Unrestricted Document Pack

MALDON DISTRICT COUNCIL

Princes Road
Maldon
Essex CM9 5DL

www.maldon.gov.uk

04 November 2026

APOLOGIES: Committee Services
Email: Committee.clerk@maldon.gov.uk

CHIEF EXECUTIVE
Doug Wilkinson

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on **THURSDAY 12 NOVEMBER 2026** 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 M G Neall
COUNCILLORS	D O Bown S Dodsley J Driver J C Hughes R G Pratt R H Siddall U G C 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 12 NOVEMBER 2026

1. **Chairperson's Notices**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 5 - 12)

   To confirm the Minutes of the Performance, Governance and Audit Committee held on 17 September 2026 (copy enclosed).

4. **Matters Arising** (Pages 13 - 16)

   To note the matters arising from the last meeting of the Committee (copy enclosed).

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. **Reports from the External Auditor** (Pages 17 - 20)

   To consider the report of the Director of Finance (copy enclosed).

   a) Year End Audit Progress Report for the Performance, Governance and Audit Committee (Pages 21 - 56)

   b) Interim Auditor's Annual report for Maldon District Council - Year Ended 31 March 2026 (Pages 57 - 72)

   c) External Audit Plan and Strategy for the Year Ending 31 March 2026 (Pages 73 - 102)

8. **Internal Audit Reports** (Pages 103 - 104)

To consider the report of the Director of Finance (copy enclosed).

a) Progress Report - November 2026 (Pages 105 - 112)

b) Follow Up of Recommendations Report (Pages 113 - 124)

c) Car Parking Final Report - October 2026 (Pages 125 - 146)

d) Standards - Essential Conditions (November 2026) (Pages 147 - 156)

9. **Final UK Shared and Rural England Prosperity Funds** (Pages 157 - 162)

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

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

NOTICES

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

Fire
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.

Closed-Circuit Televisions (CCTV)
Meetings held in the Council Chamber are being monitored and recorded by CCTV.

Lift
Please be aware, there is not currently lift access to the Council Chamber.

This page is intentionally left blank

MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

PRESENT

Chairperson	Councillor W Stamp, CC
Vice-Chairperson	Councillor M G Neall
Councillors	S Dodsley, J C Hughes, R G Pratt, N D Spenceley and M E Thompson
Independent Person	Mr Derek Smith

1. CHAIRPERSON'S NOTICES

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

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D O Bown, R H Siddall and U G C Siddall-Norman.

3. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 16 July 2026 be approved and confirmed.

4. MATTERS ARISING

The Chairperson took Members through the matters arising from the last meeting and provided the following updates which were duly noted.

- In respect of the installation of a green roof in Burnham-on-Crouch, the Chairperson requested an update on when the Environmental and Sustainability Working Group would consider the matter so that the Committee could receive a further update.
- Officers were thanked for making changes to the report layout to include a summary dashboard. The Chairperson advised that this matter could now be closed.
- The Chairperson confirmed that the briefing note from the Director of Finance had been circulated and that, therefore, this matter could be closed.
- In respect of the remaining three matters arising, which related to the new IT and microphone system in the Council Chamber, the use of Member

nameplates and the Accounts Payable Final report, the Chairperson requested that these matters remain on the matters arising list.

5. DISCLOSURE OF INTEREST

There were none.

6. PUBLIC PARTICIPATION

No requests had been received.

7. EXTERNAL AUDIT: BUILDING BACK ASSURANCE

The Committee considered the report of the Director of Finance presenting a report from KPMG (External Auditors), attached at Appendix 1 to the report, which set out the approach being taken to return Maldon District Council (MDC) to receiving an unmodified opinion.

The Director of Finance presented KPMG's proposed approach to rebuilding audit assurance at the Council. It was explained that external audit opinions could be disclaimed, qualified or unmodified, and that the Council had received disclaimed opinions in recent years. The Government and the audit sector were working to address the national backlog and support councils in returning to unmodified audit opinions.

In presenting their report, Ms Larcombe from KPMG advised Members that the Council had received a 'B' rating following the Ministry of Housing, Communities and Local Government capacity assessment. KPMG expected the 2025/26 accounts to receive a qualified opinion and the 2026/27 accounts to receive an unmodified opinion. The work would require the Council to reconcile its balance sheet positions from 31 March 2021 to 31 March 2027 and demonstrate compliance with accounting requirements. Additional costs were estimated at between £98,000 and £110,000, although potential government funding had not yet been confirmed.

In response to a comment regarding the recommendations, which sought Members to note the report, the Director of Finance and Ms Larcombe commented on the importance of the Committee receiving these updates. This was reiterated by the Chairperson, who felt that it would not have been appropriate for the Committee to receive the information via email.

A question was raised regarding the fees detailed in Appendix 1 and in response the Director of Finance provided further explanation. Ms Larcombe advised that she expected the range of fees to be lower than those quoted and explained that the Council would not bear the cost of all of these as it had received additional grant funding to cover some of them.

The Chairperson then referred to the recommendations (i) to (iii) as set out in the report and proposed that the Committee receive, consider, and accept the recommendations. This was duly seconded and agreed.

The Chairperson thanked Ms Larcombe for attending the meeting.

RESOLVED that the Committee received, considered, and accepted the following:

(i) the outcomes of the risk assessment for MDC undertaken by KPMG (a 'B' rating in the range A-D);

(ii) the impact of that in terms of the timetable for returning to an unmodified audit opinion by November 2027;

(iii) the indicative fee arising.

8. CORPORATE PERFORMANCE QUARTER 1

The Committee considered the report of the Chief Executive which set out how the Corporate Performance Framework required the Committee to undertake a quarterly review of the Thematic Strategies' performance, as assurance that performance was being managed effectively to achieve the corporate priorities as set out in the Council's Corporate Plan 2025 - 2028. Appendix 1 to the report provided an overview of the Corporate Plan as at the end of Quarter One (Q1) (April - June 2026).

The Committee noted that, as detailed in Appendix 1 attached to the report, all performance measures had been reported as on track, demonstrating good corporate performance during Quarter 1.

The Head of Performance, Improvement and LGR drew Members' attention to the annual review that had been undertaken in line with previous years to ensure effective performance monitoring. Any associated changes had been implemented as part of the Quarter 1 performance cycle and were detailed in the Appendix. It was noted that all priorities and indicators were on track.

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

RESOLVED

(i) That the Committee received, considered and reviewed the information as set out in the report and Appendix 1 to the report with focus given to the Strategic Priority level performance.

(ii) That the Committee confirmed that it was assured through this review that corporate performance was being managed effectively.

9. REVIEW OF CORPORATE RISK QUARTER 1

The Committee considered the report of the Chief Executive which set out the requirement for the Council to undertake a quarterly review of the Corporate Risk Register as assurance that corporate risks were being managed effectively. A table of the Corporate Risk Register latest ratings and Officer commentary was attached as Appendix 1 to the report.

The Head of Performance, Improvement and LGR presented the report and drew Members' attention to the following risk changes which were highlighted in the report:

- Risk 10 – Inadequate staffing structure and resource for resilience was proposed to be reduced due to the delivery of the transforming together phase

2 programme and Essex County Council providing recruitment support to fill vacancies.

- Risk 17 – Failure to provide adequate building safety and access systems – Officers recommended that this risk be closed following successful installation and operation of the new security system.

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

RESOLVED

(i) That the Committee reviewed and provided comments and feedback on the Corporate Risk Register as set out in Appendix 1 to the report;

(ii) That the Committee reviewed and provided comments and feedback on progress of the Corporate Risk Mitigating actions in Appendix 2 to the report;

(iii) That the Committee was assured through this review that corporate risk was being managed effectively;

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

10. ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

Committee considered the report of the Chief Executive updating Members on the actions identified in the Annual Governance Statement (AGS).

The Head of Performance, Improvement and LGR presented the report which provided a progress update against key actions defined in the AGS along with Officer comments for Members' consideration. Members' attention was drawn to the table at paragraph 3.4 of the report, which provided an update on how the Council's governance arrangements were progressing.

With permission of the Chairperson, Mr Smith, Independent Person, acknowledged the work undertaken by the Council but reiterated concerns about the risks associated with Local Government Reorganisation (LGR) and the public sector's ability to manage large-scale transformational change successfully. He highlighted concerns regarding the financial implications and disruption arising from the process, the impact on corporate risk management, and the changing narrative around anticipated savings. Speaking as both the Independent Person and a resident, he expressed concerns about leadership and governance arrangements and the potential costs and upheaval associated with the reorganisation proposals.

It was clarified that the leaflet referred to by Mr Smith had been sent by Essex County Council and not Maldon District Council.

In response the Chairperson advised that she had every confidence that the Chief Executive was having meetings regarding LGR and how communications from the Council would be addressed. She commented that it was still early days with a lot of misinformation being published, that information would be shared with Members once it was received and the risk register was to be updated.

The Director of Finance explained that the £300 million savings figure related to Essex County Council's preferred three-unitary model and noted that, while financial

considerations would form part of the Secretary of State's review, decisions on local government reorganisation would also need to reflect the interests of local residents. He advised that the reorganisation would likely be treated as a post-balance-sheet event rather than an adjusting event and did not currently expect any impact on the most recent accounts.

In response to questions about abortive costs, the Director stated that work undertaken by officers, including reviews of digital infrastructure, property, contracts and staffing, represented valuable activity that supported good governance and ensured the Council remained up to date and well managed, regardless of the outcome of local government reorganisation.

The Chairperson noted that, despite uncertainty around local government reorganisation and the potential for challenges, the Council had continued to manage risks and operate as normal. She highlighted that organisational changes had strengthened the Council and confirmed that LGR-related costs were being monitored and would be reported in due course.

The Chairperson moved the recommendation set out in the report which was duly agreed.

RESOLVED that the Committee had reviewed and commented on the Annual Governance Statement's table and updates set out in the report.

Councillor N D Spenceley left the meeting at this point.

11. HEALTH AND SAFETY UPDATE - QUARTER ONE 2026 / 27

The Committee considered the report of the Director of Neighbourhood Services and Communities providing an update on Health and Safety statistics and activity during Quarter One (Q1) 1 April to 31 June 2026.

The report provided details of accidents and incidents, near misses, hazard and incidents of unacceptable behaviour, including a serious matter that was reported to the Police. Members were advised that work had progressed on emergency procedures, unacceptable behaviour reporting, training, risk assessments, lone working arrangements, inspections and actions arising from the Health and Safety Audit. Fire risk assessments had been completed, the revised Health and Safety Policy had been approved subject to minor amendments, and systems had been introduced to monitor training and departmental activity. Priorities for the following quarter included continuing the Audit Action Plan, reviewing policies and risk assessments, delivering required training and considering the effects of the organisational restructure on responsibilities and resources.

The Corporate Health and Safety Manager presented the report, and advised that the reference to six in paragraph 3.1.2 should have been four.

The Director of Finance highlighted that an update to the departmental defined performance data set out in the report was now available (as at 17 September) and provided some detail of where there were changes. He advised that an updated table would be circulated to the Committee outside of the meeting.

In response to questions raised during the debate, the following information was provided by Officers:

- Confirmation was given that clarification would be sought from the Principle Assets Manager to ensure that the transition between Legionella contractors was seamless. The Chairperson requested that Officers provide an update to Councillor R G Pratt regarding concerns raised over areas of the building not being used and whether these would cause a possible increase in Legionella risk. The Health and Safety Manager advised that the new contractor would be carrying out a full assessment of the Council's system.
- The Head of Assets, Countryside and Coast had spoken to the Council's asbestos contractor and a further update on this would be requested. Members were reassured that if required, a reassessment of an area would take place.

The Chairperson put the recommendations to the Committee, and these were duly agreed.

RESOLVED

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

(ii) That Members considered the progress of key health and safety themes, as per Section 3.2 of the report.

Councillor N D Spenceley rejoined the meeting during this item of business.

12. LEISURE CONTRACT UPDATE

The Committee considered the report of the Director of Strategy and Improvement providing Members with an update on the performance and delivery of the Leisure Management Contract, which commenced in March 2025.

The Head of Health Integration and Wellbeing presented the report which provided an update on the Leisure Management Contract, which had commenced in March 2025 and included a £5.8 million investment in the Council's leisure estate. Members were advised that refreshed monitoring arrangements were being introduced following the appointment of an Active Living and Leisure Officer; refurbishment works remained on time and within budget, with the first two phases completed and the remaining phases scheduled for completion in Quarter Three. Membership levels were broadly in line with forecasts, while the social outreach programme had gained momentum, recording 71 referrals from 17 clinical and non-clinical organisations. It was also confirmed that there were no financial issues, the fixed management fee reduced the Council's exposure to risk, and the contract was performing in accordance with its financial projections.

Appendix 1 to the report provided further information on the success of the formal exercise referral schemes. The finance model for the contract was attached at Appendix 2.

The Chairperson requested the following updates:

- that details of membership numbers across the leisure centres be provided to the Committee in future reports. This was noted by Officers.

- That, where tables containing figures were included in reports, consideration be given to their presentation, particularly in relation to text size and the readability of figures.

The Chairperson advised that she had previously raised a query regarding Disabled Athletics training for the Olympics and whether they could be offered a reduced or concessionary subscription rate due to their training commitments. Officers were asked to follow up this enquiry and advise the Chairperson accordingly. Members were advised that military veterans, along with other specific groups, were eligible to receive discounts at Leisure Centres in the District.

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

RESOLVED

(i) That Members noted the progress of the Leisure Management Contract, including the on-schedule refurbishment programme, stable membership performance, and the positive development of the social outreach programme;

(ii) That Members noted that financial performance was being delivered as set out in the contract. This included the fixed management fee which was monitored monthly at operational contract meetings and reported quarterly via the Leisure Contract Partnership Board.

13. UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

The Committee considered the report of the Director of Strategy and Improvement updating Members on the progress of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

The Director presented the report which reminded Members that the UK Shared Prosperity Fund (UKSPF) had been extended for 2025/26, enabling continued investment in local growth. The Council had approved match funding from reserves and the delivery of projects under the UKSPF and Rural England Prosperity Fund (REPF), providing a combined budget of £783,369. The Ministry of Housing, Communities and Local Government had accepted the Council's forecast expenditure, outputs and outcomes.

It was reported that £753,093.19, representing 96.14% of the available funding, had been spent, leaving £30,276.81. The deadline for eligible expenditure had been extended to 30 September 2026, although projects were expected to be completed by the original deadline where possible. Officers would continue delivering the remaining projects, would submit the final return by 2 November 2026 and would present a final report to the Committee on 12 November 2026. The Council had submitted its forecast spend, outputs and outcomes for 2025 / 26 to the Ministry of Housing, Communities and Local Government (MHCLG) who had confirmed acceptance of the submission. It was noted that of the £738,369 funding, £670,407.25 actual spend had been incurred and Appendix 1 to the report provided a progress update on the individual projects.

The Chairperson moved the recommendation set out the report. This was duly seconded and agreed.

RESOLVED that the Committee acknowledged the update provided on Maldon District Council's UK Shared and Rural England Prosperity fund allocations for 25 / 26 and noted that delivery of the programme would continue to be noted.

There being no other items of business the Chairperson closed the meeting at 8.30 pm.

W STAMP, CC
CHAIRPERSON

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
16-Jul-26	160	Matters Arising	Regarding the action relating to installation of a green roof in Burnham-on-Crouch, the Chairperson requested that the matter be referred to the Environmental and Sustainability Working Group, particularly the suggestion to explore options other than a green roof to attract wildlife, such as planting an area of buddleia plants within Riverside Park	Director of Neighbourhood Services and Communities	The Environmental and Sustainability Working Group (the Working Group) will be asked to consider this matter and explore a range of options to enhance biodiversity and attract wildlife within Riverside Park, including but not limited to the planting of buddleia and other wildlife-friendly species. Any proposals arising from this work will be considered through the appropriate governance processes. 17 September 2026: The Chairperson requested an update on when the Working Group would consider the matter. **September 2026:** This matter has been added to the agenda for the Working Group meeting scheduled on 25 January - an update after this meeting will be sent to the Chairperson.
16-Jul-26	163	Internal Audit Reports - IT Governance Final Report (April 2026)	The Chief Executive advised that Officers were progressing a procurement process for a new IT system within the Council Chamber which included microphones and that further information would be provided to Members when available.	~~Chief Executive~~ / Director of Strategy and Improvement	Options have been presented to the Senior Leadership Team with accompanying demonstrations of the equipment being used by other Councils. The preferred option, based on functionality, cost, and improvements, has been shared with the Leader and Chairman of the Council and a briefing scheduled with the Process Improvement Champions Working Group (Councillors N D Spenceley and M E Thompson) on 3 September 2026. Replacement commenced over the summer period, including improvements made to the décor, and full completion is due week commencing 5 October 2026. 17 September 2026: The Chairperson requested that this remained on the matters arising list. **22 October 2026:** Implementation of new Chamber equipment is now completed and operational. It is recommended that this action be closed.

