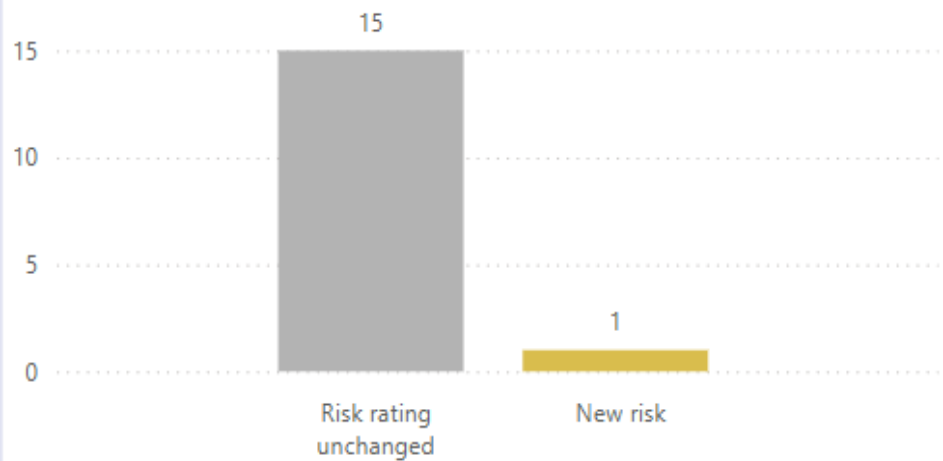
Acronym Table

Acronym	Term
ASB	Anti-Social Behaviour
CLT	Corporate Leadership Team
DSRO	Designated Safeguarding Reproting Officer
ECC	Essex County Council
ESAB	Essex Safeguarding Adults Board
ICO	Information Commissioners Officer
KPI	Key Performance Indicator
LDP	Local Development Plan
LGA	Local Government Review

Acronym	Term
MHCLG	Ministry of Housing, Communities and Local Government
MDC	Maldon District Council
MTFS	Medium Term Financial Strategy
OMD	One Maldon District
RP	Registered Provider
SIRO	Senior Information Risk Owner
UKSPF	UK Shared Prosperity Fund
YHLS	Year Housing Land Supply

Corporate Risk Register

Risk ID	Risk	Likelihood	Impact	Overall Risk Rating	Rating Direction	Recent Update	Control Strength	Year Raised
5	Failure to maintain a 5 year housing land supply	5	5	25	Risk rating unchanged ➡	Q4 24/25 - Until 11th December 2024, the 5YHLS (as last reviewed in May 2024 as 6.3 years) was calculated using the national Standard Methodology as published in the 5YHLS Report. On 12 December 2024, the Government updated the National Planning Policy Framework, changed the Standard Methodology and requires Councils to have at least a 5% buffer on their land supply which had not been the case since Dec 2023; impacting on the Maldon District position. As reported as a new risk in the Q2 update, the NPPF changes means the 5YHLS falls under 5 years to 2.7 years meaning the titled balance allowed by the NPPF applies to planning applications for housing, which means LDP policies which restrain or control development such as S1, S2 and S8 and made Neighbourhood Plans can be regarded as out of date and carry less weight in determining planning applications and appeals with immediate effect. Maldon District's housing target increased 106% on 12 December 2024 from 276 to per annum to 569 and adjustments are possible in-year when affordability ratios are updated by the Government. Whilst the published 5YHLS position reflects the May 2024 position presented and agreed by Council, the impact of national policy changes must now be considered in any planning application decisions including appeals. Monitoring of 5YHLS will occur in-year when officers are required to support in-year data updates for the planning appeal process. Officers are working with Members to review the 5YHLS Methodology to ensure it is fit for purpose at optimising the land supply from available sites in the District.	Good	2017/18

Risk ID	Risk	Likelihood	Impact	OverallRisk Rating ▼	RatingDirection	Recent Update	Control Strength	Year Raised
4	Damage caused to the Council's reputation associated with delays to planned infrastructure delivery in the District by third parties which was due to mitigate approved development.	5	4	20	Risk rating unchanged ➡	Q4 24/25 - With the exception of investment in existing open spaces and play areas, MDC is not responsible for delivering and/ or providing much of the other infrastructure needed to support the delivery of the District's approved growth; instead it must seek to use its position to influence and hold other organisations to account for that committed delivery. MDC does however still have a very important role in securing developer contributions (S106) from relevant schemes where a likely impact on infrastructure can be evidenced, to justify suitable mitigation investment where a grant of permission could then be deemed acceptable. Whilst development is visibly occurring in the District, it has not been at the much faster pace forecast in the LDP in 2017. This is one of the reasons why there has been a knock on effect on the payment triggers for many S106 thematic funds. This money will come when the triggers are met, but this is leading to a slowing in the pace of infrastructure delivery on the ground and can, seem to the public, as though development in the District is not securing/providing infrastructure upgrades, despite the lawful process being followed by developers and MDC/ECC. MDC continues to secure S106 contributions and it is robustly monitoring them to ensure when sums are owed they are being paid and if not debt recovery action will be followed-up. This is reported annually every Q1/Q2 to PGA Committee in the Infrastructure Funding Statement. MDC's Infrastructure Delivery Plan remains under review as part of the LDP Review and officers are proactively engaging with infrastructure providers (e.g. ECC Highways and Education and the NHS) to keep track of projects being planned in the District that were expected to be delivered between 2014 and 2029 (the LDP period). This engagement helps ensure work is started through their organisation's capital investment business case procedures to design and programme works to improve local services or facilities as as quickly as possible. Officers remain alert to national spending reviews that could impact on budgets of third parties and possible Government funding and will remain in discussions with all partners such as ECC, Homes England and Department for Transport to take advantage of other funding	Good	2014/15

Risk ID	Risk	Likelihood	Impact	OverallRisk Rating ▼	RatingDirection	Recent Update	Control Strength	Year Raised
6	Failure to meet the affordable housing need	4	5	20	Risk rating unchanged ➡	Q4 25/26 - The Planning department are now monitoring new KPI information to show affordable housing delivery against Local Development Plan targets and what partners are delivering on the ground in the District on an annual basis. This helps to enhance the contextual representation of data relating to affordable housing from the supply and delivery sides. In addition, in late 2024 an update to the District Economic Viability Study commenced to determine how viable the provision of various policy requirements is within the Maldon District; and an update of the Local Housing Needs Assessment has also been commissioned to inform the scale and type of housing needed in the District. The Housing department are looking to commission someone to rewrite the Housing Strategy for 2025-28 which will define how the service measure the need for affordable housing (and other types of housing) and evidence this through to delivery. Housing collaborate with Planning colleagues and developers throughout the pre-app, determination and development phases, ensuring what is being proposed and approved meets the current needs of those on the Housing Register and the targets outlined within the Local Development Plan. Progress will be reported through the Service Plan Highlight Report and Balanced Scorecard each month.	Good	2016/17
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	4	4	16	Risk rating unchanged ➡	Q4 24/25 - The Partnership with Essex CC in terms of planning officer recruitment is being finalised and looking to fund with budget 25/6. Pressures are also being addressed in other areas including Environmental Health where the market for recruitment is difficult. Increasing pressures are recognised in Building Control as regulatory changes have affected the employment market and we also expect there may be a further impact from the local government review	Fair	2015/16
10	Inadequate staffing structure and resource for resilience	4	4	16	Risk rating unchanged ➡	Q4 24/25 - Work progressing through LGA looking at the staffing structure and progress should ease some of the challenges through updated structure	Fair	2021/22

Risk ID	Risk	Likelihood	Impact	OverallRisk Rating ▼	RatingDirection		Recent Update	Control Strength	Year Raised
12	Lack of Temporary Accommodation & Social Housing to cope with demand	4	4	16	Risk rating unchanged	➜	Q4 24/25 - Stephens House is now complete with all units occupied and managed through CHESS. Friary Fields will be used by MDC for temporary 'supported' accommodation as we now have sole use of these units for single homeless. A paper is being written to secure funding for 2 supported units in Chelmsford for which MDC will have nomination rights for. It was hoped these could be secured through S106 monies, but the paper will request a drawdown on reserves instead so we don't miss out on these 2 units. Senior Officers at MDC are meeting bi-monthly with our main housing providers (CHP and Moat) and working more closely with them to resolve operational delays with existing housing stock and progress opportunities for new housing within the district.	Fair	2022/23
16	Failure to engage and prepare to be ready for any impact of Local Government Review	3	4	12	Risk rating unchanged	➜	Q4 24/25 - Continue to engage MHCLG, Essex County and other districts in the development of business case	Fair	2024/25
17	Failure to provide adequate building safety and access systems	3	4	12	New risk	☆	Q4 24/25 - This is a new risk, highlighting the challenges with the outdated entry and security systems. The proposals for replacement are being re-specified and broken down into separate lines eg - entry system, security, cctv, for members to agree to prioritise and fund the essential work.		2025/26
1	Failure to safeguard children and vulnerable adults	2	5	10	Risk rating unchanged	➜	Q4 24/25 - Regular meetings have been established with relevant safeguarding staff (lead, deputy, dsros) to analyse stats and proportionate reporting. This will all feedback to a new Policy and Procedure document and will help spread the work load of all DSROs	Good	2012/13
9	Failure to plan and deliver balanced budgets over the medium term	2	5	10	Risk rating unchanged	➜	Q4 24/25 - The forecast outturn for 2024/25 is c.£1m surplus, which will be added to reserves. The Council has a MTFS in place, which is sustainable and aligned to corporate objectives i.e. providing the funding and resources for budget managers to deliver on corporate goals. The budget monitoring process is currently under review and when complete, budget managers will receive comprehensive training on how to manage budgets and report on variances to ensure budget management is a whole-organisational responsibility.	Good	2008/09

Risk ID	Risk	Likelihood	Impact	OverallRisk Rating ▾	RatingDirection	Recent Update	Control Strength	Year Raised
11	Uncertainty of the cost of living crisis impacts	3	3	9	Risk rating unchanged ➡	Q4 24/25 - The Council continues to monitor the economic situation and regular meetings with partners continue through the One Maldon Partnership which helps identify emerging issues and trends. Customers are signposted to organisations who are able to provide independent financial support and reductions are available for low income households in the form of council tax support. Whilst capacity is being increased the pressure still continues, as a result the risk rating remains unchanged.	Good	2022/23
14	Changes in national policy from the new government leading to uncertainty of impacts to project and service delivery.	3	3	9	Risk rating unchanged ➡	Q4 24/25 - Regular communications with Government departments and regional groups at both Chief Officer and Member levels. Discussions and awareness in place within leadership team of Members and CLT+, as information is released, assess impacts. CLT+ continue to monitor and brief members accordingly.	Fair	2024/25
2	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	2	4	8	Risk rating unchanged ➡	Q4 24/25 - The risk rating remains unchanged due to our continued strong working relationships with district and regional partners. We continue to work in partnership to support our most vulnerable residents with Mid Essex Alliance, One Maldon District, Maldon District Community Forum, Livewell Board and Integrated Neighbourhoods.	Excellent	2016/17
3	Failure to influence Community Safety partners to address the key areas of public concern (including rural crime) and the negative perception of crime	2	4	8	Risk rating unchanged ➡	Q4 24/25 - This risk continues to be low level, with continuing strengthening of partnership working, demonstrated through the positive annual review of the Maldon Community Safety plan with partners and the opening of the new community safety hub based in MDC offices.	Good	2017/18

Risk ID	Risk	Likelihood	Impact	OverallRisk Rating ▼	RatingDirection	Recent Update	Control Strength	Year Raised
7	Failure to protect personal or commercially sensitive data	2	4	8	Risk rating unchanged →	Q4 24/25 - Audit has been undertaken of Data Protection with results due to provide to committee in June 2025. Review of the Register of Processing Activities (ROPA) is currently underway. Continuing to work with the SIRO to identify any risks and address these accordingly. No complaints have been made to the ICO. Risk therefore remains the same.	Good	2009/10
13	Failure to have a structured way to engage and support local business	2	2	4	Risk rating unchanged →	Q4 24/25 - The risk continues to be managed by having an external contract in place to deliver business engagement through digital and in person means. This contract is in place for 1 year commencing 1st April 2025. The KPIs associated with this contract will be monitored and reported through the Corporate KPI process. Our work with the North Essex Economic Board also provides increased engagement opportunities for businesses in the district. Recommended Risk to now be monitored by service and closure from the Corporate Risk register.	Good	2023/24

Mitigating Actions

Risk ID	Risk	ActionID	Action	Completion Date ▲	Status	Recent Update
2	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	1	Develop Livewell Strategy and formal action plan.	30/03/2025		Q4 24/25 - This mitigation action has been closed due to it being superceeded by a new action to develop a strategic approach and formal action plan through One Maldon District Partnership.
5	Failure to maintain a 5 year housing land supply	5	Review the 5YHLS Methodology with the Planning Policy Working Group to ensure it remains robust for the local planning authority's use in the Maldon District.	30/07/2025	On track	Q4 24/25 - Agree as new mitigtion action to be tracked from Q1
6	Failure to meet the affordable housing need	6	Review the Local Housing Needs Assessment and Economic Viability Assessment to determine local needs of size and type of residential dwellings and how viable affordable housing secured through the planning system is in the District.	30/08/2025	On track	Q4 24/25 - Agree as new mitigtion action to be tracked from Q1

Mitigating Actions

Risk ID	Risk	ActionID	Action	Completion Date ▲	Status	Recent Update
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	2	- LGA Essex Town Planning Workforce Capacity Review Project - Participation & delivery of Essex Planning Officer Association Recruitment and Retention project - Introduce a Graduate level programme at MDC linked to day release study - Consider retention payments or Market Supplements for more sought after roles, or where there is failure to recruit repeatedly - Consider alternative professional skills supply models to move away from routine agency supply	31/10/2025	On track	Q4 24/25 - The mitigation remains multi-faceted with further tweaks to the Planning & Implementation department's structure being undertaken to provide a solid basis for recruitment of new and retention of existing staff. MDC is one of five Essex Local Planning Authorities that is part of the Essex Planning Officers Association's (EPOA) Recruitment and Retention Task & Finish Group. Via EPOA we have also met MHCLG to discuss the findings of national Planning Skills Survey. Our retention model has changed to recognise the value of training and learning whilst working in a planning job, including two Apprenticeships in Development Management and one further role in Planning Enforcement/ Planning Policy for later 2025, which enable a rotational scheme for the junior planning officers to ensure they get better level of professional development across the planning disciplines. We consider offering retention payments or market supplements for harder to fill positions, however these being limited corporately to 15% feels too low and does not offer us much of an edge; in discussions with another Essex authority they do not have a limit and this means their negotiating power is stronger. Work has advanced with ECC to fulfil a longer term secondment arrangement for Principal/Senior, more experienced planners via a Workforce Supply Agreement. We remain engaged with Local Authority Building Control to seek national and regional action on the shortage of qualified and registered Buildings Inspectors; however MDC has already lost two junior Inspectors following qualification and many Essex Councils report similar stories. We will review arrangements with neighbouring Councils to see if there are things we can do together to provide greater resilience to each other.

Mitigating Actions

Risk ID	Risk	ActionID	Action	Completion Date ▲	Status	Recent Update
2	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	11	Develop strategic approach and formal action plan through One Maldon District Partnership.	30/03/2026	On track	Q4 24/25 - Agree as new mitigtion action to be tracked from Q1

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REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

RISK MANAGEMENT POLICY

1. PURPOSE OF THE REPORT

1.1 To provide an updated Risk Management Policy (the Policy) for adoption, in line with industry best practice and learning

2. RECOMMENDATIONS

(i) That the Risk Management Policy is adopted as provided at **APPENDIX A**;

(ii) That the Committee continues to receive quarterly reports of the Corporate Risk Register for review and challenge

(iii) The Corporate Risk Register is reviewed considering the revised Policy as part of Q1 reporting.

3. SUMMARY OF KEY ISSUES

3.1 The Risk Management Policy is a key Corporate document, outlining our organisational appetite and approach to risk, as well as our process for managing risk in the organisation.

3.2 In developing this Policy, the Council has reviewed audit comments and technology available to ensure the Policy is in line with current best practice. The Council has also reviewed the guidance the government issue around risk in their 'orange book' The Orange Book – Management of Risk – Principles and Concepts This is to ensure the Policy aligns to best practice and guidance.

3.3 The previous Risk Management Policy was adopted in September 2022, and it is best practice to review as new regulations emerge or every three years

4. CONCLUSION

4.1 The Risk Management Policy is recommended for adoption.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Good risk management helps to underpin delivery of across whole of Corporate Plan,

6.   IMPLICATIONS

(i)   **Impact on Customers** – None.

(ii)   **Impact on Equalities** – None.

(iii)   **Impact on Risk (including Fraud implications)** – The Policy outlines our approach to risk management as an organisation.

(iv)   **Impact on Resources (financial)** – None.

(v)   **Impact on Resources (human)** – None.

(vi)   **Impact on Devolution / Local Government Reorganisation** – The Policy aligns to national best practice, so likely to align to other local authorities

Background Papers: None.

Enquiries to: Cheryl Hughes, Assistant Director: Programmes, Performance and Governance.

MALDON DISTRICT COUNCIL

Risk Management Policy
Updated June 2025

Document Control Sheet

Document title	Risk Management Policy
Summary of purpose	Sets out the risk management arrangements of the Council
Prepared by	Eloise Howard, Specialist: Performance Cheryl Hughes, Programmes Performance and Governance Manager
Status	Draft
Version number	Version 6 2025
To be approved by	Performance, Governance and Audit Committee, Council
Approval date	
Date of implementation	Continuous (takes over from existing policy)
Review frequency	Every three years
Next review date	June 2028
Circulation	Intranet, Corporate Risk SharePoint
Published on the Council's website	No

Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the policy should ensure that they are consulting the currently valid version of the document

Risk Management Policy Statement

Context

The purpose of this policy is to define risk management, state the Council's risk management objectives, approach, responsibilities and procedures.

What is the Council's risk appetite?

The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which all key risks are identified in all areas of the business, are understood and proactively managed, rather than avoided.

What are the Council's risk management objectives?

- Adopt a strategic approach to risk management to make better informed decisions

- Acknowledge that even with good risk management and our best endeavours, things can go wrong. Where this happens, we use the lessons learnt to try to prevent it from happening again;

- Develop organisational capacity and skills in identifying, understanding and managing the risks facing the Council;

- Provide the tools to ensure good risk management (e.g. E-learning, PMO templates)

- Promote corporate governance and integrate risk management into how we run Council business/services. Sound risk management processes help us to achieve our corporate vision, priorities and objectives as outlined in the Corporate Plan;

- Support a culture of well-measured risk throughout the Council's business, including strategic, programme, partnership, project and operational. This includes setting risk ownership and accountabilities and responding to risk in a balanced way, considering the level of risk, impact and cost of control measures;

- Anticipate and respond to changing social, environmental and legislative requirements and ensure that the Council continues to meet all statutory and best practice requirements in relation to risk management;

How will our objectives be met?

- Commitment from the Corporate Leadership Team (CLT) and senior managers to managing risk effectively;

- Maintaining a robust and consistent risk management approach that will:
  - Identify and effectively manage strategic, operational and project risks

  - Ensure mechanisms for officers of all levels to report risk in a consistent way.

  - Focus on those key risks that, because of their likelihood and impact, make them priorities;

- Ensure accountabilities, roles and responsibilities for managing risks are clearly defined and communicated;

- Consider risk as an integral part of business planning, service delivery, key decision-making processes, and project and partnership governance;

- Communicate risk information effectively through a clear visible reporting framework; and

- Increase understanding and expertise in risk management through training and the sharing of good practice

Risk Management Approach

Introduction

The purpose of the risk management approach outlined in this document is to:
1. Provide standard definitions and language to underpin the risk management process
2. Ensure risks are identified and assessed consistently throughout the organisation
3. Clarify roles and responsibilities for managing risk
4. Meet current legislative requirements and best practice and with our approach.

1. Definitions

Risk can be defined as "an uncertain event that, should it occur, will have an effect on the Council's objectives and/or reputation." It is the combination of the probability of an event (likelihood) and its effect (impact).

Opportunities can come from effective risk management for example additional grant funding or improved working practices.

Risk management is the "systematic application of principles, approach and processes to the identification, assessment and monitoring of risks." By managing our risk process effectively, we will be in a better position to safeguard against potential threats and exploit potential opportunities to improve services and provide better value for money.

Risk management is applied at all levels of service delivery and include:

Risk Areas	Description	Reported
Corporate Strategic Risks	Risks that could influence the successful achievement of our long-term corporate goals, priorities and objectives. These are risks that could potentially have a council-wide impact and/or risks that cannot be managed solely at a service level because higher level support/intervention is needed.	Corporate Risk Register
Service Risks	Risks at a service level that could influence the successful achievement of the Directorate or service outcomes/objectives. Potentially these risks could have a significant financial, reputational and/or service delivery impact on the service.	Service Plans
Contract Risks	Risks that could influence the successful achievement of the contract's outcomes/objectives in terms of delivery, outcomes and value for money. Contract risks are managed throughout the contracting process including contract management/business as usual.	Procurement process
Project Risks	Risks that could influence the successful achievement of the project's outcomes/objectives in terms of service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).	Project Management Office (PMO)
Partnership Risks	Partnerships bring risks as well as opportunities; how the partnerships are governed can be problematic and as a result the objectives of the partnership may not be achieved; they may not deliver good value for public money or the Council could find itself having to pay more money into a partnership or pick up other partners' contributions should one or more partners leave. Alternatively, the Council could just find that it is not reaping the benefits that it thought it would by participating in the partnership	Service Plans

2a Lifecycle of a risk

Life of a risk
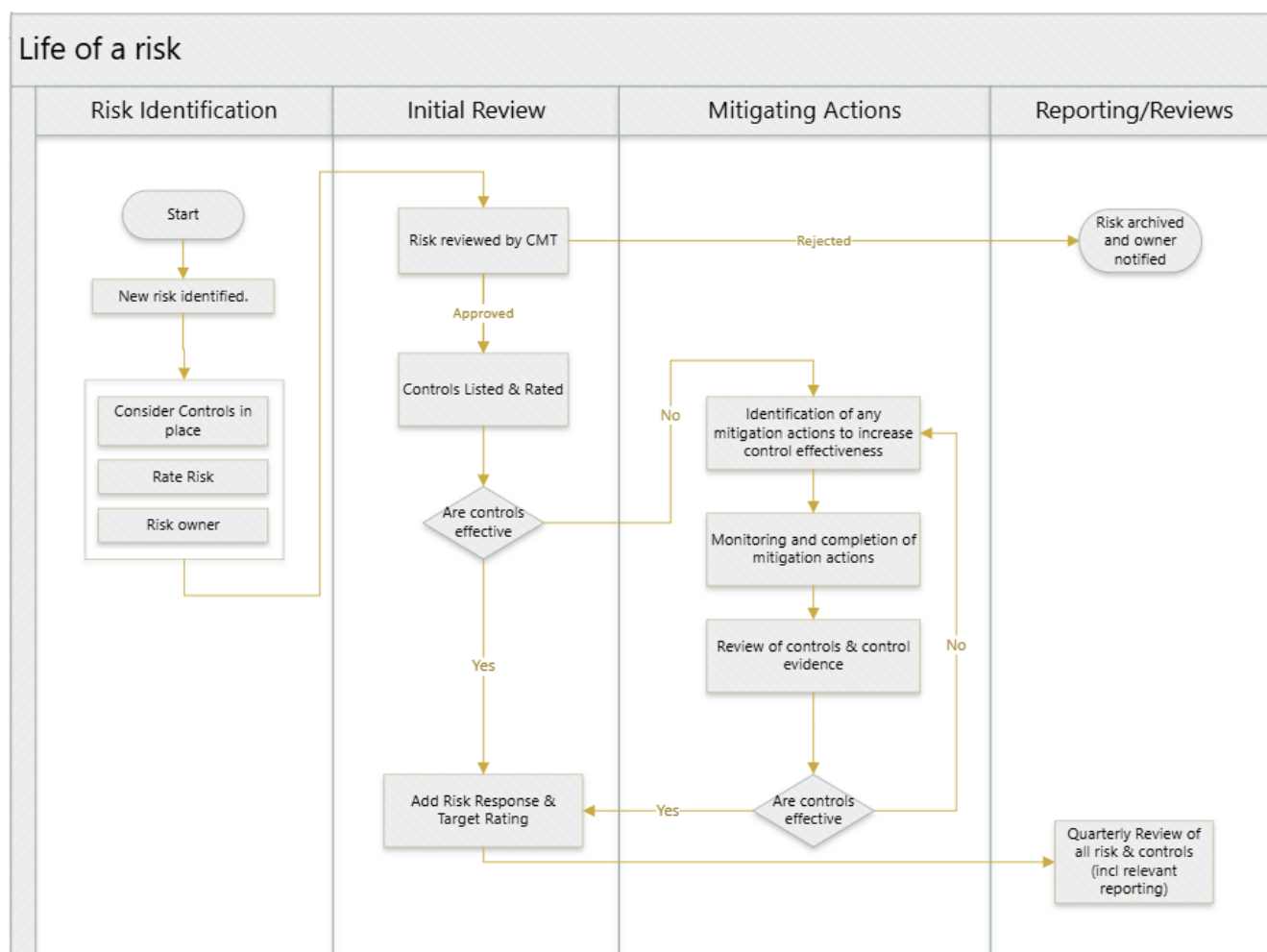
How to assess and identify a risk