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
16-Jul-26	163	Internal Audit Reports - IT Governance Final Report (April 2026)	It was queried why the Council had stopped using Member nameplates. In response, the Chairperson requested that these be reinstated and made available at each meeting for Members to collect upon entering the chamber.	Committee Services / Facilities Team	Actioned. **17 September 2026:** The Chairperson requested that this remained on the matters arising list. It is recommended that this action be closed as new technology in Chamber complete.
16-Jul-26	163	Internal Audit Reports - Accounts Payable Final Report (June 2026)	In response to a question, the Director of Finance advised that target implementation date for the recommendation highlighted in the Internal Audit report was 31 October 2026. He agreed to provide feedback to Members on progress made against the recommendation and would take forward Members' comments regarding the need to undertake regular checks to identify duplicate accounts and ensure that no payments were being in error.	Director of Finance	Work to review the supplier master file and identify records that are inactive, duplicate or obsolete is ongoing. The target date for full completion remains 31 October 2026 due to the volume of data to work through. Supplier details on each weekly payment run continue to be verified and checked to ensure the correct accounts are being used for payments. **17 September 2026:** The Chairperson requested that this remained on the matters arising list.
17-Sep-26		Matters Arising	In respect of the installation of a green roof at Burnham-on-Crouch, the Chairperson requested an update on when the Environmental and Sustainability Working Group would consider the matter so that the Committee could receive a further update	Director of Neighbourhood Services and Communities	The Environmental and Sustainability Working Group (the Working Group) will be asked to consider this matter and explore a range of options to enhance biodiversity and attract wildlife within Riverside Park, including but not limited to the planting of buddleia and other wildlife-friendly species. Any proposals arising from this work will be considered through the appropriate governance processes. 17 September 2026: The Chairperson requested an update on when the Working Group would consider the matter. **September 2026:** This matter has been added to the agenda for the Working Group meeting scheduled on 25 January. It is recommended that this action be

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
					closed as ownership sits with The Environmental and Sustainability Working Group now.
17-Sep-26		Health and Safety Update - Quarter One 2026 / 27	The Director of Finance highlighted that an update to the departmental defined performance data set out in the report was now available (as at 17 September) and provided some detail of where there were changes. He advised that an updated table would be circulated to the Committee outside of the meeting.	Director of Finance	
17-Sep-26		Health and Safety Update - Quarter One 2026 / 27	Confirmation was given that clarification would be sought from the Principal Assets Manager to ensure that the transition between Legionella contractors was seamless. The Chairperson requested that Officers provide an update to Councillor R G Pratt regarding concerns raised over areas of the building not being used and whether these would cause a possible increase in Legionella risk. The Health and Safety Manager advised that the new contractor would be carrying out a full assessment of the Council's system.	Corporate Health and Safety Manager / Director of Neighbourhood Services and Communities	**26 October 2026** - The new contractor is now in place, and they have commenced surveys and inspections at the offices and elsewhere with the intention of completing updated risk assessments. At the Council offices the contractor has installed a telemetry monitoring system for checking water temperatures remotely. This will be trialled, along with another site, before a decision will be made on more widespread use. At the main offices, Facilities Officers continue to carry out flushing of low-use water outlets as they did with the previous contractor. Facilities Officers will be updated on any changes that are required in their maintenance regimes as a result of the updated risk assessments, once they are completed.
17-Sep-26		Health and Safety Update - Quarter One 2026 / 27	The Head of Assets, Countryside and Coast had spoken to the Council's asbestos contractor and a further update on this would be requested. Members were reassured that if required, a reassessment of an area would take place.	Corporate Health and Safety Manager / Director of Neighbourhood Services and Communities / Head of Assets, Countryside and Coast	**26 October 2026** - Post the incident, the asbestos survey report was amended and re-issued by the contractor. The report was reviewed internally and considered fit for purpose; however, a decision was taken to strengthen the management of contractors and staff who may be involved with maintenance and/or refurbishment tasks and to implement a more robust system for periodic inspection.

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
17-Sep-26		Leisure Contract Update	The Chairperson requested that details of membership numbers across the leisure centres be provided to the Committee in future reports.	Director of Strategy and Improvement / Head of Health Integration and Wellbeing	**22 October 2026** - Request noted and these figures will be included in future reports.
17-Sep-26		Leisure Contract Update	The Chairperson requested that, where tables containing figures were included in reports, consideration be given to their presentation, particularly in relation to text size and the readability of figures.	Director of Strategy and Improvement / Head of Health Integration and Wellbeing	**22 October 2026** - Request noted and these figures will be included in future reports.
17-Sep-26		Leisure Contract Update	The Chairperson advised that she had previously raised a query regarding Disabled Athletics training for the Olympics and whether they could be offered a reduced or concessionary subscription rate due to their training commitments. Officers were asked to follow up this enquiry and advise the Chairperson accordingly.	Director of Strategy and Improvement / Head of Health Integration and Wellbeing	**22 October 2026** - Officers have confirmed the individual would be provided with a free year's membership to support their selection for the Invictus Games, this offer is awaiting acceptance.

REPORT of
DIRECTOR OF FINANCE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 NOVEMBER 2026

REPORTS FROM THE EXTERNAL AUDITOR

1. PURPOSE OF THE REPORT

1.1 The latest reports from the External Auditor (KPMG) provide an update on the audit review of the year ended 31 March 2026. The updates include three reports.

2. RECOMMENDATIONS

That the Committee:

(i) considers the initial findings of the Year End Audit Progress Report – at 7a;

(ii) discusses the initial findings of the Interim Auditor's Annual Report – at 7b;

(iii) accepts the final version of the External Audit Plan and Strategy for the year ending 31 March 2026 – at 7c.

3. SUMMARY OF KEY ISSUES

3.1 The Committee received the draft Annual Audit Plan for the year ended 31 March 2026 at a previous meeting. That Plan is now being followed, and a number of initial reports have been received from the External Auditor.

3.2 The Council has now received an initial draft of the Audit Progress Report (the ISA-260) setting out the audit findings to date as well as a draft of the Annual Audit Report. A final version of the audit plan has also been received. These three reports are the subject of this agenda item.

3.3 Overall, the results of the external audit review are a fundamental aspect of assurance for Councillors and residents of the effectiveness of governance and financial record keeping at the Council. These reports, while still interim, present a strong set of results and have not (to date) identified substantive areas of concern.

3.4 **Year End Audit Progress Report (7a)**

3.4.1 This is a detailed report focused on the report of the External Auditor to the Committee. The key points contained in the Year End Audit Progress Report are summarised below.

page	Finding	Maldon District Council (MDC) comment
4 (also 6-11)	Main audit risks: - Valuation of land and buildings assets - Management override of controls - Pension fund valuation	 Valuation of land and buildings is being reviewed. Details (e.g. of internal areas) are held, but there are no records of the previous property surveys that those records are based upon. The Council is updating those measurements. This work is ongoing and is a standard area of audit review. To date no substantive issues have been identified. The share of the Essex Local Government Pensions Scheme (LGPS) relating to MDC is invested in a range of products and managed by the Essex LGPS under separate governance. KPMG are obliged to request an up-to-date valuation of the investments held. The previous values date to April 2026 and are being updated to September 2026.
4 (also 26)	A number of presentational issues identified	These will be amended to create the final version of the accounts.
4 (also 27-31)	Control deficiencies – one identified	This is a good result and demonstrates ongoing improvement. The finding relates to the review by MDC finance staff of the actuarial valuation of the pensions fund (assets and liabilities) and documentation of this review.
15	Value for Money (VFM) conclusion (“no significant weaknesses”)	This is assessed against three domains, being Financial sustainability, Governance, and Improvement of VFM. The auditor has not found any issues to report against these domains,
20	Rebuilding assurance	A summary of the steps KPMG are intending to take in this regard.
22	Audit fees	These are reported as - £163k scale fee (standard charge based on authority size, type, and complexity) - £36k build-back risk assessment fee (for the work planning for rebuilding assurance) - To be confirmed (TBC): rebuilding assurance – actual work in line with the plan and risk assessment; fee variations in respect of assessing the LGPS triennial valuation and any delays in the audit process.

3.5 **Interim Auditor's Annual Report (7b)**

3.5.1 This report covers similar ground to the progress report (above) but once finalised it will be a public-facing document. The key points are summarised below.

page	Finding	MDC comment
4	Summary of all audit findings - Statements conclusion - VFM conclusion (p7) - Whole of Government Accounts (WGA) review	The conclusion on the statements is not yet determined as the audit review is not yet complete. However, we are expecting a 'qualified' opinion for the year 2025/26 based on feedback so far. This is an improvement on the previous 'disclaimed' opinions received for prior years. VFM shows (p7) no significant weaknesses identified. WGA – not yet concluded.
7	VFM conclusion	A good result – no significant weaknesses identified in the audit review of the Council's arrangements for securing economy, efficiency and effectiveness.

3.6 **External Audit Plan and Strategy for the Year Ending March 2026 (7c)**

3.6.1 This report provides the final version of the audit plan previously reported to the Committee.

4. CONCLUSION

4.1 The audit review of the accounts for the year 2025/26 is progressing well. To date, no substantive issues have been raised by the auditor which are of concern. Where issues have been raised, they have been accepted by the Council finance team and will be corrected.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 **Supporting our communities**

5.1.1 Proper accounting ensures transparency over how taxpayer money is applied to local priorities in a way comparable with other councils. Proper accounting also supports the process of allocating resources to operational areas and activities. Securing Value for Money in this area, as judged by an independent external expert, is an important part of providing wider assurance.

5.2 **Investing in our District**

5.2.1 The taxpayer funds received by the council are all used, directly or indirectly, to invest in the district.

5.3 **Growing our economy**

5.3.1 Some taxpayer funds are applied to the objective of growing the local economy.

5.4 **Protecting our environment**

5.4.1 Some taxpayer funds are applied to the objective of protecting the local environment.

5.5 **Delivering good quality services**

5.5.1 Proper accounting is vital to ensuring effective budgeting for council services.

6. IMPLICATIONS

(i) **Impact on Customers** – None directly.

(ii) **Impact on Equalities** – None directly.

(iii) **Impact on Risk (including Fraud implications)** – Proper accounting, with assurance of that provided by independent external experts, provides greater confidence in the ability of the council to plan for and manage risks including the risk of fraud.

(iv) **Impact on Resources (financial)** – None directly.

(v) **Impact on Resources (human)** – The audit process is time-consuming and requires a substantial commitment from the finance team.

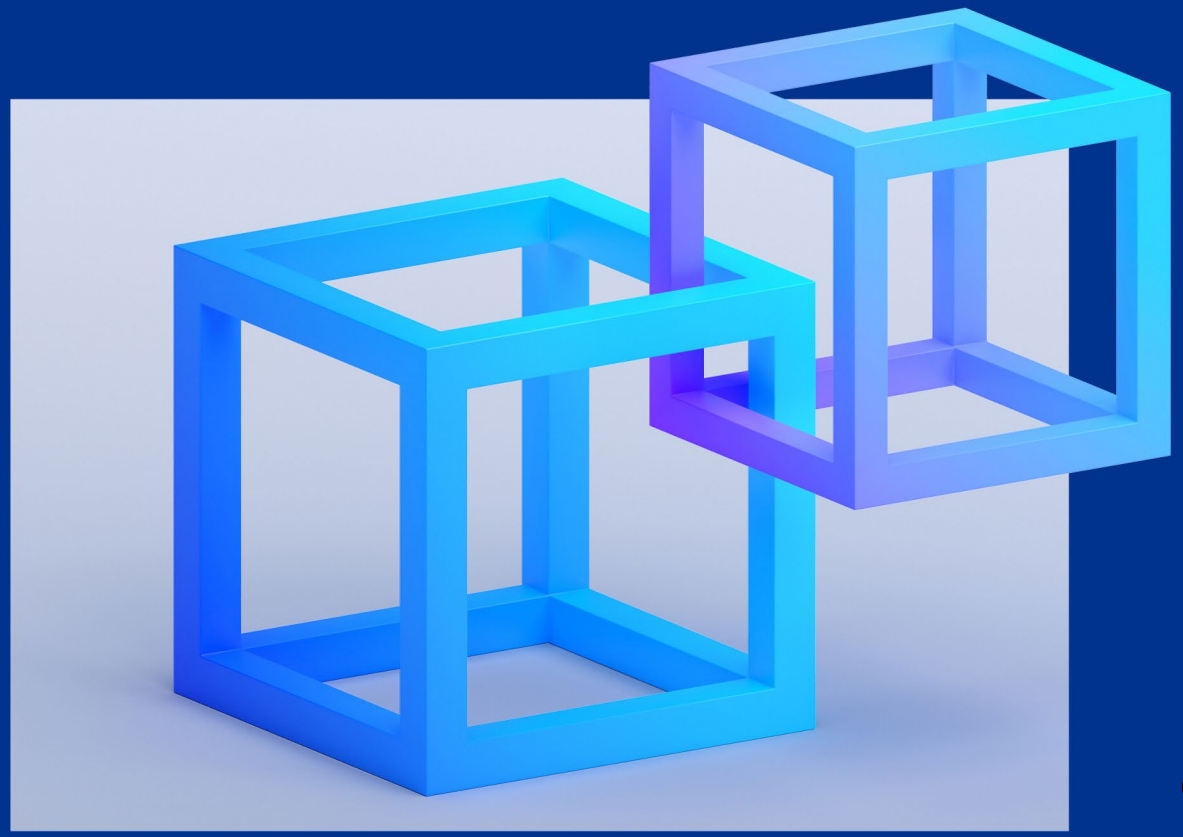
(vi) **Impact on Devolution / Local Government Reorganisation (LGR)** – Proper accounting is vital to support effective planned for LGR.

Background Papers: None.

Enquiries to: Ben Jay, Director of Finance.

KPMG

Maldon District Council



Year End Audit ProgressReport to the Performance, Governance and Audit Committee

Year end report for the year ended 31 March 2026

12 November 2026

Introduction

To the Performance, Governance and Audit Committee of Maldon District Council

We are pleased to have the opportunity to meet with you 12 November to discuss the status of our audit of the financial statements of Maldon District Council (the '**Council**') as at and for the year ended 31 March 2026.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented in June 2026. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high- quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Emma Larcombe (Emma.Larcombe@KPMG.co.uk) the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.culter@kpmg.co.uk). . After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process here: Complaints.

The engagement team

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the financial statements and auditor's representation letter before 31 January 2027, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan and strategy.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,

Emma Larcombe
Key audit partner

Contents **Page**

Introduction	2
Important notice	3
Our audit findings	4
Significant risks	5
Audit risks and our audit approach	6
Key accounting estimates and management judgements– Overview	12
Other matters	13
Value of money	14
Appendix	19

Important notice

This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Maldon District Council (the 'Council') prepared in accordance with [International Financial Reporting Standards ('IFRSs') /*other accounting framework such as FRS 102*], as at and for the year ended 31 March 2026.

This Report has been prepared for the Council's Performance. Governance and Audit Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication in April 2026.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Council's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 7 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Council that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

DRAFT

Our audit findings

Significant audit risks		Page 6-11
Significant audit risks	**Risk change**	**Our findings**
Valuation of land and buildings inc. Investment properties	No Change	Our work on valuation testing is in progress. We will provide a verbal update to the committee on progress.
Management override of controls	No Change	Our work on valuation testing is in progress. We will provide a verbal update to the committee on progress.
Valuation of post retirement benefit obligations	No Change	The pension valuation was considered reasonable, with actuarial assumptions broadly balanced and no evidence of management bias; however, the management review control over key assumptions was assessed as ineffective due to insufficient precision and documentation. We identified one corrected and uncorrected misstatement. Refer to page 25 and 26 for more details.

Misstatements in respect of Disclosures	Page 26
Misstatement in respect of Disclosures	**Our findings**
Pension Disclosure	We identified the presentational errors related to inflation assumption, Virgin media case, new triennial valuation and pension surplus restriction. Management have confirmed these will be corrected in the final version of accounts.
Remuneration of Senior staff	We found one rounding error in presentation of one senior member salary presentation in Note 23: Remuneration of Senior staff. This will be corrected in the final version of accounts.
Contingent liability	We identified that amount of contingent liability should be nil but was recorded as £35.6k. This will be corrected in the final version of accounts.