2b) Identify area of delivery at risk
Before we can identify our risks, we need to establish the context by looking at what we are trying to achieve and what our proposed objectives are. This will usually be detailed in existing documents, including the following:
- Maldon District Council Corporate Plan (Corporate)
- Service Plans (Service)
- Project Brief or Project Initiation Document (Project)
- Partnership agreement (Partnership)
- Contract or Service Level Agreement. (Contract)

2c) Identify Risks
At its simplest, risk management consists of asking and answering, "what are we trying to achieve?" and "what can stop this/these being achieved?".

There are several different types of risk that the Council may face including:

Type	Description
Strategic	What could prevent corporate goals and objectives being achieved? An example would be a failure to ensure that all services are working effectively to the corporate agenda or not having the capacity and resources to deliver the agreed key activities.
Financial	What could affect the council's financial position? Examples include the risks

Type	Description
	associated with investment and borrowing, lack of sound financial management or the existence of fraud or corruption.
Economic	The impact of an economic downturn would affect prosperity of local businesses and communities.
Regulatory	What would happen if the Council was not compliant with legislation such as the Health and Safety at Work Act, Data Protection, Freedom on Information Employment Law, Human Rights, Equalities Act or Environmental legislation? What about legal challenges?
Reputation	Negative publicity (local and national) or an increase in complaints would affect the Council's reputation
Management	Where could be risks relating to loss of key staff, recruitment or retention issues; capacity issues – availability, sickness absence, emergency preparedness or business continuity
Operational/ Departmental	What could potentially affect the delivery of the service? Examples could be a loss of key staff, or a failure of IT systems.
Health and Safety	What are the potential risks to staff, customers, and users of the service? Examples of this are risk of slips, trips and falls.
Partnerships	What would the implications for the Council be if the partnership failed? For example, would the Council be responsible for any of the partnership's financial liabilities or would services be affected if the partnership was no longer in existence?
Projects	What could cause the project to fail? Examples could include unrealistic initial assumptions about time, cost or feasibility

Describing the risk is equally important to ensure that risks are fully understood, and to assist with the identification of mitigating actions, the cause and consequences of each risk must also be detailed. Typical phrases used to do this include:

Description	Cause	Consequences
Failure to … Failure of … Lack of … Loss of … Uncertainty of … Delay in … Inability to … Inadequate … Partnership with … Development of … Damage to	…..due to …… because	….leads to …..results in

Once identified, all risks are recorded in the appropriate "Risk Register" – this will be depending on what you have identified at point 1.
A risk owner must be allocated and recorded against each risk on the risk register. Such accountability helps to ensure 'ownership' of the risk is documented and recognised. A risk owner is defined as a person with the accountability and authority to effectively manage the risk.
At this stage there may well be a long list of possible risks. The next step will help to prioritise these in order of importance.

2d) Assess Risk Level

To ensure resources are focused on the most significant risks, the Council's approach to risk management is to assess the risks identified in terms of both the potential likelihood and impact so that actions can be prioritised.

Once you have considered the controls currently in place and how adequately these reduce the likelihood or impact of the risk, the risk is scored using **The Risk Assessment Table** included in **Appendix 1.** An overall risk score is reached by multiplying the likelihood score by the impact score.

Both the likelihood and impact levels of each risk are plotted on the Maldon District Council's Risk Matrix which displays its appetite or tolerance to risk (see below). The position of the risk, either above or below the tolerance, will help to determine what action, if any, will be taken forward.

Colour	Score	Action	Response
Green	Very low (1-3)	Acceptable risk; No further action or additional control are required; Risk at this level should be monitored and reassessed at appropriate intervals	Tolerate or Treat.
Yellow	Moderate (4-6)	A risk at this level may be acceptable; if not acceptable, existing controls should be monitored or adjusted; No further action or additional controls required.	Tolerate or Treat
Amber	High (9-12)	Not normally acceptable; Efforts should be made to reduce the risk, provided this is not disproportionate; Determine the need for improved control measures.	Treat, tolerate or transfer
Red	Extreme (12-25)	Unacceptable; Immediate action must be taken to manage the risk; Several control measures may be required.	All options can and should be considered

2e) Assess adequacy of existing controls

For each risk, identify those actions/controls which are currently helping to minimise the likelihood and/or impact of the risk occurring. These are actions or controls that are completed, in place and embedded.

Assess the adequacy of these controls as follows:

Scale	Definition
Poor	No controls in place or the few that are do not mitigate the risk
Fair	Some controls in place and some reduction in risk but still not adequate
Good	Controls in place are considered adequate and reduce the risk
Excellent	Effective controls are in place which reduce the risk considerably.

2f) Identify risk response and mitigating actions required

There are four basic ways of responding to risks identified and can be summarised as the four 'T's:

❖ **Terminate** – deciding not to continue or proceed with the activity in view of the level of risks involved although often this is not possible.

❖ **Transfer** – which involves another party bearing or sharing the risk such as obtaining insurance or finding an external partner to undertake the activity in return for a fee (which will reflect the risk taken on). Not all types of risks can be transferred.

❖ **Treat** – by ensuring existing controls are effective by periodic review and testing and implementing additional controls through mitigating actions were considered necessary to reduce the risk to a tolerable level. This is likely to be the most common approach, as risks are identified as part of our approach as a transformative council.

❖ **Tolerate** – it is not possible to control or considered cost effective to address the risk, so the risk is accepted.

The decision on the appropriate action should take account of the Council's risk appetite, i.e. what level of risk is the Council prepared to tolerate. Any risk that has been assessed as above the tolerance line must be a priority for immediate management action with actions designed to reduce the risk to a target level set within the risk appetite.

Mitigating actions identified should be clearly defined and actioned, with a lead officer and timescales for implementation/completion. The risk owner should monitor the progress of the mitigating actions regularly to ensure that these are being taken forward and that they are reducing the overall risk score

2g) Target Risk Score

In line with best practice, we should also set a risk score to achieve through the controls and mitigating actions of your risk.

Note –Corporate tolerance is an overall score of 12 or lower as a Target Risk Score as a default. It may be that your target risk score is higher than this, due to the lack of control or impact that the Council can have on the risk.

3. Roles and Responsibilities

To be effective risk management must be embedded throughout the Council by CLT, Members and each individual employee. One of the Council's key objectives within this policy is to promote a risk aware culture. Risk management is a cultural issue which will only be effective with understanding and support from all levels of staff and Members; training will be provided periodically to staff and Members to enable them to fulfil their risk management responsibilities.

All employees and Members are responsible for ensuring there are robust and fit-for-purpose systems of internal control and risk management in place; and they are aware of the risks:
- they are empowered to take
- that must be avoided
- that must be reported upwards.

Some individuals and groups have specific leadership roles or responsibilities as follows:

Group / Individuals	Role / Responsibilities
Elected Members – Performance, Governance and Audit Committee Scrutiny and oversight of risk governance and risk profile, and monitor effectiveness of risk management	• Approve strategic direction of risk management, including through approval of Council risk management policies and strategies • Review, scrutinise and challenge risk management processes • Monitor development and operation of risk management including progress in addressing risk related issues reported to the Committee • Ensure the Code of Corporate Governance and Annual Governance Statement properly reflects the risk environment and the adequacy and effectiveness of the Council's risk management framework • Review the assessment of risks and potential harm to the Council from fraud and corruption

Group / Individuals	Role / Responsibilities
Elected Members – General	• Contribute to review, and have an awareness of the Corporate Risk Register • Challenge on items for the risk register based on discussions that take place at wider committees etc
Chief Executive and Corporate Leadership Team Champions risk awareness. Leads in identifying, owning and managing strategic risks.	• Advise on the risk management framework and process • Identify, analyse, and prioritise strategic and cross cutting risk and monitor progress against action plans • Promote a culture of effective risk management and encourage staff to be open and honest in identifying risks or missed opportunities. • Support and promote the embedding of risk management such that it is practiced as part of usual activities, including the sharing of best practice and experience. • Develop risk management controls in conjunction with Heads of Service and generally assist the Council to ensure an appropriate internal control environment exists • Contribute to the Code of Corporate Governance and Annual Governance Statement for submission to Members, including the adequacy and effectiveness of risk management arrangements
Assistant Directors and their Heads of Service Develop risk management culture, own control, and report on operational risks	• Identify, analyse, prioritise, and report service operational risks, and identify risks for potential escalation to the Corporate Risk Register. Provide assurance on the effectiveness of controls to mitigate risks • Ensure reports and information include meaningful information on risks • Maintain business continuity plans, risk registers and action plans • Manage processes to ensure established controls are applied and effective, provide evidence of controls and risk mitigation • Review controls in the light of change, implement new controls as necessary
Assistant Director: Programmes, Performance and Governance Coordinates risk management activity on behalf of the Council and provides link between risk management and related disciplines	• Develop, implement, and regularly review risk management policy and processes and provide advice on the same • Coordinate risk management process, prepare reports for the Corporate Leadership Team and Members, provide advice and support, and make recommendations to Management Board • Collate departmental risk profiles and work with risk owners to provide assurance on these • Arrange risk assessment and risk management training for staff

Risk Owners
Accountability for ensuring their nominated risks is appropriately managed
	• Ensures risk is assessed, managed, monitored, and reported, including:
	  ο Consider factors affecting risk likelihood or impact
	  ο Review effectiveness of mitigating controls and impact
	  ο Update risk narrative to ensure accurate presentation to Management and Members

External Audit and other review bodies Focus on financial risk, review and report on arrangements for managing risk	• As part of the annual audit of financial statements, reviews and provides assurance on the adequacy of arrangements for managing risk and the control environment risk having due regard to statutory requirements and best practice

Group / Individuals	Role / Responsibilities
Internal Audit Provide assurance to Senior Management and Members on risk management and governance	• Align the Internal Audit Plan with Corporate risks, test controls for effectiveness, and provide advice on risks and controls • Review and challenge the effectiveness of the risk management framework, to provide assurance to Senior Management and the Performance, Governance and Audit Committee
All employees Identify, assess, and help manage risks	• Maintain awareness of risks, their impact and costs, and take ownership of the need to identify, assess and help manage risks in individual areas of responsibility • Bring to management attention at the earliest opportunity details of any emerging risks that may adversely impact service delivery

4a) Review and report

Risk management should be considered as an ongoing process and as such risk needs to be reviewed regularly to ensure that prompt and appropriate action is taken to reduce their likelihood and/or impact.