Uncorrected Audit Misstatements		Page 25
Understatement/ (overstatement)	**['£000]**	**%**
Income	-	-
Surplus/(deficit) for the Year	-	-
Total assets	406	0.6%
Total reserves	406	0.7%
Disclosure Note		

Number of Control deficiencies	Page 27-31
Significant control deficiencies	0
Other control deficiencies	1
Prior year control deficiencies remediated	0

Outstanding matters

At the time of drafting this report, we have completed our work on non-significant areas of testing i.e. income, expense, Cash and Cash equivalents, disclosures testing. Our work is on-going in relation to:

- Valuation testing- KPMG are waiting for the receipt of evidence requested in relation to floor areas and the response to queries
- Journals testing- KPMG is in the process of screening the journals listing to further select the samples for testing
- IFRS 16 leases- KPMG are waiting for the evidence requested for leases modified/updated in CY
- Minimum revenue provision- KPMG are waiting for the responses from management on queries sent in relation to the MRP calculation
- Finalising in year sample testing on Debtors and Creditors
- Completing the KPMG assessment of Going Concern
- Draft Management representation letter
- Draft annual report to KPMG
- Finalise audit report and sign

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Significant risks and Other audit risks

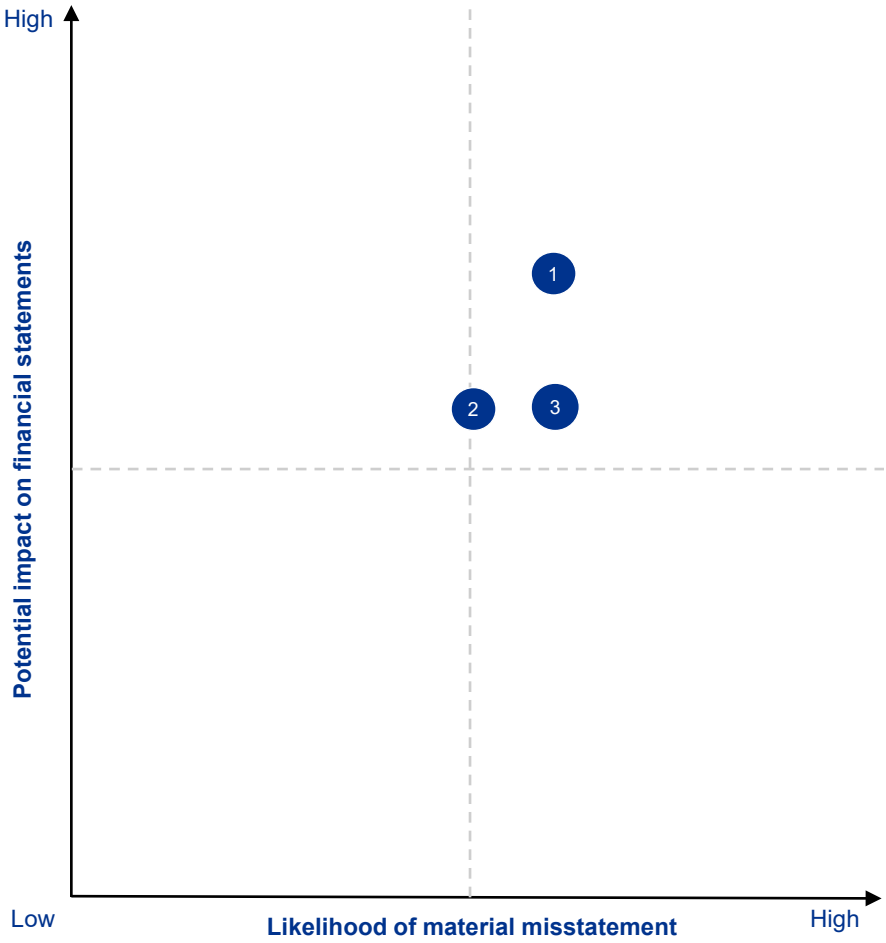
We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which Maldon District Council operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

See the following slides for the cross-referenced risks identified on this slide.

Significant risks	
1.	Valuation of land and buildings inc. Investment properties
2.	Valuation of post retirement benefit obligation
3.	Management override of controls [a]



Value for money

We were required to provide commentary on the arrangements in place for ensuring Value for Money was achieved at the Council and to report on this via our Auditor's Annual Report.

This will be provided in advance of the 30 November deadline for the body to publish on their website.

We outlined the results of our risk assessment procedures on page 15.

Key:

- Significant financial statement audit risks
- Key audit matter and significant financial statement audit risk
- Key audit matter
- Increasing or decreasing risk compared with planning
- Other audit risk
- New [key audit matter]/ [significant audit risk]/[other audit risk]

[a] A significant risk that auditing standards require us to assess on all audit engagements. Not always included in the graph except where we have also identified an entity-specific risk of management override of controls

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

1 Valuation of land and buildings including investment properties

The carrying amount of revalued Land & Buildings differs materially from the fair value

Cautious — Neutral — Optimistic

Significant audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.

The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle and indexation in the intervening years.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value as the indexation applied is not appropriate.

A further risk is presented for those assets that are revalued in year as valuations are inherently judgmental and there is a risk of error that the assumptions are not appropriate or correctly applied.

Our response

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of VoA, the valuers used in developing the valuation of the Council's properties at 31 March 2026;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement;
- We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised for properties valued on EUV and MR basis; and
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Key:
Prior year | Current year

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

1 Valuation of land and buildings including investment properties

The carrying amount of revalued Land & Buildings differs materially from the fair value

Cautious — Neutral — Optimistic

Significant audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.

The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle and indexation in the intervening years.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value as the indexation applied is not appropriate.

A further risk is presented for those assets that are revalued in year as valuations are inherently judgmental and there is a risk of error that the assumptions are not appropriate or correctly applied.

Our findings

- From our work performed, we found the valuer to be independent, objective and have sufficient expertise to carry out the valuation. We have challenged the management expert assumptions, tested the data provided to the expert and performed independent calculation of the valuation on which the carrying value of building is based. Our work on assumption testing is in progress. We will provide an update in next committee meeting upon completion of our work.
- From our control testing, we have raised a control recommendation on the review of management on valuation assumptions. Refer to page 29 for more details.
- Our REVCoE valuation specialists have substantially completed their review of the valuation methodology of EUV and Market rent properties and key assumptions applied by the Council's valuer, including the relevant valuation bases. At the time of drafting this report, our work is in progress..
- At the time of drafting this report, our substantive testing on the asset valued on Depreciated residual valued method is in progress on data and assumptions. We are awaiting the evidence on floor area from management. We will provide an update to the committee on progress .
- Review of the PPE valuation disclosures, including the key judgements and estimation uncertainty associated with the valuation is in progress. At the time of drafting this report, no issues noted.

Key:
Prior year | Current year

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

2 Management override of controls[a]

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Our response

Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the below procedures to address our significant risk:

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes, compared to the prior year, to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the component's normal course of business or are otherwise unusual.
- In line with our audit plan, tested the design and implementation of controls over journal entries and post closing adjustments.
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- Identified journal entries and other adjustments with characteristics that indicate that they may be inappropriate or unauthorised and therefore may have been used to manipulate the financial statements (which we refer to as 'high-risk journals and other adjustments'), using KPMG Clara Journal Entry Analysis and perform procedures to test the appropriateness of these entries and adjustments.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Key:
Prior year Current year

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

2 Management override of controls[(a)]

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Our findings

- No issues noted related to significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
- Our work on journals screening high-risk criteria samples is in progress. We will provide an update on this to the Committee.
- In Current year, we identified a control weaknesses over journal uploads and Sage configuration which resulted in inaccurate journal dates and narratives being recorded, although transactions were recorded in the correct accounting period. We have raised the control recommendation related to this on page 27.
- We have raised a control finding in respect to journal review control detailed on page 28.
- We evaluated accounting estimates, including the consideration of assumptions and did not identify any indicators of management bias. See slide 12 for further discussion.
- Our procedures did not identify any significant unusual transactions .
- No issues were identified from related party testing. Although, we identified one control finding related to maintenance of register of interest. Refer to 31 for more details.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Key:
Prior year Current year

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

3 Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The actuary will take account of the results of the new Triennial Valuation as at 31 March 2025 for accounting at 31 March 2026. This means re-basing their estimate models to allow for actual experience since 2022, which could result in corrections to the defined benefit obligation and asset valuations this year. It also updates the contributions payable, which could have an impact on the assessment of the asset ceiling applying to the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme. Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

Key:
Prior year
Current year

Our response

We have performed the following procedures to address the significant risk:

- Understood the processes the Council has in place to set the assumptions used in the valuation;
- Evaluated the competency, objectivity of the actuaries and confirmed their qualifications and the basis for their calculations;
- Performed inquiries of the fund actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability
- Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Considered the adequacy of the Council's disclosures in light of the updated information and change of contributions following the completion of the funding valuation, and assess the sensitivity of the deficit or surplus to the assumptions made; and
- Assessed the impact of a new triennial valuation model and/or any special events, where applicable.
- In addition to the procedures outlined above that were specifically designed to address the significant risk, we also performed the following procedures to support our conclusion on post-retirement benefit obligations.
- Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Confirmed that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice; and
- We assessed the level of surplus that should be recognised by the entity under IFRIC 14. Refer next slide under "Our findings" section

KPMG
© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

3 Valuation of post retirement benefit obligations (Cont.)

An inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The actuary will take account of the results of the new Triennial Valuation as at 31 March 2025 for accounting at 31 March 2026. This means re-basing their estimate models to allow for actual experience since 2022, which could result in corrections to the defined benefit obligation and asset valuations this year. It also updates the contributions payable, which could have an impact on the assessment of the asset ceiling applying to the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme. Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

Key:
Prior year
Current year

Our findings

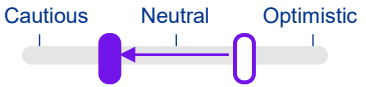
- We assessed the competency and objectivity of the Scheme actuaries and did not identify any reportable findings.
- We acknowledge that there is a review of key assumptions by management, but we do not place reliance on this control due to the lack of precision and documentation. Whilst this Management Review Control may be achieving the control objective set by management (we have not confirmed this), it does not meet the control requirements as defined by auditing standards and have therefore assessed the control to be ineffective.
- We have performed a reconciliation of the triennial funding valuation position as at 31 March 2025 to the corresponding IAS 19 figures as at 31 March 2026. Our checks are within acceptable tolerances.
- KPMG actuaries have performed inquiries of the Authority's actuaries and have reviewed the underlying assumptions behind the calculation of the estimate. We have concluded that the overall assumptions are balanced relative to our central rates, although we noted the CPI inflation rate to be optimistic against our centrally determined rates.
- During the year, the actuary revised the methodology for setting the inflation risk premium, reducing the Employer's CPI inflation assumption by 0.10% p.a. at 31 March 2026. The resulting estimated reduction in the Defined Benefit Obligation is £406k, exceeding our acceptable threshold. We assessed the rationale for the change, supporting actuarial evidence and the reasonableness of the revised assumption. No indicators of management bias were identified.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Key accounting estimates and management judgements– Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.



Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
Valuation of land and buildings including investment property	Cautious / Neutral / Optimistic	34.7	5.2	Needs improvement / Neutral / Best practice	Our work on valuation testing is in progress. We will provide an update on this upon completion of work.
Valuation of post retirement benefit	Cautious / Neutral / Optimistic	0.6	0.09	Needs improvement / Neutral / Best practice	We are satisfied with the independence, objectivity and expertise of the scheme actuary. We considered that the assumptions used in valuing the defined benefit obligation and concluded it to be balanced as compared to our central actuarial benchmarks. Individually all assumptions are balanced except CPI rate, which is considered as Optimistic but within reasonable range. This is mainly because proposed CPI rate is 0.14 basis points lower than the KPMG's central benchmark. We have raised one control deficiency regarding the review of actuarial assumptions. Refer to page 28 for more details. We identified one corrected and uncorrected misstatement. Refer to page 25 and 26 for more details.

Prior year Current year

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Other matters

Narrative report

We have read the contents of the Narrative Report and checked compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the Code'). Based on the work performed: We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.

- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Performance, Governance and Audit Committee members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

Annual Governance Statement

We have reviewed the Council's 2025/26 Annual Governance Statement and confirmed that:

It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and

- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

Due to the significance of the matters leading to our disclaimer of opinion, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information (Narrative Report and Annual Governance Statement).

Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

We are yet to receive instructions from NAO regarding WGA.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our scale fee for the 2025/26 audit, as set by PSAA is £163k plus VAT (£158k in 2024/25).

See page 22 for details and status of fee variations.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

01

Value for money

Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities, we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on your website alongside the publication of the annual report and accounts.

Response to risks of significant weaknesses in arrangements to secure value for money

As noted on the right, we have identified no risks of a significant weakness in the Council's arrangements to secure value for money.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

Further detail will be set out in our Auditor's Annual Report.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

DRAFT

Value for Money: Performance improvement observations

The performance improvement observations raised as a result of our work in respect of identified or potential significant value for money risks in the current year are as follows:

Priority rating for observations		
1 **Priority one:** Observations linked to issues where, if not rectified, these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2 **Priority two:** Observations linked to issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.	3 **Priority three:** Observations linked to issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	2	**Tender waiver process** From our inquiries with management, we identified that the Council does not have a formal process in place to review, monitor, or approve tender waivers. As a result, there is limited oversight of procurement exceptions, increasing the risk that waivers are applied inconsistently, are not subject to appropriate challenge, or do not provide sufficient assurance that value for money considerations have been appropriately assessed. The absence of a formal approval and monitoring framework may reduce transparency and weaken governance over procurement decisions. We recommend the Council should implement a formal tender waiver process that requires documented justification, appropriate approval by designated officers, periodic monitoring of waivers granted, and regular reporting to senior management and/or members to provide effective oversight and ensure compliance with procurement and value for money requirements.	**Awaiting for the response from Ben**

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Value for money Performance improvement observation– Prior Period

Below we have set out our findings from following up performance improvement observations raised in prior periods:

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
Value for Money				
2	2	**Further insights into Corporate Risk Register** Our review of the Corporate Risk Register and related reporting to the Performance, Governance and Audit Committee identified the following: • Risks are not assigned a target risk score, meaning that there is a potential lack of clarity about the desired level of risk mitigation. This can lead to risks not being managed effectively, with the potential for resources being deployed to resolve risks which are acceptable to the Council and therefore resources being misallocated. • The Corporate Risk Register is available on the internal SharePoint to all colleagues, but Council members are unable to access and review this and are presented with a high-level overview only. Not all actions and control points are presented in this overview, and only the final risk score is presented, which could impact decision making. We recommend the Authority sets target risk scores in line with its risk appetite to better align risk management with strategic objectives and to provide a clear framework for evaluating the success of risk management and that reporting of the Corporate Risk Register to the Performance, Governance and Audit Committee is included in sufficient detail for decision making.	Accepted	**In progress**
3	2	**Policy Management** Our review of key relevant policies in place at the Council identified: • Many policies which had not been updated or reviewed in a number of years. We would expect all policies to be subject to review every 3 years. • No evidence or audit trail to indicate what changes had been made to policies reported as having been recently reviewed or the date of this review • The policies in place did not consistently identify when they would next be subject to review. We recommend the Authority sets out a standardised template for it policies to ensure that the Council can evidenced they have been reviewed every 3-5 years, logs of changes made to the policies are maintained and the date of next review is evident on the document itself. Alongside this, a register should be maintained and regularly monitored to support the Council in knowing what policies are in existence, and they remain in date.	Accepted	**In progress** From our review of policy, we still identified number of policies which has not been updated and reviewed on timely basis

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

DRAFT

Value for money Recommendations and Control Deficiencies- – Prior Period

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
Value for Money				
4	2	**Savings plans** Our review of the savings plans and our service line enquiries for 2023-24 identified the following: • Savings plans were primarily from reduction in services and were not always linked to the delivery of the Corporate Plan. • Savings are RAG rated, but there is no formal criteria for what constitutes a Red, Amber or Green Rating, although it is noted that the impact on likelihood and deliverability is considered. • Budgets are not formally signed off by service lines We recommend that further areas for growth are reviewed and included in the savings plans, and that a formal criteria for rating savings is developed for review by the Finance Member Group . We also recommend that budgets are formally signed off by service lines to ensure alignment between financial plans and service delivery.	Processes in budget setting have been enhanced by a detailed MTFS review during 2024-25. Responsible officer- CFO	**In progress** The Council has broadened the range of savings measures and continues to formally assess proposals through deliverability and impact ratings. However, the savings schedule still contains several proposals based on staffing reductions, budget reductions and service changes, and the evidence provided does not clearly demonstrate how individual savings proposals support delivery of Corporate Plan objectives. The Council has continued to apply RAG ratings to savings proposals and has enhanced the presentation of savings by categorising deliverability and impact. However, the evidence reviewed does not demonstrate that formal documented criteria have been established for determining Red, Amber or Green ratings. Consequently, there remains a risk that ratings are applied inconsistently and are subject to management judgement. Budgets are not formally signed off by service line managers.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Appendix

Contents

	Page
Rebuilding assurance	20
Required Communications with the Audit Committee	21
Fees	22
Confirmation of Independence	23
Uncorrected audit misstatement	25
Corrected audit misstatement	26
Control Deficiencies	27
FRC's areas of focus	32
KPMG's Audit quality framework	35

DRAFT

Rebuilding assurance - update

The table below sets out the work we identified in our risk assessment for rebuilding assurance and the results / timetable

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Results or which audit year we plan to undertake the work
1	Revaluation of Land and Building	Council is planning to conduct the revaluation of 70-80% of asset portfolio and apply indexation on remaining assets.	At the time of drafting this report, our work on testing of asset valued in year by the valuer i.e. VoA and remaining indexation asset is in progress.
2	Accuracy of opening balance of provision, debtors and creditors	Sample testing of opening balances of provision, debtors and creditors carrying forward from disclaimed audit period which were not reversed in 2024/25	We are co-ordinating with management on obtained the listing of all opening debtors and creditors for sample testing. At the time of drafting this report, this is in progress.
3	Accuracy of Capital Grants Unapplied Accounts	Sample test the Capital Grants received during the disclaimed period and confirm the consistency of the use of the capital grants to finance Capital Expenditure.	As communicated with management, this will be completed in Nov/Dec
4	Accuracy of General Funds	Perform consistency test & perform required procedures on transfers to & from earmarked reserves.	As communicated with management, this will be completed in Nov/Dec
5	Accuracy of Unusable Reserves	Perform consistency test & perform required procedures on adjustments made to & from unusable reserves	As communicated with management, this will be completed in Nov/Dec

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

DRAFT

Required communications

Type	Response
Our draft management representation letter	We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2026.
Adjusted audit differences	There were the presentation misstatement on Pension and Senior member pay disclosure. See page 26 for more details.
Unadjusted audit differences	At the time of drafting this report, we identified one uncorrected misstatement i.e. the aggregated surplus impact of unadjusted audit differences would be £406k. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See page 25 for more details.
Related parties	There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	No actual or suspected fraud involving Council management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Type	Response
Significant difficulties	No significant difficulties were encountered during the audit.
Modifications to auditor's report	Our audit is in progress. We will provide an update on audit opinion in next committee.
Disagreements with management or scope limitations	The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	No matters to report. The engagement have complied with relevant ethical requirements regarding independence.
Accounting practices	Over the course of our audit, we have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	The significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete	We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will issue our certificate once we have received confirmation from the National Audit Office that all assurances required for their opinion on Whole of Government Accounts have been received.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Fees

Audit fee

Our fees for the year ending 31 March 2026 are set out in the PSAA Scale Fees communication and are shown below. We have also identified our fee variations below.