The Council's Risk Management Framework requires the following review/reporting:

Risk Areas	Review/Reporting mechanisms
Corporate Risks	Risks that are identified as potentially preventing the Council achieving the corporate goals and objectives stated in the Corporate Plan and which are assessed as being above the Council's acceptable tolerance level are recorded on the Corporate Risk Register in SharePoint (the Council's central Risk site). The mitigating actions are also recorded and both the overall risk scores and the progress of the mitigating actions are updated on a quarterly basis by the risk owner or the officer responsible for taking the actions forward. To ensure that risk is being managed effectively, quarterly risk reports are submitted to and reviewed by CLT and reported to the Performance, Governance and Audit Committee outlining the current risk scores, whether there have been any changes to the scores and what progress has been made on the mitigating actions.
Service/operational risks	Risks that are identified at service/operational level as potentially preventing the service from achieving its service objectives and which are assessed as being above the Council's acceptable tolerance level are detailed in the business plans and recorded on SharePoint. These should be subject to regular review and discussion between the manager and their director. It is the responsibility of the appropriate managers to ensure that any actions detailed in the business plan to reduce these service risks are taken forward and progress monitored
Contract Risks	Should be reviewed regularly by the Contract Manager and are recorded as part of the procurement documentation process
Project risks	Should be reviewed regularly by the Project Manager and the Project Sponsor and will be recorded as part of the PMO documentation process.
Partnership risks –	For any partnership which is assessed as being high risk, a risk register will be established and will be subject to annual review. The risks will be included in the relevant service plan and will be subject to regular review by the manager.

4b) Training and Awareness

Having developed a robust approach and established clear roles and responsibilities and reporting lines, it is important to provide Members and Staff with the knowledge and skills necessary to enable them to manage risk effectively.

Risk E-learning is compulsory for all staff and members. Awareness of risk management is also promoted as part of PMO processes, corporate reporting, individual SMART objective setting, Service planning and Contract and Partnership management.

4c) Relevance to other Corporate Functions

Internal Audit

The Council's appointed internal auditors will periodically undertake an independent evaluation of the risk management framework to provide the Performance, Governance and Audit Committee with assurance on the adequacy of the internal control arrangements including risk management and governance.

Business Continuity Planning

The main objective of business continuity is to provide a means of both recovery for the Council should it be affected by a crisis or a business interruption and of minimising the impact on the Council's employees, customers and reputation. Examples of issues tackled by business continuity include those in relation to loss of premises, equipment, staffing, and telecommunications / IT. Business continuity planning requires that potential impact to be considered and managed and the corporate and individual business continuity plans need to be updated on an on-going basis to reflect changes in the overall risk profile. Put simply, the difference between risk management and business continuity is that the former considers what could go wrong and seeks, where possible, to prevent it, while the latter creates contingency arrangements in the event of a crisis and is largely indifferent to the cause of the problem.

Risk Assessment Table- Appendix 1

Risk Assessment
The identified risks are assessed in terms of their likelihood of occurring and the potential impact should they occur and are scored on a scale of 1 – 5 as follows:

Likelihood	Clarification of Definition
5 - Certain	Regular occurrence. Will happen
4 – Very Likely	Circumstances frequently encountered.
3 - Likely	Circumstances occasionally encountered
2 – Less Likely	Circumstances infrequently encountered
1 – Unlikely	Has rarely/never happened

As guidance, when assessing the impact, the following aspects should be taken into consideration:

Impact	Negligible	Minor	Moderate	Significant	Major
Risk Score	1	2	3	4	5
Financial	£0k - £10k	£10k - £100k	£100k - £250k	£250k-£500k	>£500k
Service Provision	Minor service delay/disruption	Short term service delay/disruption	Medium term delay/	Delays and service suspended	Total service suspended for a significant period/statutory duty not delivered
Project	Minor delay	A few milestones missed	A major milestone missed	Major milestone(s) missed, and risk of impact on others	Project does not achieve objectives and misses majority of milestones
Health & Safety	Minor injury	Broken bones/illness	Major illness	Long term illness or life changing injury	Major loss of life/large scale major illness
Objectives	Minor impact on objectives	Failure to achieve service plan objectives	Failure to achieve several Directorate objectives	Failure to achieve most Directorate objectives	Corporate objectives not met
Morale /Resource	Mild impact on morale, rare resourcing issues	Some staff dissatisfaction, increase in staff turnover or resourcing issues	Major staff dissatisfaction, sickness and resource impacts seen	short term industrial action, staff turnover including key personnel, Significant resourcing issues	Major staff dissatisfaction, long term industrial action, significant key staff turnover, Ongoing/ Continuous resourcing issues

Impact	Negligible	Minor	Moderate	Significant	Major
Risk Score	1	2	3	4	5
Reputation	No media attention/isolated complaints	Adverse local media coverage	Adverse local media coverage and social/ public complaints on the matter	Adverse national media coverage	Remembered for years
Government relations	Minor local service issues	Poor assessment (s)	Poor assessments and risk of service being taken over	Service taken over temporarily	Ministerial intervention in running service

An overall risk score is reached by multiplying the likelihood score by the impact score.

REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

1.   PURPOSE OF THE REPORT

1.1   To update the Committee on the actions identified in the Annual Governance Statement.

2.   RECOMMENDATION

That the Committee reviews the Annual Governance Statements table and updates below and challenges where necessary.

3.   SUMMARY OF KEY ISSUES

3.1   The Annual Governance Statement in its current format was approved by the Performance, Governance and Audit Committee on 10 June 2021. In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice, it is reflective of governance matters and forward looking about where we could make improvements.

3.2   The report has an updated action plan for the year looking forwards and the Committee agreed that progress on the actions would be reported to and reviewed by the Committee.

3.3   The Action Plan is held on our SharePoint system and updated by responsible officers.

3.4   The Actions Highlighted in Grey have been previously reported as **completed.**

3.5   The current table of actions and officer updates are detailed below for Member consideration.

Title	Owner	Status	Target Completion	Commentary
Draw out and link all of our policies and their objectives through a review of the Local Development Plan (e.g., corporate plan, climate change)	Matt Winslow	Ongoing	01/09/2026	Q4 - Work is progressing on the Local Development Plan (LDP) Review to ensure the planning policy framework for the district can be updated to cascade and interpret national, regional and local policies and any new legal requirements as required.

Title	Owner	Status	Target Completion	Commentary
Build engagement and information sharing with Parish Councils as part of the Local Development Plan review work through the new Parish and Town Council Engagement Forum	Matt Winslow	Ongoing	01/09/2026	Q4 - The Planning and Implementation department continues to respond to requests from Town and Parish Councils for subject specific briefings and Neighbourhood Plan support, including Mayland and Woodham Walter more recently. The department now features as a standing item at the relaunched Maldon District Parish and Town Council Forum and has had positive feedback for future agenda items. As necessary, formal letters are also being sent periodically to all Parish and Town Councils to help inform and advise on Neighbourhood Planning and any changes to national planning policy that may impact Parishes.
Communications and roll out of whistleblowing policy and procedure	Annette Cardy	Complete	30/06/2026	Q4 - New easy to use reporting process and template created which allows anonymous or in person reporting of suspected fraud. This is managed directly and confidentially by the Monitoring Officer who will investigate each report and take appropriate actions and start an investigation. Communications sent in One Team reminding all staff and Members to look out for and help prevent fraud and providing the link to whistleblowing policy and fraud policies to be aware of and follow and the new easy to use whistleblowing form.
Delivery of finance peer review actions (tracked through SharePoint)	Ben Cookson Cheryl Hughes	Complete	31/03/2025	Q4 - There is one outstanding action to review decision making / committee arrangements and constitution. However, given the Local Government Reorganisation, it is suggested this is closed without action due to resource efforts that may be overtaken by wider governance changes
Review governance housekeeping matters through the Performance, Governance and Audit working group	Paul Dodson	Complete	31/03/2025	Q3 – Performance, Governance and Audit Committee (PGA) Governance Sub-group continues to meet as required to address upcoming governance issues as they arise.

Title	Owner	Status	Target Completion	Commentary
Build on member induction process and training plan in collaboration with the member training and development working group	Cheryl Hughes	Complete	31/12/2024	Q3 - The member training working group met several times in late 2024 to confirm sessions to be held around statutory annual training and develop a training brief around scrutiny skills and development for members to provide additional training identified. The action is closed because this will be picked up as Business As Usual (BAU) work with the working group, and discussions have taken place around member training requirements as minuted in these meetings, with this being progressed
Include e-learning to balance scorecard reporting, so that completions for staff and members is clear, particularly around governance areas such as risk management.	Eloise Howard Cheryl Hughes	Complete	01/07/2024	Q1 - BSC reporting is now in place and non-completion discussed, minuted and followed up as part of extended leadership team monthly meeting. member completion rates are also being shared by email to group leaders, and all members now have desktop shortcuts to e-learning and boxphish to improve access

4. CONCLUSION

4.1 The information provided gives progress updates against the key actions defined in the Annual Governance Statement

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Good governance will enable delivery of strategic priorities going forwards.

6. IMPLICATIONS

(i) **Impact on Customers** – Not applicable (N/A)

(ii) **Impact on Equalities** – N/A

(iii) **Impact on Risk (including Fraud Implications)** – Good governance will help minimise our corporate risk for the future.

(iv) **Impact on Resources (human)** – The monitoring and delivery of this item is provided within existing resources.

(v) **Impact on Resource (Financial)** - The monitoring and delivery of this item is provided within existing resources.

(vi) **Impact on Devolution / Local Government Reorganisation (LGR)** - Any governance implications of Devolution and LGR will be reviewed in the 2025 / 26 Annual Governance Statement.

Background papers: None.

Enquiries to: Cheryl Hughes, Programmes, Performance and Governance Manager.

REPORT of
DEPUTY CHIEF EXECUTIVE

PERFORMANCE, GOVERNMENT AND AUDIT COMMITTEE
5 JUNE 2025

HEALTH AND SAFETY UPDATE - QUARTER FOUR 2024 / 25

1. PURPOSE OF THE REPORT

1.1 To provide an update on health and safety statistics and activity during quarter four (1 January to 31 March 2025)

2. RECOMMENDATIONS

(i) That Members consider the accident and incident statistics and incidences of unacceptable behaviour reported;

(ii) That Members consider progress of key health and safety themes (as per Section 3.2 below).

3. SUMMARY OF KEY ISSUES

3.1 **Quarter Four (Q4) 2024 / 25**

3.1.1 There were six accidents and incidents, six near misses and no hazards reported during Q4. All staff-related accidents were of low severity. Three of the incidents involved leaks of fluids such as fuels, oil or water of low volume. Of the six near misses, two involved features or assets within the main offices whilst the remainder concerned scenarios where staff members felt unsafe or uncomfortable in their duties. Some of these events may have been associated with situations involving members of the public but may not necessarily have been classified as unacceptable behaviour, which is recorded separately.

ACCIDENT/ INCIDENT REPORTS Q4 2024 / 25			
Event	Action	Note	Person
10-1-2025 (incident) Whilst training, the wrong controls were activated resulting in damage to the tractor flail arm and a leak of hydraulic oil.	Equipment recovered and repaired. Spill kits granules used to capture spilt oil.	Limiters on equipment were not set to prevent damage. Risk assessments updated to reflect this requirement.	Employee
23-1-2025 (incident) Small volume of diesel found to have leaked from CVS vehicle in office car park (possible overfill).	Sand applied by Maldon District Council (MDC) Facilities Officers to spilt fuel and cleared up.		MDC Partner / Employee
29-1-2025 (accident) Member of staff spilt hot	No first aid required. Injured person ran their		Employee

ACCIDENT/ INCIDENT REPORTS Q4 2024 / 25			
Event	**Action**	**Note**	**Person**
liquid on their hand when moving past another staff member through doorway	hand under cold water.		
12-2-2025 (accident) Member of staff tripped whilst returning from their car to the building (side car park)	First aid given. No defect found in paving. No items in the area.	Accident investigated.	Employee
6-3-2025 (accident) Member of staff received minor abrasions to their legs when they traversed undergrowth whilst undertaking a site visit.	Review of Personal Protective Equipment (PPE) and risk assessments conducted. Instruction on use of PPE also undertaken.	Accident investigated	Employee
19-3-2025 (incident) Contractor working alone at MDC caused a minor water leak when they activated the wrong valve/tap on pipework.	Closed off and cleared up. Facilities on site and attended after the incident.		Contractor

NEAR MISS / HAZARD REPORTS Q4 2024 / 25			
Event	**Action**	**Note**	**Person**
2-1-2025 (Near Miss). Heat curtain in reception area became detached from the fixings in the ceiling. Unit hanging lose from fixing.	Reception area closed off and unit fixings repaired.	High winds reported during the event. Not clear if this led to the event. Reported as an incident but reassigned as Near-Miss.	Employee
22-1-2025 (Near Miss) Member of housing staff visited a customer at a property where the occupant was later found to be in possession of knives.	Risk assessments for the individual updated with instruction for no lone visits.		
6-2-2025 (Near Miss) During a housing assessment interview, a staff member felt uncomfortable when the customer referred to personal details which are assumed to have been gleaned from private social media accounts.	Assessment meeting ended in a professional manner. Case transferred to another member of staff.	Suspected that the customer had found the officer's details on social media.	Employee
7-2-2025 (Near Miss) Whilst based at the local job centre, a member of staff witnessed abusive behaviour of staff when intoxicated customers entered the premises.	Member of staff allowed to work from home for the rest of the day. Noted that Security staff were in attendance during the incident.	Incident occurred 6-11-2024 but not reported until 7-2-2025. One-to-one with Manager clarified this should be recorded as a Near-Miss.	Employee

NEAR MISS / HAZARD REPORTS Q4 2024 / 25

Event	Action	Note	Person
7-2-2025 (Near Miss) Whilst based at the local job centre, a member of staff was interrupted in their duties by a member of the public having a psychotic episode	Staff member asked job centre reception staff to remove the individual.	Incident occurred 30-10-2024 but not reported until 7-2-2025. One-to-one with Manager clarified this should be recorded as a Near-Miss.	Employee
26-2-2025 (Near Miss). Councillor reported stepping back from an item of furniture moved during a Council meeting and nearly falling down the step within the chamber floor.	Area assessed for installation of balustrade. Remedy not practicable currently.	Event was reported as an Accident / Incident but re-assigned as a Near-Miss as no injury or damage sustained.	Employee / Councillor

3.1.2   There were six incidents of unacceptable behaviour reported. One was received in person, one by e-mail and two via the telephone. One of the reports was received retrospectively after initially being reported as a Near Miss. Two reports were partner referrals.

UNACCEPTABLE BEHAVIOUR REPORTS Q4 2024 / 25			
Incident	**Action**	**Note**	**Method**
8-1-2025 Member of the customer service team abused and threatened with violence on the telephone.	Referred to the police		Telephone
10-1-2025 Referral of information on risk associated with known customer of Housing team. Abuse and threats received on the telephone from the same individual.	Support currently being offered to the customer by telephone only.		Not Applicable (N/A)
24-1-2025 (reported) Planning officer threatened with dogs whilst inspecting a site. Threat was verbal. Presence of dogs noted.	Officer withdrew from site.	Incident occurred 12-12-2024. Officer required clarification prior to report	In person
27-1-2025 Partner referral regarding a Police incident involving a customer known to the Housing Team.			N/A
21-2-2025 Customer Services Officers received abusive and aggressive call from a customer trying to pay council tax. Experienced by several officers.			Telephone

UNACCEPTABLE BEHAVIOUR REPORTS Q4 2024 / 25			
Incident	**Action**	**Note**	**Method**
31-3-2025 Unpleasant e-mail received by planning officer alleging unprofessional conduct and dishonesty. E-mail shared with a wide audience.			e-mail

3.2 **Health and Safety Actions**

3.2.1 A number of actions are set out below. Work continues to progress these with all completed actions removed.

Subject	Action		Update / Progress	
Emergency Procedures	(i)	To revise and improve the fire and evacuation procedure at main MDC locations.	(i)	Procedures still required for depot sites. Visitor procedure for parks depot now in place.
			(ii)	Fire drill for Members completed.
Unacceptable Behaviour	(i)	To revise the policy	(i)	Created system for comment and trial use. System modified based on user comments. To be implemented.
	(ii)	To improve system for reporting Unacceptable behaviour	(ii)	Efficiency review of computer app to improve the reporting process and availability.
Health and Safety (H&S) Training	(i)	To determine H&S training requirements (Corporate and Teams)	(i)	Training requirements determined. Corporate-wide training now scheduled. Department-specific training awaiting implementation.
			(ii)	Completion of H&S E-learning now to be reported via balanced scorecard. Practical training to be tracked via training matrix.
Risk Assessment	(i)	To implement a new risk assessment register / master list	(i)	Central list for all risk assessments in use, received and documents saved. Additional risk assessments required have been identified as part of the exercise and are in progress.
			(ii)	Corporate risk assessments in

Subject	Action		Update / Progress	
			preparation alongside newer drafts of corporate policies/procedures ***Reiterated as part of recent audit finding.***	
Lone Working	(i)	To revise lone working procedure and to ensure implementation of appropriate hardware to support these measures.	(i)	Details of revised procedure agreed. Report required concerning additional resources.
Audit / Inspection	(i)	To ensure service teams and work locations across MDC is in compliance with H&S Legislation	(i)	Mini audit of Parks and Maintenance depots now required. Scheduled for summer.
			(ii)	Observation of working practices to be established by teams. Tools provided. Exploring potential use of computer applications to improve process and accessibility of the tools. ***Reiterated as part of recent audit finding.***

3.3 **Health and Safety Groups**

3.3.1 The Senior Managers group continues to meet every six weeks to progress and review performance on health and safety. Efforts have been made to improve accountability and the tracking of actions raised to this group. Routine updates from each service area are also proposed.

3.4 **System Resources**

3.4.1 Work continues to improve health and safety performance in a number of service areas. Without additional budget, it is becoming apparent departments will struggle to achieve some of the improvements that are required. In addition, it is recognised that a central health and safety budget would allow corporate issues and/or those that require a co-ordinated (or expedited) approach to be tackled more effectively. Members are being made aware of this as a report requesting a ring-fenced health and safety budget is being drafted.

Table of Departmental Health and Safety Activities vs Risk Grading

Risk Level	H&S Policies	Mandatory H&S training	DSE assessment	Risk assessment	SMARTs objective	Additional H&S training	On-site/ equipment inspections	On-Site supervisions	PPE issued where needed	Occupational health monitoring requirements
Low	✓	✓	✓	Under remit of Corporate H&S RA'S	H&S objectives available for use					
Medium	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
High	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Department defined performance against each assigned Health and Safety activity
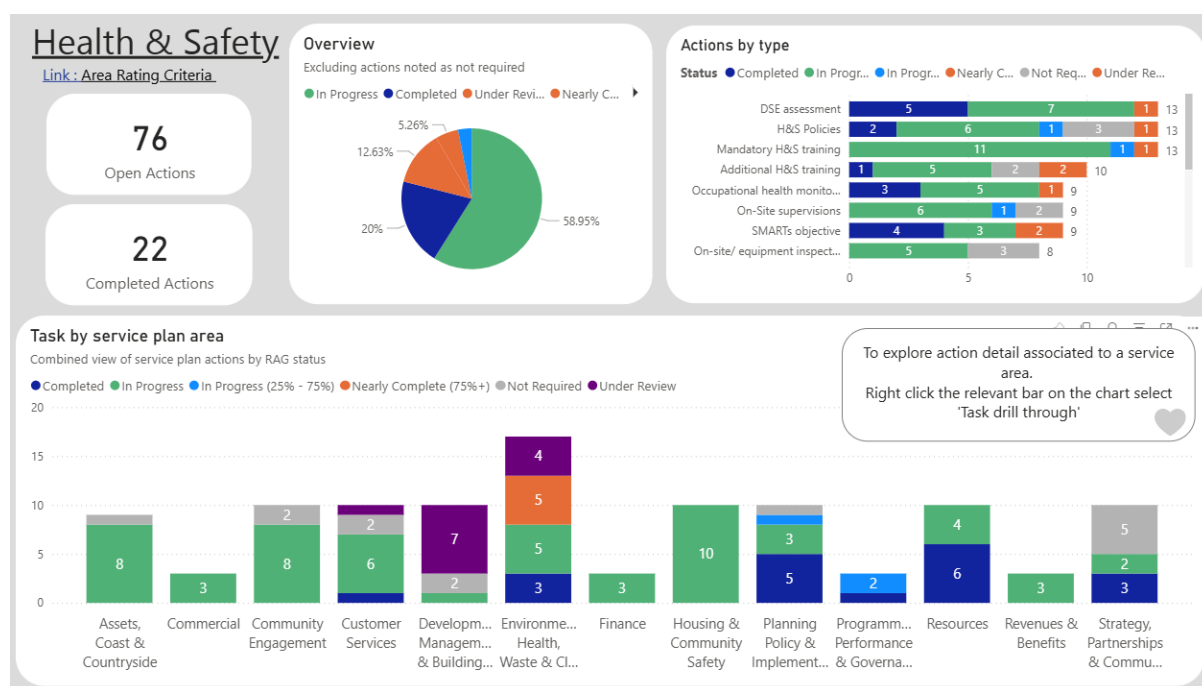
3.5 Fire Risk Assessments

3.5.1 A contractor is continuing to progress its review of fire risk assessments for the main offices and other MDC assets. Some of the reports have now been received and the action points are being assessed. An evacuation drill was performed for Members at the Council meeting on 3 April 2025. This was outside of the reporting period but work to plan this fell within the quarter. A report collating feedback of those involved has been produced.

3.6 Policies and Procedures

3.6.1 A revised Health and Safety Policy requested by the Strategy and Resources Committee has been finalised. Member Health and Safety Representatives have been asked to contribute to a section outlining their own health and safety arrangements.

3.6.2 Efforts are underway to review and update all corporate policies and procedures that have expired. Those requiring minor amendments are largely completed, whilst those requiring more significant changes are being reviewed by policy Working Groups.

3.7   **Health and Safety Inspections**

3.7.1   No formal scheduled health and safety inspections were conducted in the period. Mini audits of the depots, to conducted by the H&S Manager have been agreed with the Head of Assets Countryside and Coast. These will be conducted in the summer and will examine progress made since the previous inspections.

3.8   **Legionella**

3.8.1   The Council's contract with its current provider was renewed and works continue as per its normal schedule. Scope to allow for the sampling and testing of legionella has now been included.

3.9   **Training**

3.9.1   No corporate practical training sessions were completed in the period. Corporate training is planned for Manual Handling and Ladder Safety with refresher sessions for Lone Working, Fire Warden and potentially, dealing with violent and aggressive behaviour. Toolbox talks for the Service Delivery teams have been suspended and await team input before resumption.

3.9.2   The e-learning training modules for health and safety are now available on Connect & Learn. Two priority training modules (Health and Safety Induction and Fire Safety) have been scheduled with completion rates monitored via the monthly balance scorecard. Two other modules (Display Screen Equipment and Dealing with Violence and Aggression) will be scheduled for later in the year. All other training modules have been assigned to relevant staff groups and agreed with managers. Discussion regarding the roll-out of these are continuing.

3.10   **Accident-Near Miss Reporting**

3.10.1 The number of accidents reported was low over the period, with one per month recorded. The number of Hazards and Near Misses reported was in keeping with previous reports, however none were recorded in March.