Entity	2025/26 (£'000)	2024/25(£'000)
Scale fee as set by PSAA	163	158
Fee variation approved by PSAA	-	18
Fee variations agreed with management but subject to PSAA approval: - Impact of the Local Government Triennal Valuation -Delays/quality issue in receiving the information related to journal transaction listing, PPE valuation, Leases, bank reconciliation etc.	*TBC	-
- Build back risk assessment** - Build back substantive fees - Disclaimer / modified opinion	36 *TBC *TBC	- - *6*
TOTAL	**199**	**182**

- **Work is in progress. Fee will be confirmed on the basis of work completed in year.*
- *** the Council has received additional grant funding from MHCLG in relation to this work*

Build Back substantive fees

We estimated the fees for the Build Back substantive phase were in a range of £40-60k as reported in our Rebuilding assurance update report.

Our work on Build Back substantive phase in 2025/26 is in progress. The fee variation for this will be confirmed upon completion of work. We will provide an update on this in next Committee.

Billing arrangements

Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Performance, Governance and Audit Committee members

Assessment of our objectivity and independence as auditor of Maldon District Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement and that the safeguards we have applied are appropriate and adequate.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non-audit services applicable.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0.0: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2025/26
	£'000
Scale fee	163
Other Assurance Services	-
Total Fees	**163**

Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Uncorrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Performance, Governance and Audit Committee with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Performance, Governance and Audit Committee, details of all adjustments greater than £33.2K are shown below:

Uncorrected audit misstatements (£'000s)				
No.	**Detail**	**SOCI Dr/(cr)**	**SOFP Dr/(cr)**	**Comments**
1	Dr Gross defined benefit asset		£406	As part of our audit procedures over pension scheme assets, we independently reconciled the asset value from the latest triennial valuation at 31 March 2025 to the IAS 19 asset value reported at 31 March 2026. Our calculation incorporated contributions, benefits paid, other asset movements and the actual return on assets received from Administrator. Our independently calculated expected closing asset value was £87,276k, compared with £86,870k reported in the IAS 19 valuation, resulting in a £406k difference. The difference falls outside our acceptable range , hence , therefore been raised as an uncorrected misstatement.
	Cr OCI - Re-measurement of net defined liability	£406		
Total		**£406**	**£406**	

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Performance, Governance and Audit Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

1. We identified some presentational errors in staff salary in senior officers pay, Pension disclosure and Contingent liability which will be corrected in the final version of the accounts. Refer to page 4 for more details.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations		
1 **Priority one:** issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2 **Priority two:** issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3 **Priority three:** issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	2	**Journal Entry Processing and Ledger Narrative Control** During our audit testing of year-end journals, we identified instances where creditor accrual journals processed through the bulk upload template contained an incorrect transaction date of 31 March 2025. We also noted a small number of journals displaying the generic narrative "Batch Total" rather than an appropriate description due to the associated journal code not being configured correctly within Sage. Whilst the journals contained incorrect dates and narratives, the transactions were posted to the correct accounting period and financial year and therefore did not result in a financial misstatement. The issue arose due to manual data entry within the bulk upload process and the absence of adequate checks over the configuration of new journal codes. Inaccurate journal dates and narratives reduce the transparency and auditability of financial records and may hinder the effective review and investigation of journal entries. Therefore, we recommend that the management should enhance controls over bulk journal uploads by formalising review procedures, strengthening governance over Sage code creation and amendments, and implementing periodic monitoring to ensure journal dates and narratives are accurate and complete.	**Management response:** **Officer responsible:** **Due date:** **Waiting for the response from Ben**

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Recommendations and Control Deficiencies- – Prior Period 2024/25

We have also follow up the recommendations from the previous years audit, in summary :

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
6	0	6

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
1	2	**Automated review of journal entries posted to GL** We noted that the standard journals process is that journals are reviewed by someone in a more senior position. There is a manual segregation of duties control operated before the journal is posted, However, there is no automatic segregation of duties enforced by the system and the system does not prevent the unapproved journals being posted. From our review of transactions listing we identified following classification issues which were posted in incorrect accounting codes: -Other fee and service charge income transaction listing we identified that there were two entries amounting £77k which were incorrectly posted under income which relates to expenditure accruals reversals. - In payroll expense listing- there was £102k salary cost which incorrectly coded to Other Service expenses. On the basis of above findings, it is noted that journals should be reviewed by senior team members so that these are posted to correct GL code.	**Management response:** To address this, the mapping exercise will be reviewed in detail to ensure correct classification between income and expenditure for the disclosure note. **Officer responsible:** Senior Technical Accountant **Due date:** FY25/26 Accounts closure	**In Progress** From our review of journals listing, we identified following classification issues which were posted in incorrect accounting codes: 1) There were mispostings dated 31st March 2025 in the income and expense transaction listing that actually relate to Fy 2025/26. 2) Several corrections were made to employee benefit expense code 0010. Previously, there was a variance of 107k for cost centre 750, as DFG salary was not treated as salary and was charged to code 134 4020 as recharge expenditure. 3) Code 0090 had a variance of 2,658, which was misposted to the code and subsequently amended to resolve the variance. On the basis of above findings, the control recommendation is still not resolved in 2025/26.
2	2	**Preparation and Review of bank reconciliation** From the review of bank reconciliations, we noted that the method used to prepare the reconciliation is not correct as it had carrying balances from March'24 and the reconciling items which were not cleared until March'25. Also, the amount per general ledger balances were taken incorrectly which resulted in bank reconciliation being incorrectly prepared. Therefore, we recommend management to review the method of reconciliation to be prepared and the reconciliation should be reviewed monthly by senior team members.	**Management response:** Bank reconciliations have always been completed on a monthly basis but we accept the need to make it clearer where the amounts come from. As a result, we are streamlining the overall process to make it easier to review. **Officer responsible:** Senior Technical Accountant **Due date:** November 2025	**In Progress** From our review of March'26 bank reconciliation, we noted the findings related to the method or preparing and review timelines is not resolved.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Recommendations and Control Deficiencies- – Prior Period 2024/25

The recommendations raised as a result of our work in the prior year are as follows:

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
3	2	**Management review of actuarial assumption** We inquired with the audited entity to understand the pension process. We understood that the Interim Lead Finance Specialist reviews the assumptions and methodologies used in the calculation of the IAS19 Report. This is based on their understanding of the pension scheme, the accounting standard and the business process and circumstances. The documentation is not formalised and may consist of email or corresponding and verbal confirmations. However, the audited entity was not able to provide the evidence of performing the control.	**Management response:** Historically, we have always reviewed the assumptions used but fully accept the point on having the review formally documented. **Officer responsible:** Lead Finance Specialist **Due date:** To be carried out for FY25/26 year end accounts closure.	**In Progress** From our review of control, we could not corroborate the detailed or enhanced documentation of review control.
4	2	**Management review of PPE valuation assumption** Management reviews the assumptions and methodologies used in the calculation of the valuation. This includes inputs to testing such as square foot data and consideration of specialist/non-specialist classification. This is based on their understanding of the assets, the accounting standard and the business process and circumstances. As part of our risk assessment procedures, we carried out a walkthrough to obtain an understanding of the valuation review process. Via this walkthrough, we identified that there is no criteria or threshold developed for investigation/identification of outliers for valuation assumptions. Furthermore, there was insufficient evidence available to demonstrate the review and challenge of these reports. Therefore, it does not allow for an objective criteria to perform their review on and therefore it is ineffective. Management see this process as an annual occurrence and although they do review the output of the valuation specialist, there is no evidence of the review. Thus, there is not sufficiently well-defined process in place for it to meet the criteria of an effective review control. However, the audited entity was not able to provide the evidence of performing the control.	**Management response:** Reviews of assumptions used have been carried out in the past but these tended to be light touch. There is a collective agreement that the control needs to be enhanced by having a formal, and documented control of checks and follow up queries. These will be implemented, ready for next year's accounts closure. **Officer responsible:** Lead Finance Specialist **Due date:** To be carried out for FY25/26 year end accounts closure.	**In Progress** From our review of control, we could not corroborate the detailed or enhanced documentation of review control.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Recommendations and Control Deficiencies- – Prior Period 2024/25

The recommendations raised as a result of our work in respect of significant value for money weaknesses in the current year are as follows

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
5	2	**Review of Minimum revenue provision (MRP) policy** From our review of FY 24/25 MRP policy, we noted that is not detailed enough with all the facts and circumstances of MRP requirements. We also noted that there is internal borrowings which is utilised for purchase of capital assets and council has plans to invest in Leisure Centre in FY 25/26 thus increasing internal borrowings. Therefore, the MRP policy needs revisiting to consider the above facts. Therefore, we recommend the Council to revisit their policy to make it more details inline with MRP Statutory guidance to include the above facts.	**Management response:** We accepts the recommendation and will review our policy for internal borrowings as there were no internal borrowings in past where MRP needs calculating. **Responsible officer:** Interim Lead Finance Specialist **Due date:** FY 2025/26	**In progress** At the time of drafting this report, our work on Minimum revenue provision is in progress.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Recommendations and Control Deficiencies– Prior Periods 2023/24

Although we are disclaiming our audit opinion we have reported recommendations as a result of our work in the prior year are as follows:

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of Oct'2026
Financial Statements				
6	2	**Maintenance of a related party register (2023/24)** Our risk assessment procedures indicated that the Council does not hold a register of related parties. This is not in line with good governance practices. Furthermore, it could lead to the council unknowingly transacting with a related party as well as potential incorrect disclosures in the financial statements. We recommend the Authority holds a uses the annual declaration of interests process to create a related party register that holds counterparties that meet the criteria for related parties under accounting standards and performs a review of transactions with these parties to ensure that transactions with related parties can be clearly identified.	The Council already maintains a list of members declaring interests during committee meetings. However, the Finance Team will look into enhancing the process by maintaining a register and carry out a check against company house for potential related parties. **Lead Finance Specialist, May 2025**	**In progress** **Awaiting for the evidence from Victoria if this can be resolved this year**

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG required communications for all entities

DRAFT

FRC's areas of focus

The FRC released their Annual Review of Corporate Reporting 2024/25 (the 'Review') in September 2025 which also incorporated the outcomes of two limited scope thematics (the 'thematics').

The Review and thematics identify where the FRC believes companies can improve their reporting. These slides give a high-level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.

Key expectations for 2025/26 annual reports

Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained however, there remains a quality gap between FTSE 350 and other companies.. The FRC continue to focus on proportionality and materiality in their work and fewer substantive queries and restatements have been identified in the current year.

For the 2025/26 reporting season, the reporting areas the FRC believe companies should focus on remain consistent with recent years, given stable reporting requirements and recurring themes.

The FRC's top three focus areas remain consistent with the previous period including 'Impairment of assets', 'Cash Flow Statements' and 'Financial Instruments'. The FRC also note that the lack of internal consistency within the annual report and accounts continues to be a key driver of queries.

Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. Fewer queries would also be raised if there were clear, company-specific accounting policies for these key accounting matters.

The reviewer should take a step back and consider whether the annual report tells a consistent and coherent story throughout the narrative reporting and financial statements.

Risks and uncertainties

Geopolitical and economic risks remain high and, in this context, the FRC continue to push for clear and consistent disclosures about judgements, risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

Narrative reporting

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented, particularly in relation to narrative reporting. Companies should focus on the requirement for a true and fair view, along with a fair, balanced, and comprehensive review of the company's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, however, they should ensure that they carefully comply with all applicable requirements, including climate-related reporting requirements.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG required communications for all entities

DRAFT

FRC's areas of focus (cont.)

Impairment of assets

Impairment remains a key topic for the FRC. There have been no restatements in the current year, but many disclosures have been identified as requiring improvement.

Disclosures should provide adequate information about key inputs and assumptions, and these should be consistent with events, operations and risks noted elsewhere in the annual report and accounts (the 'ARA'). These should be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and forecasts should not extend beyond five years without explanation.

Preparers should also ensure that goodwill is allocated to a monitored CGU or group of CGUs that is no larger than an operating segment.

Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements, and this was highlighted in the previous 'Offsetting in the financial statements' thematic. Further, materially dissimilar classes of cash flows (e.g. purchases of tangible vs. intangible assets) should be presented separately.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

Financial instruments

The number of queries on this topic remains high, with inappropriate application of offsetting requirements resulting in all identified restatements.

Companies are reminded that cash and overdraft balances should only be offset when they meet the qualifying criteria, including the intention to settle net or realise assets and liabilities simultaneously.

Companies should ensure sufficient explanation is provided of material financial instruments, including company-specific accounting policies.

Disclosures on risks should show the nature and extent of material risks, including credit risk, arising from financial instruments and the related risk management.

Expected credit loss provisions should explain the significant assumptions applied, including concentrations of risk where material.

Presentation

Companies should provide clear, company-specific material accounting policy information so users can understand unusual or complex transactions. Information on these transactions should be consistent with information elsewhere in the ARA.

Common restatement areas such as the classification of receivables as current or non-current, or the presentation of material financial asset impairment losses on the face of the income statement, should be identified by a thorough self-review.

Revenue

Questions raised in this area focussed on the clarity of the accounting policy and significant judgement disclosures.

For each material revenue stream, the accounting policy should cover the timing of revenue recognition, the basis for recognising revenue over time and the methodology. If the application of the accounting standards required significant judgement, this should also be disclosed.

Strategic report and Companies Act

The Strategic report must provide an unbiased discussion of all aspects of a company's development, position, performance and future prospects. In the case of a quoted company there should also be a clear description of it's strategy and business model.

Companies should ensure they comply with all the statutory requirements for making distributions.

Judgements and estimates

Disclosures over judgements and estimates are particularly important during periods of economic and geopolitical uncertainty. Disclosures should include sufficient, appropriate detail and be written in simple language. Sensitivities or ranges of possible outcomes should be provided to allow users to understand these judgement and estimates.

Areas of estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG required communications for all entities

DRAFT

FRC's areas of focus (cont.)

Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the ARA.

Where applicable, the effect of Pillar Two income taxes should be disclosed.

Consolidated financial statements

Disclosures of the factors affecting control judgements should be consistent with other disclosures in the ARA. The disclosure must meet the requirements of IFRS 10.

Climate

Compliance with Taskforce for Climate-related Financial Disclosures (TCFD) has improved. The FRC reviewed compliance with Companies Act 2006 Climate-related Financial Disclosures (UK-CFD) for the first time this period. As a result, companies are reminded that UK-CFD disclosures are mandatory and cannot be 'explained' or included in another document.

Disclosures should focus only on material climate-related information and should be concise and company specific. The impact of material climate factors should also be addressed within the financial statements.

Thematic reviews

The FRC has issued five thematic reviews this year. 'Climate-related Financial Disclosures by AIM and Large Private Companies' was issued in January 2025 and is considered further on slide [X]. The key findings of the other thematics are outlined below. The FRC expect to issue a further thematic on 'Reporting by the UK's smaller listed companies' before the end of 2025.

Supplier finance arrangement disclosures

The key recommendations from this limited-scope review are:

- Provide high quality disclosures on the use of supply-chain financing (SCF) proportionate to the risks faced.
- Explain how SCF impacts liabilities and cash flows disclosing any judgements if relevant.
- Describe how SCF impacts liquidity risk and how liquidity risk is managed.

Review of disclosures of a pension accounting surplus

Pension surplus disclosures may be of heightened interest if proposed changes to employer's access to surpluses go ahead.

This review identified divergent practice in whether to recognise an asset when pension scheme trustees have the right to enhance benefits or wind up the scheme without the company's consent. Companies should:

- Clearly describe the basis on which the surplus is recognised (or restricted) including the impact of any trustees power.
- Consider whether disclosures around the technical funding position would be helpful to users' understanding of the amounts recognised in the financial statements and future contributions.
- Describe the nature and scale of bulk annuity policies or insurance transactions and the accounting treatment applied.

Share-based payments

This thematic focussed on listed companies with significant share-based payment (SBP) arrangements. Companies are encouraged to:

- Clearly explain the valuation technique used and assumptions made, in determining the fair value of instruments granted.
- Disclose the accounting policy and judgements regarding the choice of settlement, including the implications of any cash-settlement.
- Provide material disclosures which are clear and concise, cross-referencing and aggregating to avoid duplication.
- Assess if excess tax deductions have been recognised directly in equity.
- Consider the effect of group arrangements on individual companies and distributable reserves.

Investment trusts, venture capital trusts and similar closed-ended entities

The accounting for these entities is typically straightforward, however this thematic asks these entities to:

- Explain valuation techniques and provide sufficient meaningful disclosures on unobservable inputs to level 3 measurements e.g. weighted averages when the range of inputs is wide.
- Disclose sensitivities for level 3 measurements, when required.
- Ensure that APMs are appropriately used, reconciled to the nearest GAAP measure or otherwise explained.
- Clearly explain the basis for significant judgements on whether the IFRS 10 investment entity definition is met.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

Commitment to continuous improvement

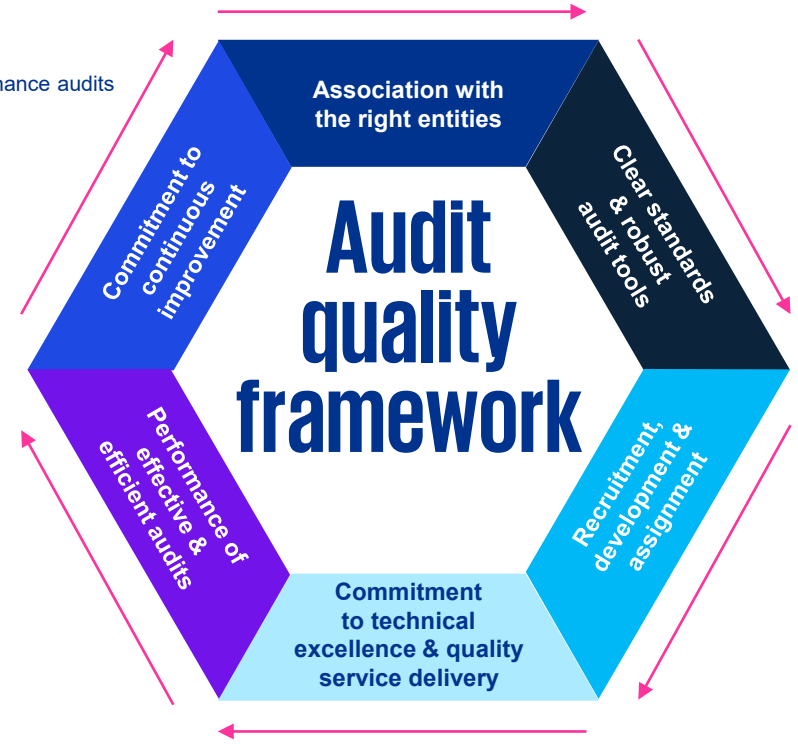
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

kpmg.com/uk

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document Classification: KPMG Confidential

Interim Auditor's Annual Report for Maldon District Council

Year-ended 31 March 2026

12 November 2026

Contents

DRAFT

Key Contacts

Emma Larcombe
Partner
Emma.Larcombe@KPMG.co.uk

Priya Saini
Manager
Priya.saini@KPMG.co.uk

		Page
01	**Executive Summary**	3
02	**Value for Money**	6
	a) Financial Sustainability	
	b) Governance	
	c) Improving economy, efficiency and effectiveness	

Our audit report will be made solely to the members of Maldon District Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Maldon District Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Maldon District Council and the members of Maldon District Council, as a body, for our audit work, for our auditor's report[s], for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Maldon District Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

01

Executive Summary

Executive Summary

DRAFT

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2025-26 audit of Maldon District Council (the 'Council'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and accounts. Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2025/26 ('the CIPFA Code').



Other information (such as the narrative report) - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council.



Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



Other powers - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Financial statements	The Code of Audit Practice requires us to issue the Auditor's Annual Report no later than 30 November of each year. In order for us to comply with this requirement, we have issued this Auditor's Annual Report prior to the completion of our work in relation to the financial statements and other information. Consequently, we have not reached our conclusions in respect of these areas
Value for money	Our work to assess the arrangements the Maldon District Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources is underway. Further details of our findings to date are set out on page 7.
Whole of Government Accounts	We are required to perform procedures and report to the National Audit Office in respect of the Council's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts.
Other powers	See overleaf. Note that, as we are still performing our procedures in relation to the financial statements, we may choose to exercise our other powers in relation to the 2025-26 audit in the future

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Executive Summary

DRAFT

There are several actions we can take as part of our wider powers under the Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

As at the date of this report, we have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

As at the date of this report, we have not applied to the courts.

Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however, should the Council provide us with a response, we will include it within this report.

As at the date of this report, we made no recommendations under Schedule 7 of the Act.

As at the date of this report, we have raised no significant recommendations related to Value for Money. We have raised performance improvement observations to Management.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

As at the date of this report, we have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations, we report these to management and the Performance, Governance and Audit Committee. The Council is not required to take any action to these; however it is good practice to do so and we have included any responses that the Council has given us.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

02

Value for Money

Value for Money

DRAFT

Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:

- **Financial sustainability**: How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Councils own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council's arrangements are operating effectively, or whether the Council has achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

Summary of findings

At the time of drafting this report, our work in relation to value for money is in progress. Below are the findings on the basis of work completed as of now:

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	8-10	11-13	14-15
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	No	No	No
2025-26 Findings	No significant risks identified	No significant risks identified	No significant risk identified

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Value for Money

DRAFT

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Local Government Reorganisation

The Government continued to progress local government reorganisation through the English Devolution and Community Empowerment Act. The reforms are intended to establish larger unitary authorities and expand devolution arrangements through County Combined Authorities (CCAs). Following the conclusion of the statutory consultation process in March 2026, proposals were developed for a number of areas across England, with implementation originally expected from 1 April 2028. These changes have the potential to affect governance arrangements, financial planning, service delivery and future Value for Money considerations.

On 7 September 2026, the Government announced a review of the local government reorganisation programme following updated legal advice and to consider how the proposals align with wider plans for devolution and public sector reform. Decisions relating to some areas were withdrawn and proposals affecting other areas have been paused pending the outcome of the review. As a result, the timetable and scope of local government reorganisation remain subject to further Government decisions.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. For some authorities this presents a significant funding opportunity, whereas for others this reinforces existing financial sustainability concerns and creates new financial planning uncertainties.

Local context

Maldon District Council forms the middle layer of a three-tier structure of local government.

The Council reported a £133k revenue underspend for 2025/26, supported by income over performance in several areas. This was achieved alongside significant restructuring activity, use of reserves and continuing medium-term financial pressures.

The capital programme delivered £5.476m of expenditure against a revised budget of £6.980m (78%). Delivery of projects directly controlled by the Council was stronger, achieving 93% of planned expenditure. The main reason for the overall underspend was the phased delivery of leisure centre works, with part of the expenditure now expected to be incurred during 2026/27.

The Council approved the use of £4.854m of reserves, comprising £1.072m to support revenue expenditure and £3.782m to fund capital investment, ensuring that strategic priorities, restructuring costs and capital projects were financed as planned.

In addition, the Council achieved a significant improvement in debt management, with reductions in outstanding debt resulting in an estimated cash benefit of £81k through lower bad debt provisions and improved collection performance

The Council tax collection rates are 97.7% vs budgeted 97.9% and Non-Domestic rates collection rates are 96.9% vs 98.3% budgeted.

Following the Government's decision in September 2026 to pause the Essex LGR programme, implementation activity ceased and the programme entered an organised closure process. The Council reported estimated programme costs of £78,000, with Maldon District Council's share expected to be approximately £26,000, subject to final confirmation. Management advised that these costs are not significant in the context of the Council's overall financial position. The Council has continued to provide Members with updates on developments and associated financial implications. Based on the information reviewed, we identified no significant weaknesses in arrangements during the year, although the Council continues to monitor the final cost allocation and any future implications arising from the Government's review of local government reorganisation.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Financial Sustainability

DRAFT

How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Budget setting

The Council has a budget setting timetable which sets out key tasks and deliverables for stakeholders across the organisation. For 2025/26, the Council began the budget setting process in July 2024. Executive Directors were responsible for setting budgets for the Service Lines they lead, with budgets adjusted for known pressures within the Directorate and any efficiencies required. Growth and capital bids were also submitted by service lines, before review by the Finance Member Group and Corporate Leadership Team for challenge before submission to the Strategy and Resources Committee. The Council approved the 2025/26 Budget in February 2025; It is estimated that in 2025 / 26 there will be a net contribution from General Fund reserve balances of £0.120m.

Efficiency plan

The Finance team set targets for savings plans. These are provided to the Service lines as part of the budget setting process and service lines are expected to produce proposals that will deliver the savings. The savings are reviewed by the Executive Leadership Team and the Finance Member Group before formal approval by the Strategy and Resources Committee. Budgets are not formally signed off by service lines. For the 2025/26 year, each approved savings proposal had a RAG rating. Qualitative risk factors are detailed, and each proposal has a breakdown on the saving, the impact on future financial years and details whether the saving is recurrent. The Council has broadened the range of savings measures and continues to formally assess proposals through deliverability and impact ratings. However, the savings schedule still contains several proposals based on staffing reductions, budget reductions and service changes, and the evidence provided does not clearly demonstrate how individual savings proposals support delivery of Corporate Plan objectives. The Council has continued to apply RAG ratings to savings proposals and has enhanced the presentation of savings by categorising deliverability and impact. However, the evidence reviewed does not demonstrate that formal documented criteria have been established for determining Red, Amber or Green ratings. Consequently, there remains a risk that ratings are applied inconsistently and are subject to management judgement. We have raised a performance improvement observation related to this..

Consistency across the financial and operational plans

The Medium -Term Financial Strategy is linked to corporate strategies by the inclusion of budget growth and savings items, which are aligned to service plans provided by budget managers. The Council has a Corporate Plan, which is supported at a service line level by Service Plans. The Council published its Corporate Plan 2025-28; this details the Council's strategic ambitions and mission. It included the requirements for success in the provision of good value council services, including aims around workforce, operational plans and includes detail to support capital and estates.

Managing financial sustainability risks

Balanced budgetary control features as a high-rated risk on the Corporate Risk Register. These risks are presented to the Performance, Governance and Audit Committee on a quarterly basis. We have provided commentary on the Council's risk management process at page 11.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Financial Sustainability

DRAFT

Risks to financial sustainability

The Council has a Medium-Term Financial Strategy which shows key financial decisions set out in the context of a plan that looks forward. The Council's 25/26 Medium Term Financial Strategy for the three years to 2028/29 indicated that the Council was reliant on the use of general reserves, with a budget expectation of a transfer of £2.2m from the General Fund to fund service provision and would subsequently reach below the minimum general fund target by 2025/26. The Council's actual outturn for 2025/26,resulted in a net decrease to the general fund of £0.4m, but this was not as a result of the surplus on the provision of services but was as a result of adjustments between the accounting basis and funding basis under regulations.

Although the Council remained above its approved minimum General Fund balance at 31 March 2026, its medium-term forecasts indicate continued pressure on reserves. The Council will therefore need to deliver planned savings and keep its assumptions under regular review. We did not identify a significant weakness related to hitting the minimum reserve requirement.

Our review of the latest 2025/26 medium financial term strategy and revised sensitivity analysis indicates that the Council is still due to hit below it's minimum reserves target in the medium term. No issues were identified as the Council maintain the minimum funding reserve as they have good position of General Fund balance of £8.5m as of March 2026 with no change in forecasted reserve.

Key financial and performance metrics:	2025-26	2024-25
Planned (surplus)/deficit on provision of services	£0.2m	£0.7m
Actual (surplus)/deficit on provision of services	£(0.4)m	£(1.3)m
Usable reserves	£42.8m	£35.8m
Year-end borrowings	£0m	£0m
Year-end cash position	£11.8m	£14.6m

**The financial metrics are updated from the Statement of Accounts*

Budget monitoring

The Council use Pinnacle Budgetary Control reporting where service lines can review budgets against actuals on a monthly basis. Quarterly updates are presented to the Strategy and Resources Committee for discussion and challenge. Forecasts are updated each-month and Finance Business Partners will meet with managers to discuss budgets and any required actions.

Budget outturn

The final revenue outturn as at 31 March 2026 is £0.133m under budget (0.9 %), with strong income performance in a number of operational areas. The capital outturn as at 31 March 2026 with the capital programme delivery of £5.476m against revised budget of £6.980m, or 78% of the capital budget. Scheme delivery that is fully controlled by the Council has achieved 93% of budgeted spend for 2025/26. Due to the phasing of the delivery of works at the leisure centre, 60% of the projected capital expenditure was spent in 2025/26 with the remainder being forecast for delivery in 2026/27. The application of reserves in the value of £4.854m, including £1.072m to revenue budgets and £3.782m of capital funding. The improved general fund debt position and the cash benefit of £81k arising.

Conclusion

The Council reported a £0.133m revenue underspend for 2025/26 and remained above its approved minimum General Fund balance at 31 March 2026. However, its medium-term forecasts indicate continued pressure on reserves, requiring the Council to deliver planned savings and keep its financial assumptions under regular review. We identified opportunities to strengthen the assessment and monitoring of savings proposals, including clearer criteria for RAG ratings and their alignment with Corporate Plan objectives. While we have raised a performance improvement observation in this area, we did not identify a significant weakness in the Council's arrangements for financial sustainability.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Governance

DRAFT

How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk management

The Council assesses and manages risks through it's Risk Management Policy and associated procedures during the financial period. Risks are scored based on likelihood and scale using a 5 x 5 matrix scoring system, which produces a range of scores from 1 to 25. This is supplemented by a risk assessment table which helps employees rate a score by way of examples.

The Council has created a culture in which employees are responsible for identifying, assessing, measuring, monitoring and reporting and escalating significant risks associated with their functions or activities which feed into directorate and corporate risks. Service risks are detailed in the business plan and recorded on SharePoint and are regularly reviewed between the manager and director.

Service risks can be escalated to the Corporate Risk Register via monthly highlight reporting if the risk score changes. Corporate risks are risks that could potentially prevent the Council achieving the corporate goals and objectives stated in the Corporate Plan. The Corporate Risk Register is available on the SharePoint, which is visible to employees, but not members. The mitigating actions are recorded and both the overall risk scores and the progress of the mitigating actions are updated quarterly by the risk owner or the officer responsible for taking the actions forward. The Council does not have target risk scores for each risk or show the risk scores before or after mitigations. We have raised a performance improvement observation over the risk reporting at the Council.

Quarterly risk reports are submitted to the Performance, Governance and Audit Committee outlining the current risk scores, changes to scores since the last quarter and progress on mitigating actions. The Corporate Risk Register is presented at a higher level to the Committee, and whilst the minutes are indicative of challenge, the level of detail could be improved to allow for enhanced decision making and to show the risk score over a longer time period.

Review and approval of the 2025/26 financial plan

The draft budget for 2025/26 was presented to the Strategy and Resources Committee in January 2025, and the Council formally approved the budget in February 2025.The budget includes details on growth pressures, changes from the prior year and details of key inputs into the budget.

Monitoring performance against budgets and taking actions

Any overspends are highlighted as part of the monthly meetings between the relevant Finance Business Partner and the service line, and are controlled as much as possible within the service line, or within other directorates where relevant. If uncontrolled overspends are identified, they would be escalated to the Strategy and Resources Committee in line with the financial regulations for approval. In 2025/26, overspends were limited and there were no material adverse variances. An outturn report was presented in July 2026 to the Strategy and Resources Committee, which detailed the key variances from thebudget.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Governance

DRAFT

Controls in place to prevent and detect fraud

The Council has dedicated policies in place, including an Anti-Fraud and Corruption Policy to assist in the detection, prevention and management of fraud, which was approved by the Performance, Governance and Audit Committee. Our review identified that a number of policies of Council had not been reviewed for several years, and review dates, changes made and future review requirements were not consistently documented. We recommended that the Council introduce a standardised approach to policy management, including defined review cycles, clear version and change records, and a central register to support regular monitoring and ensure policies remain current. We have raised the performance improvement observation related to this matter.

Compliance with laws and regulations

The Council are members of the Public Law Partnership, where they are provided updates and attend meetings to share knowledge with other local authorities on legal matters. Policies are reviewed regularly to consider any legal updates. The Council has a constitution which sets out a scheme of delegation and responsibility for ensuring lawful decisions are made. The Council also has a dedicated Monitoring Officer who is responsible for monitoring general compliance and making reports to the Council where relevant. The Council published their draft 2025/26 financial statements for audit in June 2026. The accounts were advertised and published in line with these regulations.

Scrutiny of decisions

The Council's decision-making processes are derived from the Council's Constitution, which includes the Articles, Responsibilities and Functions and Rules of Procedure. Codes and Protocol and the decision-making framework of the Council are clearly articulated in the Constitution, and the Constitution sets out the relevant and delegated responsibilities of the Council and relevant Committees and officers. Key decisions are escalated to the Council after approval from sub- committees. Our review of decisions made within 2025/26 confirmed that there was a decision template that had been completed appropriately. The proposed decision includes the impact on the strategic priorities set out in the Corporate Plan and implications on customers, equalities, risk and financial and human resources. We note that the Council maintain a register of decisions, which is held on the Council website for public review.

Key decisions

During 2025/26, the Council progressed significant strategic decisions relating to Local Government Reorganisation (LGR), Leisure Services and the Transforming Together organisational restructure. Preparations for LGR included a £500k earmarked reserve and £1.084 million of reserve-funded staffing, while £2.5 million was invested in leisure centres during the year. The organisational restructure is expected to deliver £251k of recurring annual savings, although it required significant one-off redundancy, pension and implementation costs funded from reserves. These decisions and their financial implications were considered and monitored through the Council's established governance arrangements.