Location of Accident and **Nature of accident** bar charts

Location of Accident:
- Parks/open spac...: 6
- MDC Office: 2
- Work in district: 2
- Hythe Quay: 1
- On a site visit: 1
- Playgrounds: 1

Nature of accident:
- cut/puncture/s...: 4
- Not disclosed: 4
- Being accessed.: 1
- Break or Fracture: 1
- Burns - thermal/che...: 1
- Insect bite: 1
- Sprain/Strain: 1
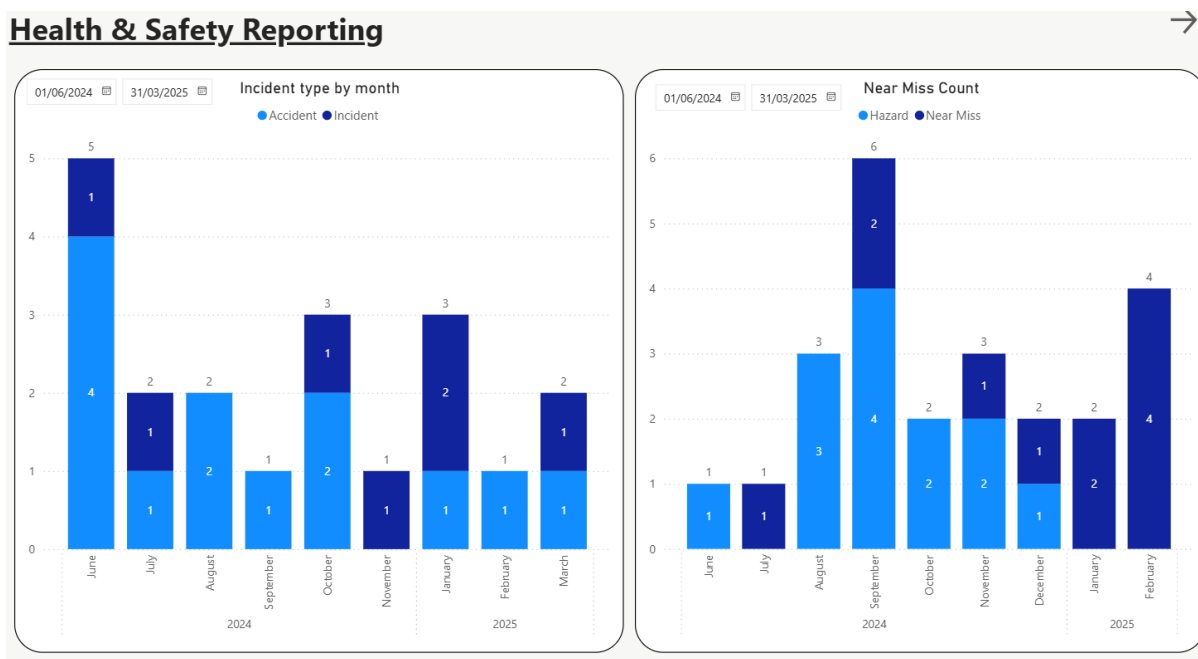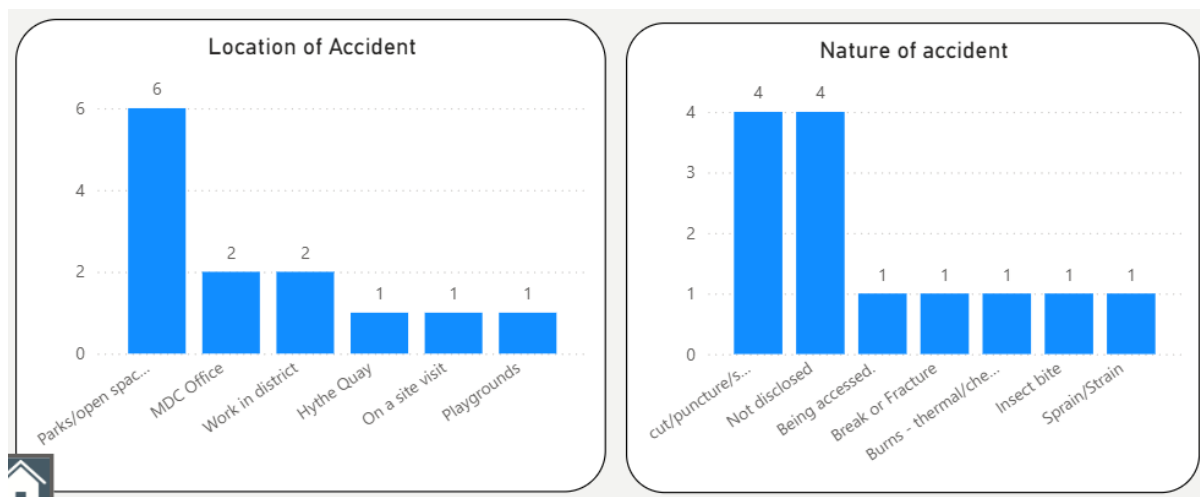
3.11   **Health and Safety Audit** **Audit Actions 2024-2025 doc**

3.11.1 There were four targets for completion in the period. These concerned the cataloguing of risk assessments, update of the Health and Safety Policy, review of the training matrix and creation of an events checklist.

3.11.2 All risk assessments have been recorded on a central register and are in the process of being reviewed and updated by Head of Service / Managers. Approximately 80% are complete with the remainder in draft. The requirement for a small number of additional risk assessments has also been identified via this process.

3.11.3 A comprehensive events checklist was created for monitoring health and safety compliance of event organisers. The checklist is being trialled to determine if any refinements are required. The events team are simultaneously considering the use of proprietary software to assist in the management of events data. It is anticipated that the checklist will form part of this process.

3.11.4 The Health and Safety Policy, which was revised prior to the audit, has been updated to reflect Member comments regarding its writing style. This revision is now complete but awaits further Member input regarding a section on their health and safety. It is hoped that the policy can be submitted to the Strategy and Resources Committee for approval in the coming months.

3.12   **Priorities going forward**

3.12.1 The priorities for the next quarter will be to continue to focus on tasks set out in the Audit Action Plan including work to review, and revise where necessary policies and risk assessments. Work will continue on improving visibility and accountability for health and safety in work teams by ensuring that progress is monitored and reported through the Health and Safety Managers Group, Corporate Leadership Team plus (CLT+) and the Performance, Governance and Audit (PGA) Committee.

4.   CONCLUSION

4.1   Accidents, near misses and incidents of unacceptable behaviour during Q4 2024 / 25 have been set out within this report.

4.2   Proactive work on the main health and safety themes continues and good progress is being made.

4.3 Additional health and safety improvements will continue to be implemented alongside close-out actions arising from the recent health and safety audit.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 **Provide good quality services**

5.1.1 Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

6. IMPLICATIONS

(i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike. Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.

(ii) **Impact on Equalities** – None.

(iii) **Impact on Risk (including Fraud implications)** – Poor management of health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence and these incidents may be investigated by the Health and Safety Executive (HSE). This could result in prosecution with fines or custodial sentences and an award of costs if found guilty by the courts. In addition, the HSE has adopted a "Fee for Fault" policy in which it recharges the cost of investigations if liability is identified. Civil claims by individuals could lead to significant cost to the Council, both financial and resources to manage. These could in turn lead to increased insurance premiums. It can also lead to poor publicity, reputational damage and impacts on staff morale.

(iv) **Impact on Resources (financial)** – No additional resources required, however, by managing health and safety, there should be less impact on financial resources as identified in (iii) above.

(v) **Impact on Resources (human)** – No additional resources are required, however, additional processes / procedures to manage health and safety effectively will impact upon current resource capacity. The positive impact should be preventing accidents and ill health, having a mitigating impact.

Background Papers: None.

Enquiries to: Paul Baccarini, Corporate Health and Safety Manager.

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REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

PROPOSED COMMUNITY GOVERNANCE REVIEWS – VARIOUS PARISHES

1. PURPOSE OF THE REPORT

1.1 To receive and consider requests from various Parish / Town Councils for reviews of boundaries and electoral arrangements.

2. RECOMMENDATION

(i) That Community Governance Reviews be instigated in line with the requests by Maldon Town Council and Heybridge Parish Council for parish boundary revisions;

(ii) That a Community Governance Review be instigated in line with the request by Little Braxted Parish Council for an increase in its membership;

(iii) That the Chief Executive be authorised to prepare for publication and consultation terms of reference for these proposals.

3. SUMMARY OF KEY ISSUES

3.1 The Council had begun work with the Boundary Commission for England on a District-wide electoral review, the first since 2020. In February this year however, the Boundary Commission gave notice that in view of the implications of the Government's English Devolution White Paper on its work programme and the impact on the electoral review work, its Board had decided that it would be appropriate for the review to be paused for the foreseeable future.

3.2 Building on the work already begun, all Parish and Town Councils were contacted to establish whether any particular issues required to be dealt with, the only alternative mechanism being through the undertaking of Community Governance Reviews under the Local Government and Public Involvement in Health Act 2007 by the District Council. Reviews may be instigated by resolution of the District Council itself or on petition from local electors.

3.3 The following requests were received from Parish and Town Councils:

- **Little Braxted Parish Council**
  Increase in its membership from five to six.

- **Heybridge Parish Council**
  Revision of the boundary with Great Totham to include the North Heybridge Garden Suburb wholly within the Parish of Heybridge.

- **Maldon Town Council**
  Impact of new development at Maldon West in terms of parish boundary with Woodham Mortimer / Hazeleigh and the Electors:Councillors ratio / warding arrangements.

- **Wickham Bishops Parish Council**
  Revision of the boundary with Great Totham to include development wholly within the Parish of Wickham Bishops.

- **Heybridge Basin Parish Council**
  Revision of its parish boundary to include the properties nos. 2-10 Basin Road currently within the East Ward of the Parish of Heybridge.

- **North Fambridge Parish Council**
  Increase in its membership from five to seven. The Council has already agreed to instigate a Community Governance Review for this proposal by resolution of the Committee in March 2023. The Parish Council has reaffirmed its request.

3.4 The boundary changes requested are intended to ensure that where new development straddles the boundary with a neighbouring Parish, the boundary is revised to encompass the development wholly within the predominant Parish. The impact of the new development at Maldon West and Heybridge West in relation to the existing Parish boundaries is clearly defined and shown on the maps attached as **APPENDICES A and B**. Where the respective boundaries are to be re-drawn precisely they will need to be considered and perhaps discussed with the Councils involved prior to terms of reference for the reviews being finalised for publication and consultation.

3.5 Additionally, the request by Maldon Town Council seeks a review of the impact of new development on the Elector:Councillor ratio with a view to increasing the number of Councillors and/or revising the warding arrangement. This aspect will need to be the subject of further examination and discussion with the Town Council.

3.6 The request from Wickham Bishops Parish Council for a boundary revision has been clarified. It is not related to accommodating new development but rather is based on a historic view as to the logic of the existing boundary. The Parish Council will therefore be giving this matter further thought in due course. No further action is proposed to be taken on the request for now.

3.7 Little Braxted Parish Council has requested an increase in its membership to help overcome the difficulties often encountered by operating with just five Councillors, particularly when a legal quorum for meetings is three.

3.8 North Fambridge Parish Council 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 observed 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. The Parish Council has reaffirmed its wish to see an increase in its membership.

3.9 Heybridge Basin Parish Council is looking at an extension of its parish boundary to include the properties nos. 2-10 Basin Road, currently within the East Ward of the Parish of Heybridge. When the separate parish of Heybridge Basin and its Parish Council were created in 2019 the boundary was established as that which had previously formed the Basin Ward of Parish of Heybridge. Upon further engagement

with the Parish Council, it seems that this may be just one element of a wider proposal upon which local discussion and consultation needs to be progressed. For now, no further action will be taken on this request.

3.10 The District Council therefore needs to consider these requests and must have regard to Government advice on Community Governance Reviews. This says that the Government has made clear its commitment to Parish Councils, recognising 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.

3.11 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.

3.12 Officer comments on these requests are as follows:

a) It is acknowledged that the membership size for Little Braxted (as with North Fambridge) has been set at the minimum legal level along with some other Parish Councils, and that this has been so since 1974. The National Association of Local Councils has for some time advocated that the minimum membership for Parish Councils should be seven, but to date there has been no change in the law. The Council has previously decided not to broaden the scope of any review to include all Parish Councils operating at the minimum level and that each area must be considered on its own merits. There is nothing to suggest that this stance should change.

b) Operating at the legal minimum membership need not be an issue 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 Community Governance Reviews are undertaken, they can be concluded to take effect in time for the next ordinary elections in May 2027.

3.13 Any such reviews, which would be at cost to the District Council, would involve publicity and local consultation and report back to the Council prior to a final decision. 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. For a Parish of such a small size as Little Braxted the implications of any growth would be miniscule and therefore not a factor.

4.   CONCLUSION

4.1   It is concluded that there is merit in undertaking individual Community Governance Reviews in those cases which are clearly defined and ready to proceed, namely the boundary revisions in Maldon and Heybridge and the increased memberships for Little Braxted and North Fambridge. As a consequence, the previously held view that there is considered to be no requirement for a District-wide review to be undertaken still holds good.