We have raised the performance improvement observation related to the Council's Minimum Revenue Provision (MRP) policy which does not fully reflect its current capital financing arrangements, including the use of internal borrowing to fund capital expenditure. With further investment planned in the Council's leisure centres, the level of internal borrowing is expected to increase. The Council should therefore review its MRP policy to ensure it appropriately reflects its capital financing arrangements and associated financial implications.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Governance

DRAFT

Local Government reorganisation

The Council continued to work with other Mid Essex authorities to progress the Local Government Reorganisation proposals following the Government's earlier preference for a five-unitary model. This included participation in service-specific officer working groups, programme mobilisation and planning, Member engagement, data preparation and support from the Mid Essex Project Management Office. Governance and oversight were provided through the Mid Essex Programme Board, including oversight of programme activity and the allocation of costs between participating councils. Following the Government's decision in September 2026 to withdraw the preferred model and pause the reorganisation, the programme moved into an organised closure, with the Council continuing to monitor developments and assess the implications for Maldon. We reviewed the governance processes in place which the Council has been actively engaged with the process including communication & oversight internally, weekly update meetings, briefings to staff & reflection on the risk register and profiles of the wider Council within the context of LGR.

Conclusion

We reviewed the Council's key governance arrangements, including its Constitution, decision-making and risk-management frameworks, committee reporting, counter-fraud arrangements and relevant governance policies. We found that responsibilities and escalation arrangements were clearly established, with financial and strategic risks subject to appropriate officer and member oversight. We also considered relevant Internal Audit and external regulatory information. We identified that some governance policies did not have sufficiently clear version-control and review arrangements, and the related prior-year recommendation had not been fully addressed. While this does not represent a significant weakness, the Council should complete its planned policy review and establish a consistent review cycle. Overall, we did not identify any significant weaknesses in the Council's governance arrangements.

	2025/26	2024-25
Control deficiencies reported in the Annual Governance Statement	No significant control deficiencies	No significant control deficiencies
Head of Internal Audit Opinion	Moderate assurance	Moderate assurance
Local Government Ombudsman findings	No significant findings	No significant findings

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Improving economy, efficiency and effectiveness

DRAFT

How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Corporate plan and performance reporting

The Council's Corporate Plan covers the period from 2025-28 and contains the vision to be a sustainable council, promoting growth and investment at every opportunity and to support their communities through excellent partnership working and to maintain and improve quality of life. The Corporate Plan lists the six strategic priorities. A quarterly performance review is presented to the Performance, Governance and Audit Committee including an overall RAG rating and progress against relevant Key Performance Indicators to measure the Council's performance against plan. The report is sufficiently detailed and includes a number of performance metrics presented clearly.

Monitoring of performance and services

Service lines provide highlight reporting which are reviewed by the Corporate Leadership Team. This includes an overall service plan RAG status for the month, service highlights and lowlights and key items for escalation and discussion, including risks for escalation, budget updates and concerns and health and safety updates or issues.

Partnership working and monitoring

The Council works with a number of partners to deliver strategic priorities. For instance, the Community Safety Partnership includes the Council and a number of local agencies and organizations to tackle crime and disorder to help create safer communities. Priorities are set on a yearly basis, and a Strategic Assessment is undertaken each year which includes data analysis of levels of crimes from a resident's survey to allow the Partnership to set its priorities.

Procurement

During 2025/26, the Council completed the first year of its new Leisure Services contract and continued investment in Blackwater Leisure Centre. The Council reported good membership performance, financial performance in line with contract projections, and established contract management arrangements, including operational monitoring and member oversight. The Council invested £2.5 million against a revised leisure centre capital budget of £3.9 million, with delivery continuing into 2026/27 due to the phasing of works. The Council also used £228k of reserves to support first-year contract costs. Given the scale of investment and delivery through a third-party provider, the council will have continued monitoring of contract performance and capital delivery of the project.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Improving economy, efficiency and effectiveness

DRAFT

How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

We identified that the Council does not have a formal process in place to review, monitor, or approve tender waivers. As a result, there is limited oversight of procurement exceptions, increasing the risk that waivers are applied inconsistently, are not subject to appropriate challenge, or do not provide sufficient assurance that value for money considerations have been appropriately assessed. The absence of a formal approval and monitoring framework may reduce transparency and weaken governance over procurement decisions. We have raised the performance improvement observation related to this matter.

Conclusion:

We did not identify a significant weakness in arrangements for improving economy, efficiency and effectiveness.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

kpmg.com/uk

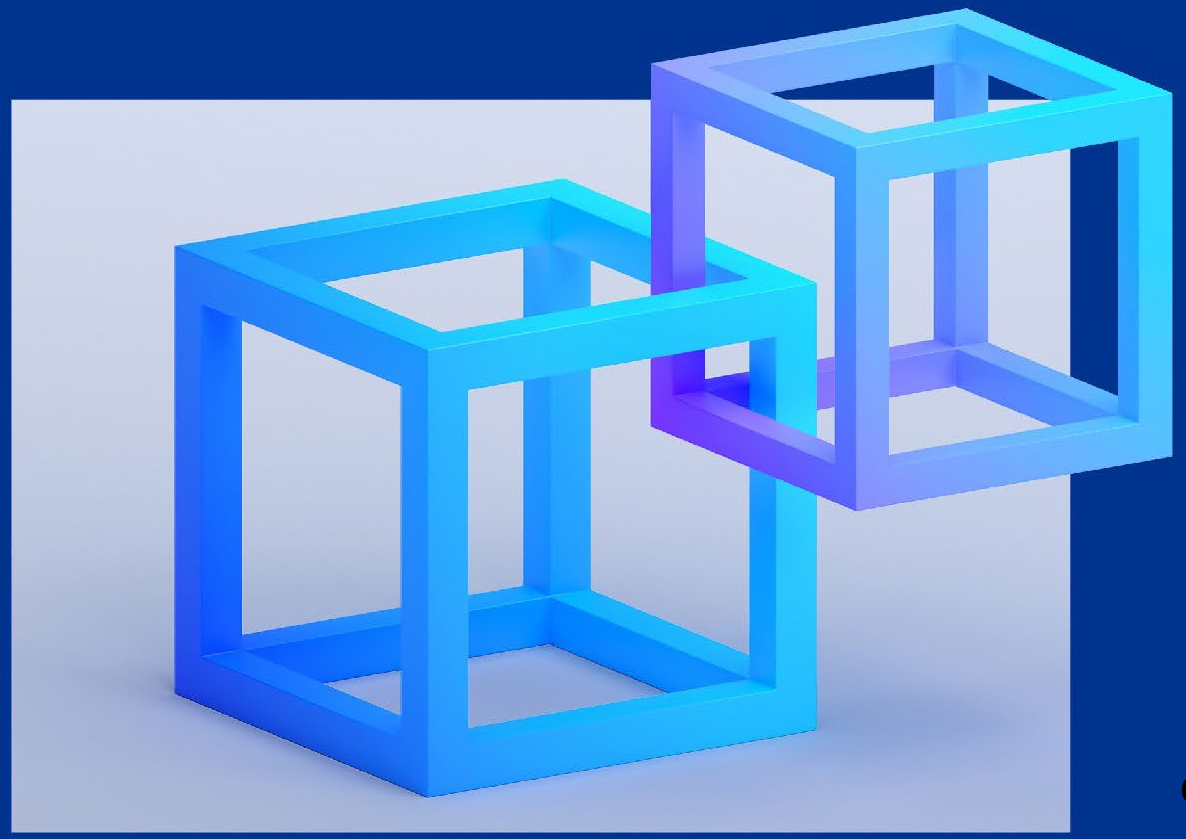
© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document Classification: KPMG Public

Maldon District Council

Report to the Performance, Governance and Audit Committee

External Audit plan and strategy for the year ending 31 March 2026



Introduction

To the Governance & Audit Committee of Maldon District Council

We are pleased to have the opportunity to meet with you on 4 June 2026 to discuss our audit of the consolidated financial statements of Maldon District Council, as at and for the year ending 31 March 2026.

This report provides the Audit & Risk Committee with an opportunity to review our planned audit approach and scope for the 2025/26 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and is carried out in compliance with the NAO's 2024 Code of Audit Practice, auditing standards and other professional requirements.

This report outlines our risk assessment and planned audit approach. Our planning activities are still ongoing, and we will communicate any significant changes to the planned audit approach subsequently.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

Contents	Page
Rebuilding assurance	3
Overview of planned scope including materiality	4
Significant risks and Other audit risks	6
Audit Risks and our audit approach including Going concern	7
Other significant matters related to our audit approach	12
Mandatory communications	13
Value for money	15
Appendix	18

The engagement team

Emma Larcombe (CPFA and CA) is the engagement partner on the audit. She has 15 years of industry experience.

Emma Larcombe shall lead the engagement and is responsible for the audit opinion. Other key members of the engagement team include Priya Saini (Manager) who has number of years of audit experience.

Yours sincerely

Emma Larcombe,

Partner- KPMG LLP

24 April 2026

Restrictions on distribution

This report is intended solely for the information of those charged with governance of the Maldon District Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when :

- An audit is executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well-planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We aim to complete all audit work by 29 January 2027.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process Complaints

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Rebuilding assurance

Background

The Government introduced measures to resolve the legacy local government financial reporting and audit backlog. In 2024, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory back stop date of 28 February 2025 and 27 February 2026 for the 2023/24 and 2024/25 audits, respectively.

Guidance has been developed to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to Local Audit Reset and Recovery Implementation Guidance (LARRIGs) that were published in 2024 by the NAO. Further guidance has now been published by the NAO LARRIG 06 - Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g reserves balances where a disclaimer has been previously issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

For the Authority this had the impact of disclaimer of opinion issued by your predecessor auditor for two financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 26 February 2026 to comply with the statutory backstop date as reported to your previously. For the 2024/25 audit we issued a disclaimed opinion on 26 February 2026.

The 2025/26 audit

As part of the 2025/26 audit, we are in the process of completing our rebuilding assurance risk assessment which includes :

- Inquiries, with regards to changes to the Authority during the disclaimed period.
- Considering the disclaimed period and associated reporting including the statement of accounts, Annual Government Statements, findings from the disclaimed period audits and any findings from the section 151 officer in their assessment that the financial statements present a true and fair view.
- Reconciling the planned movement in reserves from budget setting, in year monitoring and outrun reports and documenting our understanding if planned usage and changes in reserves over the disclaimed period.
- Considering the processes over capital additions/disposals.
- A balance sheet financial statement caption by caption assessment of the movement over the disclaimed period overlayed with findings from other risk assessment procedures to determine the appropriate testing strategy to remove the risk of material misstatement in line with the LARRIGs.

We are in the process of completing this risk assessment and will report separately once we complete the risk assessment. Refer to the updated status of risk assessment work on page 19.

Fees

We note our fees for this work are expected to be in region of:

- Risk assessment – £50k
- Substantive work - TBC

We note our fees are subject to fee assumptions on page 22. We also note our fees will be subject to the PSAA fee variation process and PSAA approval.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the entity financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of expenditure which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users. We considered qualitative factors such as stability of legislation, lack of shareholders and limited debt arrangements when determining materiality for the financial statements as a whole. To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality £498K/ 75% of materiality driven by our expectations of normal level of aggregation risk for undetected or uncorrected misstatements in the period. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons, such as officers' remuneration.

Corrected and uncorrected audit misstatements above £33.2K

- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually and in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Control environment

The impact of the control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings.

EntityMateriality



Materiality for the financial statements as a whole

£665k

(2% of Expenditure of 2025 signed accounts)

(2024: £633K)

Performance Materiality

£498k

(2024 £411K)

Misstatements reported to the audit committee

£33.2k

(2024 £31.6K)

Entity Materiality

£665K

2% of Expenditure £33.2m



© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

We will maintain communication led by the engagement partner and manager throughout the audit. We set out below the form, timing and general content of our planned communications:

• Kick-off meeting with management in April 2026 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas;

• Performance, Governance and Audit Committee meeting in June/July 2026 where we present our draft audit plan;

• Status meetings with management on a monthly basis where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues;

• Progress and closure meetings with management in October and December 2026 where we discuss the auditor's report and any outstanding deliverables;

• Performance, Governance and Audit Committee meeting in January 2027 where we communicate audit misstatements and significant control deficiencies; and

• Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

Others	Extent of planned involvement or use of work
Internal Audit	We will review the reporting prepared by Internal Audit; however, we do not plan to place any reliance on said work.
KPMG Pensions Centre of Excellence/Actuaries	We will involve our pensions colleagues to review the pension liability valuation on the balance sheet during our audit. Our actuaries will review and challenge the actuarial assumptions underpinning the valuation of LGPS liabilities.
Real Estate Valuation Centre of Excellence	Our revaluation sector of excellence will review and challenge the assumptions underpinning the revaluation of your investment properties, Land and buildings assets.
IT audit	Our IT specialists have been engaged to help us in obtaining an understanding of the entity and its environment, including the entity's IT systems and internal controls over financial reporting. They will aid us in gaining an understanding of the entity's processes including identifying process risk points and the automated controls that the entity uses to address those process risks points..

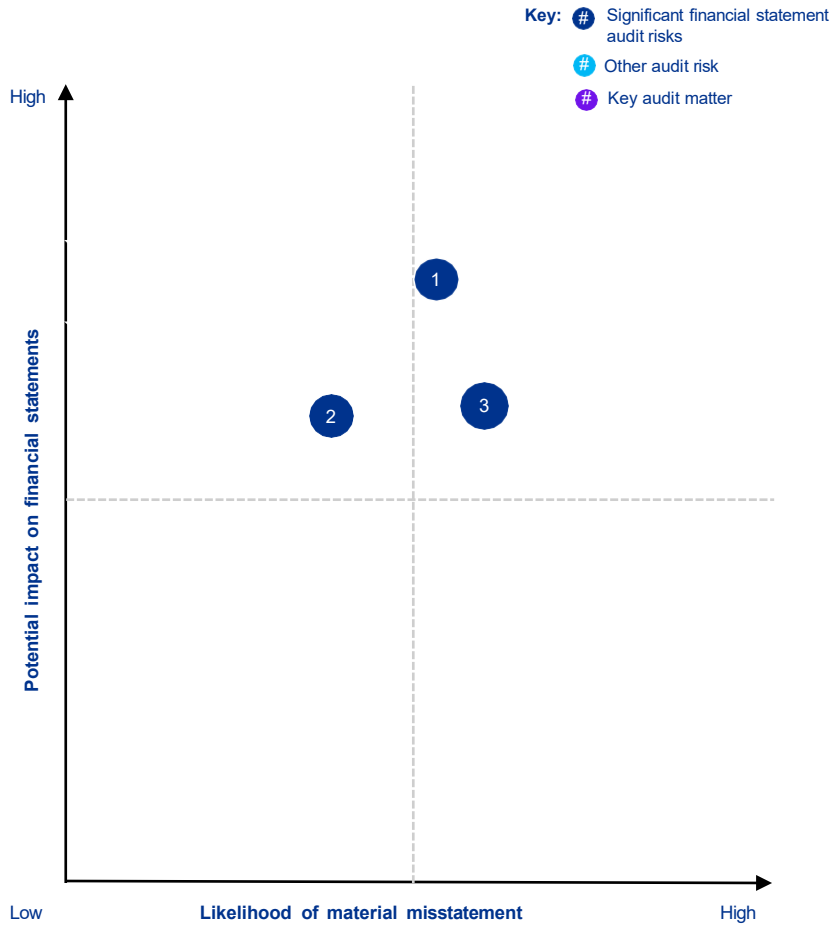
© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Significant risks, Higher assessed risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which Maldon District Council operates.

We also use our regular meetings with senior management to update our understanding and take input from sector and internal audit reports.

Significant risks	
1.	Valuation of land and buildings inc. investment properties
2.	Management Override of controls
3.	Valuation of post retirement benefit obligation



Value for money

We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and include a commentary on our view of the appropriateness of the Council's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness.

Our risk assessment procedures are yet to begin.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

1 Valuation of land and buildings inc. investment properties

The carrying amount of revalued Land & Buildings differs materially from the fair value

Change vs prior year ⟷

Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle, with certain assets, including the council office, leisure centres, being revalued annually. The majority of the council's assets are valued using a non-specialised basis, with two of the properties that are revalued using a specialised basis.

For 2025/26, the Council plans to undertake a full revaluation of approximately 70–80% of its property, plant and equipment. Full revaluation involves significant professional judgement, complex valuation assumptions and reliance on external valuer inputs. There is a risk that inappropriate assumptions, methodology, or data are used, or that valuation conclusions are not reasonable or consistently applied, resulting in property, plant and equipment being materially misstated.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer – Valuation office Agency.

Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of the valuers used in developing the valuation of the Council's properties at 31 March 2026;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach (cont.)

2 Management override of controls

Fraud risk related to unpredictable way management override of controls may occur

Change vs prior year ⟷

Significant audit risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit.

Planned response

We will perform the following procedures:

- Our audit methodology incorporates the risk of management override as a default significant risk.
- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the normal course of business or are otherwise unusual.
- We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk.

Note: (a) Significant risk that professional standards require us to assess in all cases.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach (cont.)

3 Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Change vs prior year ⟷

Significant audit risk

The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.