5.   IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025-2028

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 priority of supporting communities in the Council's Corporate Plan.

6.   IMPLICATIONS

(i)   **Impact on Customers** – 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)   **Impact on Equalities** – Not applicable (n/a).

(ii)   **Impact on Risk (including fraud implications)** – n/a.

(iii)   **Impact on Resources (financial)** – Costs associated with consultations/publicity, order-making and publication of notices etc will fall to the District Council.

(iv)   **Impact on Resources (human)** – Officer time to process the Review procedures.

(v)   **Impact on Devolution / Local Government Re-organisation** – None.

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive.

Legend:
- Addresses - In Use or Unoccupied
- Addresses - Under Construction
- Maldon Parish Boundaries

Maldon District Council - Maldon West/Woodham Mortimer/Hazeleigh

MALDON DISTRICT COUNCIL

Original size: A3
Publication Date: 21 May 2025

Map Produced In ArcPro by: Paulm

N

Scale 1:5,000

0   0.04   0.09   0.14   0.18
Kilometers
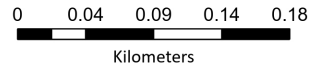
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Maldon District Council makes every effort to ensure GIS information in these maps is accurate to the data of publication.

Path: D:\MapRequests\ParishBoundaryProposedChangesMaps\ArcPro_ParishBoundaryProposedChangesMaps.aprx

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Legend

- Addresses - In Use or Unoccupied
- Addresses - Under Construction
- Maldon Parish Boundaries

Langford CP

Great Totham CP

Heybridge Wood

Heybridge CP

Grapnell's Farm

Heybridge

Heybridge Primary School

Langford Road

Barbrook Avenue

Bluebell Avenue

Fieldfare Way

Swifts Boulevard

Broad Street Green Road

B1022

Wood Road

Heywood Way

Wood Lane

Maldon District Council - Heybridge West/Great Totham

Original size: A3
Publication Date: 21 May 2025

Map Produced In ArcPro by: Paulm

N

Scale **1:5,000**

0   0.04   0.09   0.14   0.18
Kilometers

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Maldon District Council makes every effort
to ensure GIS information in these maps
is accurate to the data of publication.

MALDON
DISTRICT COUNCIL

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REPORT of
CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

HEADLINE RESULTS AND ACTION PLAN OF THE STAFF SURVEY

1.   PURPOSE OF THE REPORT

1.1   To update Committee Members on the recent staff survey results and receive Committee feedback on the associated action plan that has been produced by the Management team.

2.   RECOMMENDATIONS

(i)   That the Committee review and comment on the staff survey results and associated action plan activities listed in section 3.7 below;

(ii)   That Members confirm through this, they are assured the staff survey response is being managed effectively.

3.   SUMMARY OF KEY ISSUES

3.1   The annual staff survey ran from 18 November 2024 to 3 January 2025.

3.2   Response rate to the survey decrease slightly to 58% of staff responding (-8%). All comments and feedback are treated anonymously to encourage openness in responses, and results are also produced for the Leadership team at a Directorate and Assistant Director level to also see local trends.

3.3   Overall, 78% of questions asked had a satisfaction level less than the targeted 75%, this is an increase of 21% when compared to 2023 *(5 saw a positive increase, 18 saw a decrease, 9 remained level, 5 were new)*.

3.4   Key changes in comparison to the 2023 survey:

- Two questions saw a back-to-back decrease; 'Feeling able to speak openly' and 'receiving useful and constructive feedback'.

- Less people agreed that Maldon District Council is changing for the better (-21%).

- There was a continued improvement in perception of staff having to work over the contracted hours, although more staff felt excess pressure in their role which was the first increase since 2020.

- There was a strong sense of satisfaction that staff are supported by colleagues however it did see a decline in comparison to previous years (-6%), along with receiving regular 121s (-5%) and receiving useful and constructive feedback (-7%).

- Overall, there was a reduction in satisfaction that the council demonstrates a genuine concern for staff wellbeing (-11%).

3.5 Top five responses to questions asked:

Most Positive	Most Neutral	Most Negative
I see where my work adds value/makes a difference to my customer (90%)	What is your present view of member culture (53%)	I often have to work over my contracted hours to get my work done (35%)
I have a strong commitment to improve the processes and find smarter ways of doing things (87%)	I feel like Maldon District Council (MDC) is changing for the better (51%)	I constantly experience excess pressure in my role and find my workload excessive (28%)
I am happy with the range of corporate communications the Council provides (81%)	There is a clear vision for the future of MDC (41%)	I have sufficient resource to carry out my job (28%)
I have regular catch ups and one to one`s with my line manager (80%)	I am satisfied with the employee benefits I receive (39%)	I am offered sufficient career development within MDC (28%)
I feel supported by my colleagues (79%)	I feel supporting by the leadership team (31%)	I feel as if the council values me and my work and achievements (24%)

3.6 Top five response themes from free text questions asked:

What do you want to contribute to the council going forward?	Are there any frustrations or challenges you can see going forward?	Is there anything not covered in the survey, that you wish to leave feedback/comment on?
Continue improving processes and assets	Teams not adequately resourced	Promote benefits of flexible / hybrid working brings
Continue to be a valued member of staff	Not an effective structure	Build an effective structure.
Delivering good quality services	Lack of career/role progression	Received a positive experience working for MDC
Improved relationships with public & businesses	Management of members exception & requests	Promote a better in office working environment
Continued personal development	Promote to roles from within	Transparency about strategic direction & evidence supporting decisions.

3.7 The Leadership team reviewed the full results February 2025 and held a workshop to look at potential actions to address the learning gained. This action plan is a live list which will be updated and monitored quarterly through the Balance scorecard. The actions are as follows:

Ref	Learning	Action
1	In 7 of the 37 questions, over 75% satisfaction was achieved. Additionally, there were many comments that showed commitment to our customers, to delivery and to improving things.	Look at ways to celebrate more our dedicated staff that we do have, and the achievements we have been are able to deliver.
2	11% less staff agreed the Council recognises speaking openly and being	HR and Communication team will establish a staff networking group that

Ref	Learning	Action
	transparent about the workplace and any issues provides an opportunity for improvement.	is supportive and welcoming, for employees to come together, to create change in the workplace, led by the staff for the staff.
3	There was a 21% reduction in agreement that MDC is changing for the better	We acknowledge that the survey happened when the leadership structure has just changed, and this may have had an impact. This year, we will conclude the Have Your Say, Local Government Association (LGA) review and keep staff informed.
4	37% reported feeling excess pressure in their role, and additionally there were a significant group of comments 'Teams not adequately resourced' which also showed staff feel we don't recruit to vacancies fast enough to support teams.	Create a recruitment and onboarding project team to look at existing recruitment practices, taking into consideration ways to be more efficient, benchmarking data from other councils and our own Key Performance Indicators (KPIs). This will include management review of vacant posts within the structure. As part of the recently agreed budget with Members in February, we have approval for additional resource and will look to fill these over the coming months.
5	There were many comments that staff did not feel the structure was right.	We will conclude the Have Your Say, LGA review and keep staff informed.
6	There were many comments that staff did feel there was clear career/ role progression.	This financial year a new Workforce Development Strategy will be produced to identify how we will enable our staff to achieve and succeed when delivering services to the community. SMART objectives and training discussions will continue to take place individually for staff to identify and discuss requirements.
7	There was a cluster of comments around 'managing member expectations and requests' which linked to the pressure that some staff were feeling.	Assistant Directors will be included in the group leaders meeting to ensure a consistent approach for members and officers around compliance. We will run a 'working with elected member' session for staff to promote our processes and protocols.
8	Some comments mentioned IT not fit for purpose	A lot of work has been identified in the Technology Strategy and technology roadmap, but we acknowledge that these improvements can often take time.

Ref	Learning	Action
		For more awareness of the work we are doing, we will promote the Technology Strategy.
9	There is a difference in satisfaction across areas of the organisation.	Data has been made available to our Assistant Directors who will be reviewing the areas where their teams are less satisfied and looking to improve this as part of their service planning.

4. CONCLUSION

4.1 The staff survey headline results are provided for members assurance that staff feedback in being taken seriously, acted upon, and plans are developed to bring about improvement.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 This work underpins the performance and efficiency of the work on the corporate plan.

6. IMPLICATIONS

(i) **Impact on Customers** – Identifies specific links between the staff and how the role interacts with customers.

(ii) **Impact on Equalities** – None.

(iii) **Impact on Risk (including Fraud implications)** – Supports mitigating corporate risk around staff retention.

(iv) **Impact on Resources (financial)** – None.

(v) **Impact on Resources (human)** – The response to staff survey demonstrates how we understand and react to staff concerns.

Background Papers: None.

Enquiries to: Cheryl Hughes, Assistant Director - Programmes, Performance and Governance.

REPORT of
CHIEF EXECEUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
5 JUNE 2025

UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

1.   PURPOSE OF THE REPORT

1.1   To update Members on the closure of the UK Shared and Rural England Prosperity Funds for the allocation period 2022 to 2025.

1.2   To update Members on the progress of the UK Shared and Rural England Prosperity Funds for the allocation period 25 / 26.

2.   RECOMMENDATIONS

(i)   That the Committee acknowledges the closure of the UK Shared and Rural England Prosperity Funds for the allocation period 2022 to 2025 and its successes;

(ii)   That the Committee acknowledges the update provided on Maldon District's UK Shared and Rural England Prosperity fund allocations for 25 / 26 and continues to monitor the delivery.

3.   SUMMARY OF KEY ISSUES

3.1   **UK Shared and Rural England Prosperity Funds allocation period 2022 to 2025**

3.1.1   **APPENDIX 1** of this report sets out the projects completed with the Maldon District's allocation of £1,000,000 for the UK Shared Prosperity Fund (UKSPF) over the three-year period.

3.1.2   All projects were completed on time and within budget. A £669 underspend was reported to the Ministry of Housing, Communities and Local Government (MHCLG) which the Council has not claimed as part of its final return.

3.1.3   **APPENDIX 2** of this report details the grants issued to organisations and the purpose of the funding under Maldon District's allocation of the Rural England Prosperity Fund (REPF). There was no underspend with this allocation.

3.1.4   The Council successfully submitted its final return to MHCLG, who has confirmed there are no outstanding queries, and the is submission accepted.

3.2 **UK Shared and Rural England Prosperity Funds allocation period 25 / 26**

3.2.1 In the Autumn Budget 2024, the Chancellor confirmed the continuation of UKSPF for a further year, which will allow local authorities to invest in local growth, in advance of wider funding reforms.

3.2.2 A report was brought to the Strategy and Resources Committee on 23 January 2025, which granted delegated authority to the Corporate Leadership Team to identify projects for delivery in consultation with the Leader of the Council and Chairperson of Strategy and Resources Committee, under UKSPF.

3.2.3 That report also recommended to the Council 100% match funding of the UKSPF 2025 / 26 allocation be provided from the Council's Reserves. This recommendation was approved by the Council on 13 February 2025, meaning there is a total delivery fund of £654,292.

3.2.4 At the Council meeting on 3 April, Members approved the proposed projects to be delivered detailed presented in the report. An update on these projects is contained within **APPENDIX 3**.

3.2.5 At the same meeting, an Addendum paper was presented outlining Maldon District's allocation for REPF 25 / 26. Members granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of Strategy and Resources Committee, and Ward Members, to identify projects for delivery.

3.2.6 Following project identification and engagement with the aforementioned Ward Members, **APPENDIX 3** of this report details the projects for delivery.

3.2.7 As required by MHCLG, the Council submitted its forecast spend, outputs and outcomes for 25 / 26. MHCLG has confirmed that there are no outstanding queries, and the submission is accepted.

3.3 Officers across the authority will continue delivery of the projects over the funding period, submitting the required MHCLG returns as required. Further progress updates shall be brought to the Performance, Governance and Audit Committee throughout the municipal year.

4.   CONCLUSION

4.1 UKSPF and REPF continues to present a significant opportunity for the District to support, through direct investment, in our economy, businesses and communities.

5.   IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 28

5.1 **Supporting our communities**

5.1.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:

- Healthy, Safe and Inclusive Communities

5.2   **Investing in our district**

5.2.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:

- Thriving places

5.3   **Growing our economy**

5.3.1 The UKSPF and REPF investment priority of Supporting Local Business directly supports this through the theme of:

- Supporting local business

5.4   **Protecting our environment**

5.4.1 Projects delivered under UKSPF will aim to directly support the authority's Climate Action Strategy and Climate Action Plan.

6.   IMPLICATIONS

(i)   **Impact on Customers** – Any project delivered will be designed to benefit residents / businesses and ensure there is significant customer benefit from its outputs.

(ii)   **Impact on Equalities** – Projects will be delivered in accordance with the Public Sector Equality Duty.

(iii)   **Impact on Risk (including Fraud implications)** – Delivery will be reported through the Council's Project Management Office monthly, which records and reports risk. A separate Fraud Risk Assessment, issued by MHCLG, is maintained. The Council faces increased reputation risk if it fails to deliver to the expectations of stakeholders.

(iv)   **Impact on Resources (financial)** – The authority has agreement to use 6% of its revenue allocation to support the management and administration of the UKSPF programme. However, with the cost of doing business and supply chain pressures still being significant, it will be prudent to regularly assess projects to ensure viability and value for money. The Council has already committed to match 100% fund the UKSPF allocation and replenish REPF in 26 / 27 from its own Reserves.

(v)   **Impact on Resources (human)** – The coordination work for UKSPF work will be undertaken by the Lead Specialist Prosperity. Project delivery will need to be well supported by resources drawn from the wider organisation. Project Managers have been identified and are required to report through the Project Management Office monthly.

(vi)   **Impact on Devolution / Local Government Reorganisation** – None, the funding is not affected by changes from Devolution and Local Government Reorganisation.

Background Papers:
APPENDIX 1 - UKSPF 2022 – 2025 Delivery
APPENDIX 2 - REPF Grant Recipients
APPENDIX 3 - UKSPF REPF 25 / 26
UK Shared Prosperity Fund 2025-26: Technical note - GOV.UK
Rural England Prosperity Fund: prospectus updates for 2025 to 2026 - GOV.UK
UKSPF 2025-26 allocations - GOV.UK
Rural England Prosperity Fund: Allocations 2025 to 2026

Enquiries to: Leanda Cable, Lead Specialist Prosperity.

Appendix 1: UK Shared Prosperity Fund (UKSPF) Delivery

UKSPF Funding Year	Project Name	Project Outcomes	Total Project Spend
Year 1	Maldon Market	Trial support to revitalise Maldon Market.	£26,808.00
Year 1	Supporting Local Business engagement programme	Business engagement programme delivered by Let's Do Marketing Group. Key Performance Indicators (KPIs) met as per 23/24 and 24/25 Corporate KPI reporting.	£29,850.00
Year 1-2	Men's Shed relocation	New unit build and relocation of Men's Shed site to Drapers Farm.	£168,325.00
Year 1-3	Mid Essex Alliance collaboration work / projects	Delivery of Thriving Places Grant Index scheme and associated data access and interpretation. Total of five projects funded, reaching 113 additional residents compared to pre-support.	£81,416.00
Year 2	Beat The Street	District-wide competitive active travel game. 5,225 residents taking part.	£12,000.00
Year 2-3	North Essex Economic Board (NEEB) collaborative business support	Collaborative business support procurement. 61 businesses receiving non-financial support. 2 businesses created, 2 jobs created, 7 businesses adopting new technologies/processes.	£76,104.00
Year 2-3	Mobile Community Supermarket	Contribution towards establishing the districts mobile community supermarket. Has supported to 141 different households to purchase over 4,300 items, saving them on average 30% on food purchases.	£32,188.00
Year 3	Lower High Street Improvements (Central Area Master Plan (CAMP) Project 2)	Design and scope of improvement to high street, including reaffixing items to highway correctly, zebra crossing upgrades, rationalisation of street wayfinding.	£66,633.00
Year 3	Burnham On Crouch Pontoon	Replacement public pontoon at Burnham-on-Crouch quay.	£134,997.00
Year 3	Accessible play site at Riverside Park	New accessible play site at Riverside Park.	£120,000.00
Year 3	Accessible play site at Promenade Park	New accessible play site at Promenade Park.	£110,000.00
Year 3	Promenade Park Management Plan	Development of Promenade Park Management Plan.	£25,025.00
Year 3	Holiday Activity and Food (HAF) programme capacity funding	Support for HAF organisations to thrive outside of the Essex ActivAte offer and build their capacity. 11% (53) additional children attending sessions.	£4,000.00
Year 3	Youth Engagement	Delivery of three engagement performances held at two secondary schools, reaching approx. 515 pupils. Funding also provided to facilitate Local Development Plan youth engagement cohort.	£9,000.00
Year 3	People and Skills Delivery	Delivery of Maldon Career and Skills Support programme by Essex County Council Adult Community Learning. 39 enquiries received, 7 completions.	£8,624.00

UKSPF Funding Year	Project Name	Project Outcomes	Total Project Spend
Year 3	Parks and Open Spaces Seating	11 new benches and 29 new accessible picnic tables for our parks and open spaces.	£34,361.00
Year 1-3	Management and Administration	Management and administration of the UKSPF and REPF programme as per 6% allowance.	£60,000.00
		Total Spend	**£999,331.00**
		Total Allocation	**£1,000,000.00**
		Underspend	**£669.00**

Appendix 2: Rural England Prosperity Fund (REPF) Grant Recipients

Grant Recipient	Project	Value of grant	REPF Theme
Joyces Farm Trading	Creation of self storage containers and hardstanding for safe, secure affordable storage solutions for local residents/businesses	£10,000.00	Supporting Rural Business
IDC Greenscapes Ltd	Purchase of new mower and topper	£12,935.70	Supporting Rural Business
Temprd	Purchase of equipment to facilitate expansion of business	£36,160.00	Supporting Rural Business
Othona Community	Replacement canvases for camping yurts	£12,000.00	Supporting Rural Business
Hollands Wine	Procure winemaking equipment to increase capacity, including the production of sparkling wines on-site and the scale up of still wine	£49,642.40	Supporting Rural Business
Beacon Hill Yacht and Caravan Storage	Improve the environment of the site and enhance the visitor experience	£22,864.80	Supporting Rural Business
Clayhill Vineyard	Purchase of equipment to mechanise working practices and assist environmental sustainability	£7,750.00	Supporting Rural Business
D4G Consultancy Limited	Conversion of derelict building into modern work spaces	£19,322.65	Supporting Rural Business
Datum Attitude Brewing	Purchase of advanced packing equipment	£35,360.00	Supporting Rural Business
Howie and Sons	Provision of meeting room and upgraded toilets to business farmyard	£18,709.02	Supporting Rural Business
Honeywood Farm	Investment in solar panel and battery storage purchase	£38,000.00	Supporting Rural Business
Black Pig Catering	Creation of open kitchen, installation of pergola and contribution towards food trailer	£42,322.00	Supporting Rural Business
Taiping Toy Schnauzers	Infrastructure items to support the expansion of the existing business.	£16,995.72	Supporting Rural Business
Wine-Net	Set up a mobile office facility as well as a stand-alone secure unit for the storage of stock.	£17,324.51	Supporting Rural Business
Burnham Heritage Wharf	Phase 1 restoration of wharves and jetties	£6,000.00	Supporting Rural Communities

Grant Recipient	Project	Value of grant	REPF Theme
Maldon and District Community Voluntary Service (CVS)	Small panel van to facilitate the delivery of; community hubs, public living room, community gaming initiative, crisis response and as a community asset for the CVS	£9,000.00	Supporting Rural Communities
Maldon Archaeological and Historical Group	Update to aging equipment to attract new people in gaining experience of archaeological and research approaches.	£6,100.00	Supporting Rural Communities
Friends of St George's Church, Heybridge Basin	Roof repairs and construction of footpath and patio area	£19,805.96	Supporting Rural Communities
Dawn Barge Sailing Trust	Capital items to fit out barge with generator, batteries, lighting and stove	£20,000.00	Supporting Rural Communities
St Peters Studio and Community Radio Limited	Purchase of studio and outside broadcast equipment	£6,835.24	Supporting Rural Communities
Combat Academy for Sport Limited	Refurbishment of Southminster MUGA (Multi Use Games Area)	£23,200.00	Supporting Rural Communities
Total		**£430,328.00**	

UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) 25/26 Project for Delivery

Project number	Project	Est budget	Funding Source	Project update
1	Ufest 2025	£4,000.00	UKSPF	UFest internal working have been meeting regularly to plan the day. Engagement with stakeholders, stall holders and performers on-going. Date set for Friday 15 August.
2	Saltmarsh Fest 2025	£10,000.00	UKSPF	2025 festival dates confirmed as 26 September to 5 October 2025. Planning meeting held in May.
3	Increase tourism budget	£12,000.00	UKSPF	Increase to the tourism core budget to support the delivery of campaigns which contribute towards the Growing our Economy priority and the delivery of Key Performance Indicators (KPIs) connected to tourism. This additional funding will allow for higher profile campaigns to be produced, in addition to the team's business as usual work.
4	Culture and Heritage Strategy	£25,000.00	UKSPF	Request for quotation prepared, and pending circulation, to commissions consultants to deliver the work. On-boarding expected in June.
5	North Essex Economic Board Business Support	£26,675.00	UKSPF	Braintree District Council, in collaboration with partners authorities, have developed a Tender to commission a revitalised business support programme for 25 / 26.
6	One Maldon District Partnership - Thriving Places Grant scheme	£60,000.00	UKSPF	A review of the previous scheme will be carried out, and revised where required. Expectation of this being made available in Q2.
7	Victory in Europe (VE) Day Event	£3,000.00	UKSPF	COMPLETED Event delivered, with 450 tickets issued. Engagement via channels as per below: 244 socials (54.22%) 65 posters on site (14.44%) 59 website (13.11%) 44 other (9.77%) 20 event leaflet (4.44%) 18 Newspaper (4%)
8	99 Wood Road Community Supermarket Location	£20,000.00	UKSPF	Required work is being scoped and will be commissioned accordingly.
9	Management and Administration	£16,004.00	UKSPF	Part of the funding has been utilised to increase the Tourism and Marketing Officer's hours to full time. This allows for supporting the delivery of Projects 2, 3 and 4. The remainder will be utilised to implement the required branding for both UKSPF and REPF.

Project number	Project	Est budget	Funding Source	Project update
10	Community Grants Scheme	£200,000.00	Maldon District Council 25/26 - 26/27	A scheme will be devised to support the Council's Corporate Plan priorities by providing grant funding to organisations not elsewhere available. This will be administered by and open grant call for organisations to submit bids that align with the priorities of the Council and meet the eligibility criteria. Expectation of this being made available in Q2.
11	Community Grants Officer post	£61,335.00	UKSPF 25/26 Maldon District Council 26/27	Recruitment to this post is underway with interviews having taken place in May. This role will support the delivery of Projects 6 and 10, in additional to the health and wellbeing grants the Council manages annually.
12	Continued development of 'Secret Garden' at Promenade Park	£105,000.00	UKSPF	Public engagement and initial project scoping carried out.
13	Delivery of cultural event activities within the district	£25,000.00	UKSPF and Maldon District Council	Three events proposed across the District to be delivered in 25 / 26 covering, inclusive culture, a seasonal event and music. These events will also provide engagement opportunities for the delivery of Project 4.
REPF1	Project being scoped - *Continued development of 'Secret Garden' at Promenade Park*	£93,000	REPF	Public engagement and initial project scoping carried out. Subject to Member engagement.
REPF2	Project being scoped – *utilities at Promenade Park*	£18,039	REPF	Subject to Member engagement.
REPF3	Temporary concession infrastructure Riverside Park	£18,038	REPF	Improvements to the access and pathway (allowing for safe vehicular movements) & base for a temporary concession to stand. If budget allows fixed seating will be included as part of the development.
Project total	**£568,014.00**			
Contingency	**£86,278.00**			
TOTAL	**£654,292.00**			