The scheme actuary will incorporate the results of the new triennial valuation into the accounting position at 31 March 2026, effectively re-basing their estimation models to reflect actual experience since 2022. This re-basing may lead to adjustments to the defined benefit obligation and to asset valuations in the current year and will update the future contribution schedule, which may in turn affect how the asset ceiling is assessed for the Council. Separately, recent market movements have meant an increasing number of councils are reporting materially larger surpluses in their Local Government Pension Schemes; the accounting rules for recognising those surpluses are complex and require detailed actuarial input.

As a result of these factors, our risk assessment concludes that the post-retirement benefits obligation for the Local Government Pension Scheme presents a high degree of estimation uncertainty. We have therefore treated the defined benefit obligation as a significant risk for audit focus, while not identifying separate significant risks for plan assets or the asset ceiling at this stage. The Council's financial statements disclose the actuarial assumptions used in the year-end valuation and the year-on-year movements; we will continue to engage with management and the scheme actuary to evaluate the reasonableness of assumptions, any material adjustments arising from the triennial valuation, and the adequacy of related disclosures.

Planned response

We will perform the following procedures:

- Understand the processes the Councils have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in light of the updated information and change of contributions following the completion of the funding valuation, and assess the sensitivity of the deficit or surplus to the assumptions made;
- Where applicable, assess the level of surplus that should be recognised by the entity; and
- Assess the impact of a new triennial valuation model and/or any special events, where applicable.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.

Having considered the risk factors relevant to the Council and the nature of expenditure within the Council, we have determined that a significant risk relating to expenditure recognition is not required.

Specifically, the financial position of the Council is not indicative of a position that would provide an incentive to manipulate expenditure recognition, and the nature of expenditure has not identified any specific risk factors.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit risks and our audit approach

Revenue – Rebuttal of Significant Risk

Professional standards require us to presume, unless rebutted, that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector, we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

Description of Income	Nature of Income	Rationale for Rebuttal
Council tax	This is the income received from the local residents paid in accordance with an annual bill based on the banding of the property concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of properties in the area and the fixed price that is approved annually based on a band D property: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Business rates	Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of businesses in the area and the fixed amount that is approved annually: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Fees and charges	Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually.	The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. We do not deem there to be any incentive or opportunity to manipulate the income.
Grant income	Predictable income receipted primarily from central government, including for housing benefits.	Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. There is limited incentive or opportunity to manipulate these figures.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Other significant matters related to our audit approach

Disclosure of significant estimates and judgements

We have included here the disclosures of significant estimates and judgements from the prior year annual report which required improvement as reported in our audit committee report dated 22 January 2026.

Estimates and judgements	Balance [£000]	Further comments
Valuation of land and buildings	29,356	Valuation Office Agency (VoA) is an accredited valuer by RICS and follow the industry benchmark and DHCS guideline or the valuations. The management expert judgement was found to be neutral. We found the assumptions to be appropriate. We have completed the work over the valuation of Buildings and noted one control deficiency regarding “Management review of valuation assumptions”.
Valuation of post retirement benefit	770	We are satisfied with the independence, objectivity and expertise of the scheme actuary. We considered that the assumptions used in valuing the defined benefit obligation and concluded it to be balanced as compared to our central actuarial benchmarks. Individually all assumptions are balanced except CPI rate, which is considered as cautious but within reasonable range. This is mainly because proposed CPI rate is 0.16 basis points higher than the KPMG’s central benchmark. We raised one control deficiency regarding the "Management review of actuarial assumptions".

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Mandatory communications - additional reporting

Going concern

We will assess the risk relating to management's judgement on the use (or otherwise) of the going concern basis and the adequacy of related disclosures, including any possible material uncertainty. Under NAO guidance, including Practice Note 10 - A local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganization) do not negate the presumption of going concern. However, financial sustainability is a core area of focus for our Value for Money responsibilities.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:

Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily	We have identified issues that we may need to report	Work is completed at a later stage of our audit so we have nothing to report

We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

Type	Status	Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date.
Provide a statement to the NAO on your consolidation schedule		This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. Work to be completed at a later stage.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

KPMG

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Mandatory communications

Type	Statements
Management's responsibilities (and, where appropriate, those charged with governance)	Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error. Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.
Auditor's responsibilities	Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Auditor's responsibilities – Fraud	This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit.
Auditor's responsibilities – Other information	Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information.
Independence	Our independence confirmation at page 22 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement partner and audit staff.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Maldon District Council

Value for money approach

Year ended 31 March 2026

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment, we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Value for money

Approach we take to completing our work to form and report our conclusion:

Process

Understanding the Council's arrangements			Evaluation of Council's value for money arrangements	Value for money conclusion and reporting
Financial statements planning	Internal reports, e.g. IA	Mgmt. Inquiries	Targeted follow up of identified value for money significant risks	Conclusion whether significant weaknesses exist
External reports, e.g. regulators	Assessment of key processes	Annual report	Continual update of risk assessment	

Outputs

Risk assessment to Governance and Audit Committee

Our risk assessment will provide a summary of the procedures undertaken and our findings against each of the three value for money domains. This will conclude on whether we have identified any significant risks that the Council does not have appropriate arrangements in place to achieve VFM.

Value for money assessment

We will report by exception as to whether we have identified any significant weaknesses in arrangements.

Public commentary

Our draft public commentary will be prepared for the Audit Committee alongside our annual report on the accounts.

Public commentary

The commentary is required to be published alongside the annual report.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Appendix

A	Rebuilding Assurance- risk assessment	19
B	Audit team and rotation	20
C	Audit timeline	21
D	Fees	22
E	Confirmation of Independence	23
F	How we will Collaborate with KPMG Clara collaboration (Kcc)	25
G	KPMG's Audit Quality Framework	26
H	2025 AQR Results	27

Rebuilding assurance: Risk assessments results

LARRIG 06 sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024, specifically its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in LARRIG 05.

Specifically, we have completed the following risk assessment procedures:

- Entity and process level risk assessment procedures;
- Review of Statements of Accounts from disclaimed years;
- An assessment of the revenue budget setting and monitoring, including reserves, and capital during the disclaimed period; and
- Inquiries, with regards to changes to the Council during the disclaimed period.

The risk assessment has identified risks of material misstatement we need to complete procedures to address the risk of material misstatement. The table below identified the risks of material misstatements, the procedures to address the risks and the likely audit year we will complete the work.

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we have planned the procedures *
1	Revaluation of Land and Building	Council is planning to conduct the revaluation of 70-80% of asset portfolio and apply indexation on remaining assets. Refer to page 7 for the details on audit procedures.	2025/26
2	Accuracy of opening balance of provision, debtors and creditors	Sample testing of opening balances of provision, debtors and creditors carrying forward from disclaimed audit period which were not reversed in 2024/25	2025/26
3	Accuracy of Capital Grants Unapplied Accounts	Sample test the Capital Grants received during the disclaimed period and confirm the consistency of the use of the capital grants to finance Capital Expenditure.	2025/26
4	Accuracy of General Funds	Perform consistency test & perform required procedures on transfers to & from earmarked reserves.	2025/26
5	Accuracy of Unusable Reserves	Perform consistency test & perform required procedures on adjustments made to & from unusable reserves	2025/26

* This is subject to the Council providing the required information in a timely manner.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit partner and firm.

	Emma Larcombe is the director responsible for our audit. They will lead our audit work, attend the Governance& Audit Committee and be responsible for the opinions that we issue.		Priya Saini is the Audit manager responsible for our audit. They will co-ordinate our audit work, attend the Governance & Audit Committee and ensure we are co-ordinated across our accounts and VFM work.		Sakshi Garg is the in-charge responsible for our audit. They will be responsible for our on-site fieldwork. She will complete work on more complex section of the audit.

To comply with professional standard, we need to ensure that you appropriately rotate your external audit partner. There are no other members of your team which we will need to consider this requirement for:



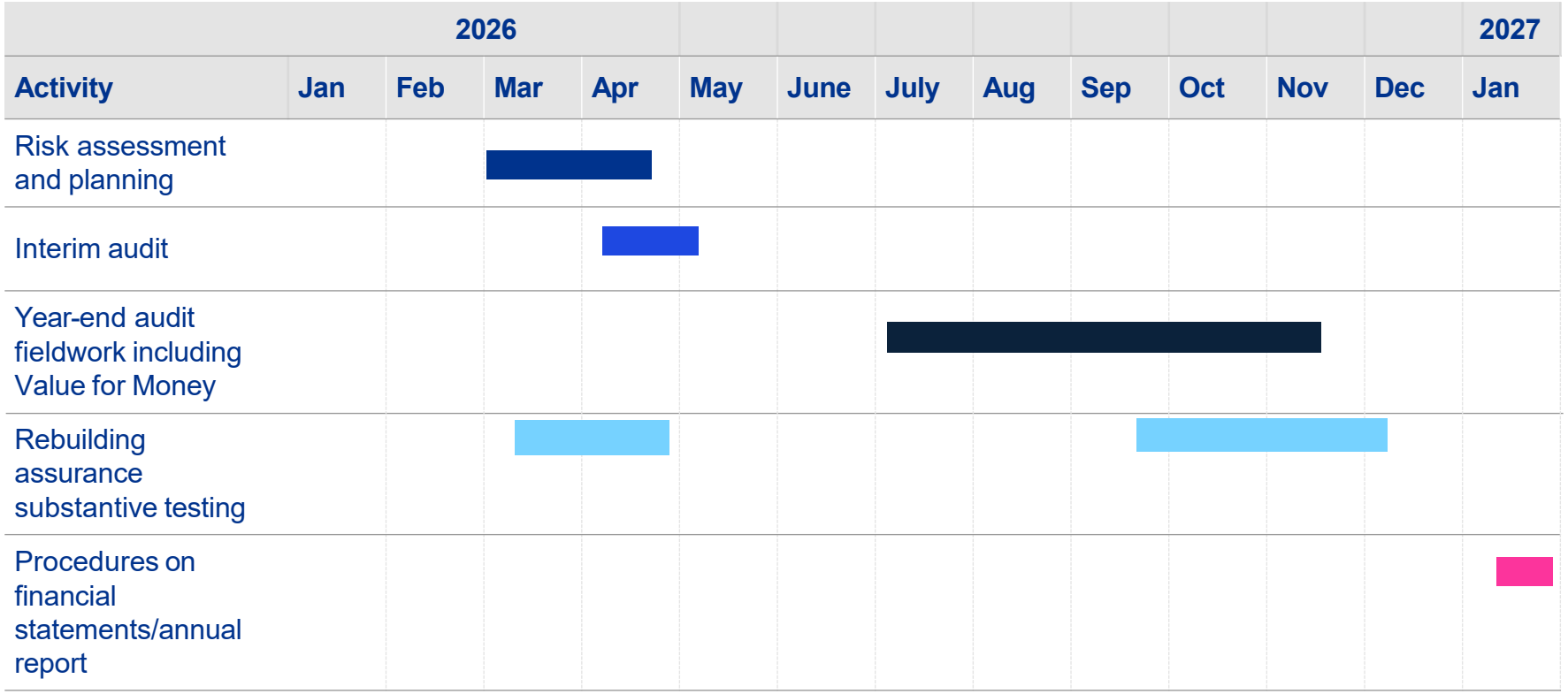
This will be Emma's second year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

The LAO is due to take on the functions of the PSAA ahead of LGR, we will keep the Committee updated on any impact of this change

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Audit timeline

We have developed our audit timeline based on management's financial reporting timetable. If we need to make significant changes to the audit timeline below, then we will communicate the reasons to you on a timely basis.



* Dates for issuing deliverables are preliminary and based on information available at planning. They are therefore subject to change.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Fees

Audit fee

The audit fees for the year ended 31 March 2026 are set out below.

Maldon District Council	2025/26 (£'000)	*2024/25 (£'000)*
Scale fee set by PSAA	163	158
Fee variations***	TBC	18
LGPS Triennial valuation**	TBC	-
Disclaimed opinion fee subject to PSAA approval	6	6
Build back fee variation subject to PSAA approval*	50	-
TOTAL	**219**	**182**

*See page 3 for more information on rebuilding assurance

** We note we are expecting fee variations for the following areas in 2025/26 and will advise of the level as work progresses:

- LGPS Triennial valuation (we will be in a position to provide an estimate once this has been considered further.

***2025/26 Fee variations will be calculated during the audit .

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The entity's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The entity's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.
- There are no VFM significant risks

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit and Risk Committee members

Assessment of our objectivity and independence as auditor of Maldon District Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result, we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non- audit services applicable.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2025/26
	£'000
Audit fee	219
Other Assurance Services	TBC
Total Fees	**219**

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements, and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

Emma Larcombe

KPMG LLP

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

How we will Collaborate with KPMG Clara collaboration (KCc)



What is KPMG Clara for Maldon District Council

- Your gateway into the audit - a dynamic, tailored homepage with real time alerts
- Prepared by management ("PBM") functionality, providing an intuitive user interface for Maldon District Council to securely provide KPMG with the required information and to track the status of KPMG's requests.

Additional features to be deployed through the course of the audit:

- A dedicated and user-friendly space to easily share and collaborate on documents
- Access to the results of our digital audit procedures, through interactive data visualization and dashboards.

What have weachieved so far?

- Kcc approved for use by Maldon District Council
- Access for users setup through single sign-on
- Use of PBM functionality for the audit

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

Commitment to continuous improvement

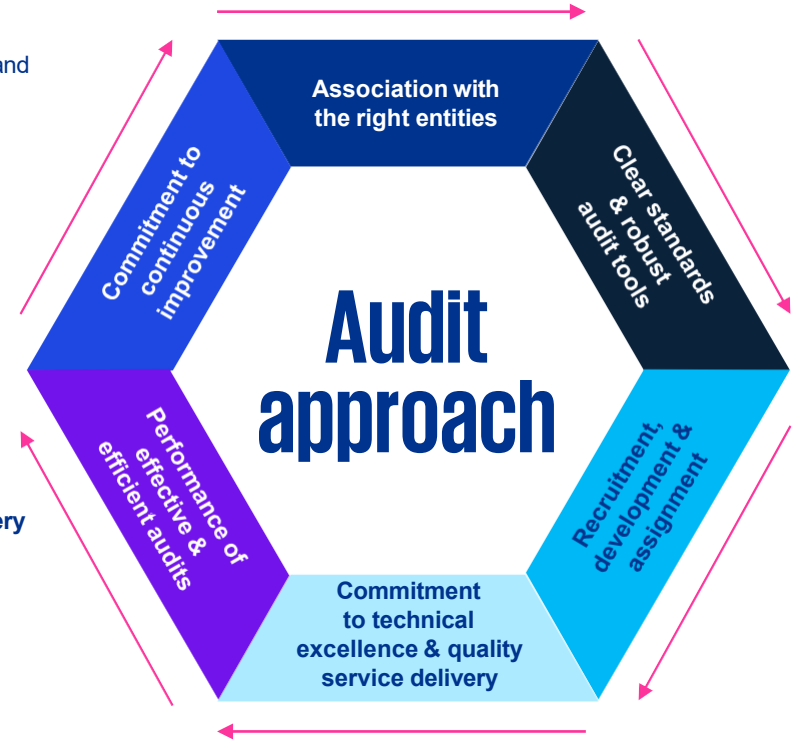
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



Association with the right entities

- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

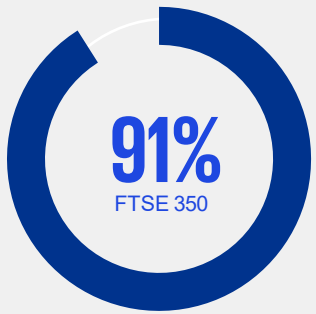
Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

2025 AQR results

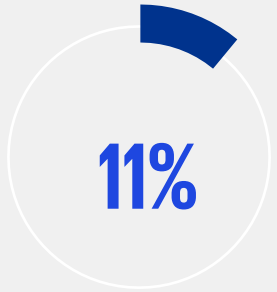




Percentage of our audits rated 'good' or 'limited improvements required' by AQR.



KPMG audits rated 'good' or 'limited improvements required' by QAD.



Proportion of AQR scope audit engagements reviewed.

The FRC published reports on the findings of AQR and QAD 2023/24 inspection of KPMG and the other tier 1 firms (which largely covered years ending between August 2023 and March 2024) on 15 July 2025

Key findings	Our response	Good practice identified
Estimates "Improve the quality and consistency of the audit of estimates in the valuation of investments and provisions."	A targeted programme to support engagements which have estimates with certain characteristics has been initiated. Alongside this, we continue to invest in our training and culture programmes to reinforce the behaviours expected, including consistent application of a critical thinking mindset and the extent of evidence expected.	At an engagement level areas of good practices were identified including: • Risk assessment and planning including bribery & corruption, climate and provisions; • Audit of provisions; • Audit of impairment • Use of specialists; • Group audit oversight; and • Stand-back assessment. Good practices were identified in various areas at the firm level including identification of SOQM deficiencies, component auditors compliance with the ethical standards, the continued roll out of the Ethics Programme and the development and use of new technology.
Consolidation and other journals "Improve the quality of the audit of consolidation and other journals."	Enhanced guidance and continuation of a centrally led process designed to challenge the journals approach at an engagement level, together with additional targeted training are helping us to reduce the recurrence of findings in this area.	

The Audit Quality Review (AQR) team of the Financial Reporting Council (FRC) undertakes independent inspections of the overall quality of the audit work of those UK audit firms that audit listed and other major public interest entities. The AQR inspections involve a number of file reviews at each firm visited. The result of these file reviews are summarised into three main categories as follows:

- Good or limited improvements required;
- Improvements required;
- Significant improvements required



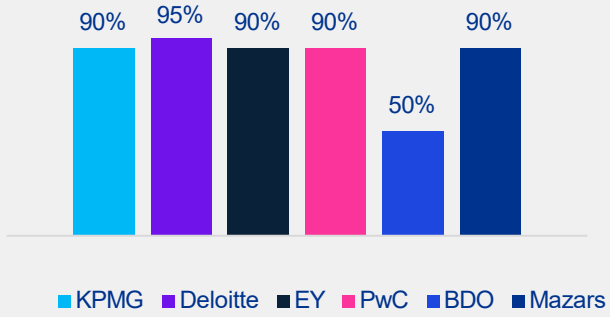
© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

2025 AQR results (cont.)

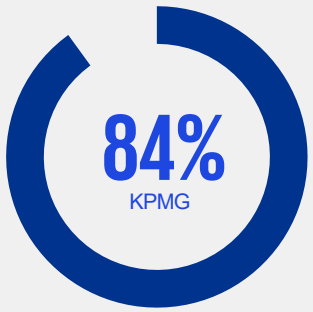
Percentage of all audits reviewed graded Good/Limited improvements required.

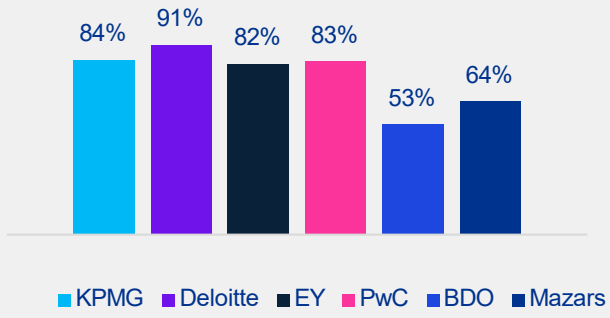
2024/25





3-year average

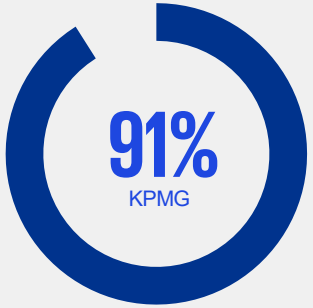


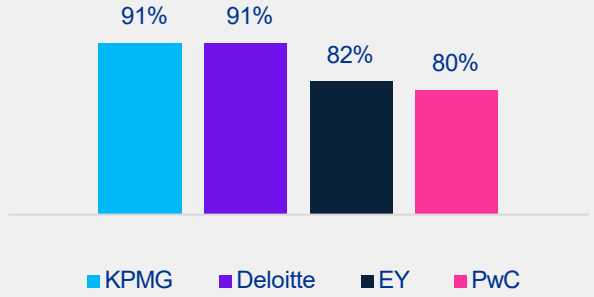


Percentage of all FTSE 350 audits reviewed graded Good/Limited improvements required.

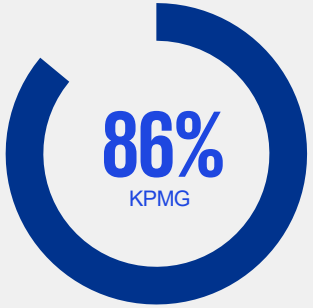
Not disclosed for BDO and Mazars

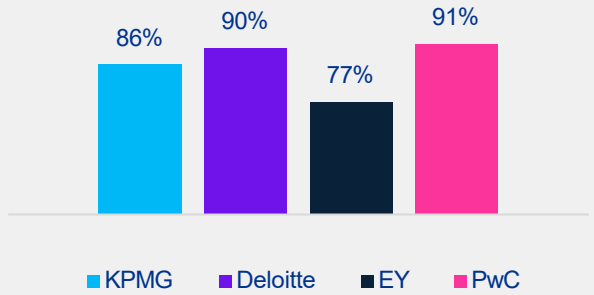
2024/25





3-year average





© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.





kpmg.com/uk

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document Classification: KPMG Confidential

This page is intentionally left blank

REPORT of
DIRECTOR OF FINANCE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 NOVEMBER 2026

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:

- Internal Audit Progress Report (November 2026) – at 8a;
- Follow-Up of Recommendations Report (November 2026) – at 8b;
- Car Parking - Final Report (October 2026) at 8c;
- Internal Audit Standards – Essential Conditions Report (November 2026) – at 8d;

2. RECOMMENDATIONS

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

(i) Internal Audit Progress Report (November 2026) – at 8a;

(ii) Follow-Up of Recommendations Report (November 2026) – at 8b;

(iii) Car Parking - Final Report (October 2026) at 8c;

(iv) Internal Audit Standards – Essential Conditions Report (November 2026) – at 8d;

3. SUMMARY OF KEY ISSUES

3.1 BDO LLP are the Council's contracted Internal Audit Service provider. The Partner, 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 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** – None.

Background papers: None.

Enquiries to:
Ben Jay, Chief Finance Officer, Maldon District Council
Aaron Winter (BDO LLP)
Andrew Billingham (BDO LLP)

Maldon District Council

Internal Audit Progress Report

November 2026



IDEAS | PEOPLE | TRUST

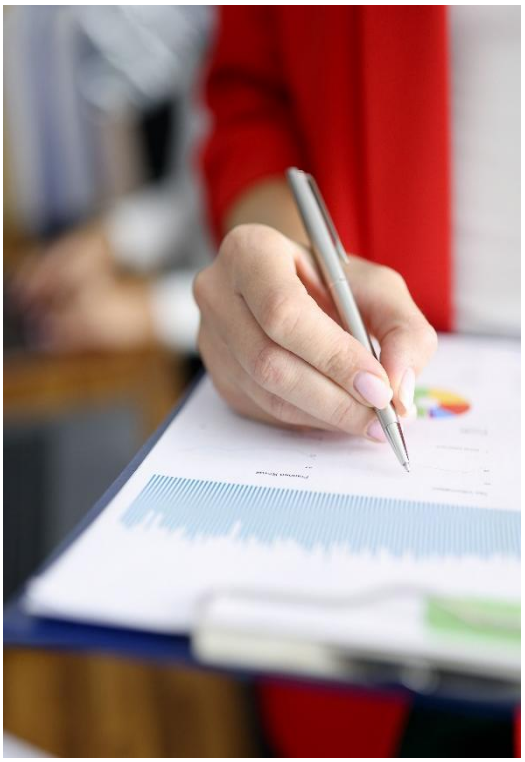
CONTENTS

SUMMARY OF 2026/27 WORK 2
REVIEW OF 2026/27 WORK 3
KEY PERFORMANCE INDICATORS 4
APPENDIX 1 5

Summary of 2026/27 Work

Internal Audit

This report is intended to inform the Performance, Governance and Audit Committee of progress made against the 2026/27 internal audit plan. 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 Global Internal Audit Standards in the UK Public Sector. 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' opinion. 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.

Internal Audit plan 2026/27

Since our last report on 16 July 2026, we have completed the following review and include a copy of the final report separately to the progress report:

- **Car Parking.**

We have finished fieldwork for the following, and the report is being drafted:

- **Homelessness/Temporary Accommodation.**

We have started fieldwork for the following reviews:

- **Recruitment and Retention**
- **Performance Management**
- **Anti-Social Behaviour and Enforcement.**

We have also begun planning the following:

- **Grounds Maintenance** (fieldwork due to start 09/11/2026)
- **Leisure Services (**fieldwork due to start 11/01/2027)
- **Treasury Management** (fieldwork due to start 18/01/2027).

Essential Conditions

Our papers include the Essential Conditions report, which shows how the Council's internal audit arrangements align with the essential conditions needed for an effective internal audit function and identifies any areas where further action or improvement is required.

Review of 2026/27 Work

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Car Parking	November 2026	✓	✓	✓	M	M
Homelessness/Temporary Accommodation	March 2027	✓	✓	✓		
Recruitment and Retention	March 2027	✓	✓			
Performance Management	March 2027	✓	✓			
Anti-Social Behaviour and Enforcement	March 2027	✓	✓			
Grounds Maintenance	March 2027	✓				
Leisure Services	July 2027	✓				
Treasury Management	July 2027	✓				
Local Government Reorganisation	July 2027					

Key Performance Indicators

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	We remain on track to deliver this for 2026/27.	G
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI for 2026/27.	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.	N/A
5. At least 60% input from qualified staff	We are on track to meet this KPI for 2026/27.	G
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for the one completed audit for 2026/27.	G
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for the one completed audit for 2026/27.	G
8. 90% of recommendations to be accepted by management	This KPI has been met for the one completed audit for 2026/27.	G
9. Information is presented in the format requested by the customer	This KPI has been met for the one completed audit for 2026/27.	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 one completed audit for 2026/27.	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. A new EQA is currently being completed.	G

Key
G – Green
A – Amber
R – Red
N/A – Not Applicable

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.

FOR MORE INFORMATION:

Aaron Winter

Aaron.Winter@bdo.co.uk

Freedom of Information

In the event you are required to disclose any information contained in this report by virtue of the Freedom of Information Act 2000 ("the Act"), you must notify BDO LLP promptly prior to any disclosure. You agree to pay due regard to any representations which BDO LLP makes in connection with such disclosure, and you shall apply any relevant exemptions which may exist under the Act. If, following consultation with BDO LLP, you disclose this report in whole or in part, you shall ensure that any disclaimer which BDO LLP has included, or may subsequently wish to include, is reproduced in full in any copies.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

The matters raised in this report are only those which came to our attention during 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.

Copyright © 2026 BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk

This page is intentionally left blank

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Maldon District Council

November 2026

IDEAS | PEOPLE | TRUST



CONTENTS

SUMMARY 2
RECOMMENDATIONS: COMPLETE..... 4
RECOMMENDATIONS: IN PROGRESS..... 9



SUMMARY

2024/25	Total Recs	H	M	L	To follow up	Previously Completed		Complete		In Progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M	H	M
Building Control	5	2	2	1	4	1	2	1	-	-	-	-	-	-	-
GDPR	4	-	3	1	3	-	2	-	1	-	-	-	-	-	-
Asset Management	4	-	1	3	1	-	-	-	-	-	1	-	-	-	-
Sub Total	**13**	**2**	**6**	**5**	**8**	**1**	**4**	**1**	**1**	**-**	**1**	**-**	**-**	**-**	**-**

2025/26	Total Recs	H	M	L	To follow up	Previously Completed		Complete		In Progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M	H	M
Corporate Governance	4	-	2	2	2	-	1	-	1	-	-	-	-	-	-
Safeguarding	2	-	1	1	1	-	-	-	1	-	-	-	-	-	-
MTFS	1	-	1	-	1	-	-	-	-	-	-	-	-	-	1
IT Governance	2	-	2	-	2	-	-	-	2	-	-	-	-	-	-
MFS - Accounts Payable	1	-	1	-	1	-	-	-	-	-	-	-	-	-	1
Sub Total	10	-	7	3	7	-	1	-	4	-	-	-	-	-	2
Total	**23**	**2**	**13**	**8**	**15**	**1**	**5**	**1**	**5**	**-**	**1**	**-**	**-**	**-**	**2**

Please note that the tables above only include audits where there are outstanding recommendations remaining. 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

2024/2025

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/25.

- Recommendations have been implemented for the following audits:
  - One High priority rated recommendation for Building Control
  - One Medium priority rated recommendation for GDPR
- One Medium priority rated recommendation for Asset Management is a work in progress and has a revised implementation date.

2025/2026

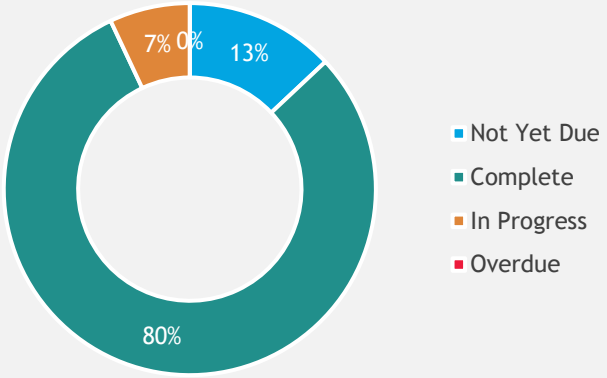
Please find below a summary of the status of implementation of recommendations arising from reports issued in 2025/26.

- Recommendations have been implemented for the following audits:
  - One Medium priority rated recommendation for Corporate Governance.
  - Two Medium priority rated recommendation for IT Governance.
  - One Medium priority rated recommendation for Safeguarding.

REQUIRED PGA COMMITTEE ACTION:

We ask the PGA Committee to note the progress against the recommendations.

Cumulative implementation





RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2024/25 **Building Control**	Rec 1 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.	High	Danielle Blake Head of Service Housing and Building Control	~~December 2025~~ ~~April 2026~~ ~~August 2026~~ Closed	Management update: 1.1 Previously completed and reported to the PGA Committee. 1.2 Previously completed and reported to the PGA Committee 1.3 Previously completed and reported to the PGA Committee 1.4 The Council has reviewed options to enhance system functionality and mobile working arrangements, while continuing to engage with other authorities to identify best practice. A Process Improvement Project is being delivered to implement appropriate changes to software use and functionality. Internal Audit comment: Recommendation closed by Internal Audit following receipt of management confirmation that the final part of the recommendation (1.4) is materially complete. All other parts of the recommendation have been previously reported to the Committee as complete.
2024/25 **GDPR**	Rec 3 3.1 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	Medium	Emma Holmes Director of Legal and Governance	~~April 2026~~ ~~August 2026~~ Closed	Management update: 3.1 Previously completed and reported to the PGA Committee. 3.2 Previously completed and reported to the PGA Committee. 3.3 Previously completed and reported to the PGA Committee. 3.4 Previously completed and reported to the PGA Committee.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	(for example, explore whether training can be delivered in another format). 3.2 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. 3.3 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. 3.4 The Council should ensure that Members complete the mandatory refresher Data Protection training, and that this is enforced and monitored going forward. 3.5 Management should review and, where necessary, update the Council's training module. 3.6 As part of the RoPA review, the Council should retrospectively review all data processing activities, to determine whether a DPIA may be required.				3.5 All current mandatory learning content across the Council is being reviewed and updated to ensure it remains fit for purpose and provides the required knowledge and skills. The Data Protection Officer has reviewed the GDPR training and has made recommendations for a new Data Privacy Impact Assessment module. The suggested contents of the new module are being reviewed, and the new module is being designed by the newly appointed Learning and Development Lead. 3.6 Previously completed and reported to the PGA Committee. Internal audit comment: Recommendation closed by Internal Audit following receipt of management confirmation that the final part of the recommendation (3.5) is materially complete. All other parts of the recommendation have been previously reported to the Committee as complete.
2025/26 **Corporate Governance**	Rec 2 2.1 The Council should ensure terms of reference are up-to-date and version controlled so it is clear when the document was last reviewed and when it will be subsequently reviewed. 2.2 The Council should ensure where a Working Group reports to a Committee, the subsequent Working Group minutes note this	Medium	Cheryl Hughes Head of Performance, Improvement and LGR Strategy and Improvement	~~November 2025~~ ~~June 2026~~ Closed	Management update: 2.1 In May, the first working group meetings reviewed and refreshed the terms of reference. 2.2 A note has been circulated to officers involved in working groups to highlight this recommendation. For the first meeting that takes place in the municipal year, we will ensure terms of reference are reviewed when each working group sits. Internal audit comment:

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	and confirm the outcome for information purposes.				Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information.
2025/26 **IT Governance**	Rec 1 The Council should introduce a structured ICT workforce and capability planning process. This should include, but not be limited to: • A formal ICT workforce strategy aligned to the Technology Roadmap and organisational priorities • A skills matrix and gap analysis covering all key ICT roles • A defined resourcing model that considers ongoing operations, project delivery and emerging technology requirements • A succession plan for critical roles, with knowledge transfer activities embedded as standard.	Medium	Grant Hulley Head of ICT and Digital Strategy & Improvement	~~May 2026~~ Closed	Management update: Following the completion of the phase 2 restructure, MDC ICT opened four additional posts to build on the resources available within the ICT team. The Tech strategy was reviewed early 2026 and has been extended to 2029, LGR has been added in, and a gap analysis was run and implemented in the document itself. The IT Director and other heads of IT have reviewed as joint document for Brentwood, Chelmsford and Maldon. Internal audit comment: Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information
2025/26 **IT Governance**	Rec 2 The Council should supplement its existing training and simulation activities with targeted, risk-based interventions for users who exhibit repeated high-risk behaviour. These interventions may include, but not be limited to: • Mandatory one-to-one remedial training for repeat clickers • Temporary restrictions or enhanced monitoring for high-risk accounts	Medium	Grant Hulley Head of ICT and Digital Strategy & Improvement	~~May 2026~~ Closed	Management update: In July, the Council implemented temporary restrictions on user accounts for repeat clickers or failed course learning, with an escalation path via SLT and staff disciplinarians in the event of multiple failures to pass cyber awareness courses. Cyber security and phishing regular training and remediation in place. If a member or staff fail a course, they must relearn and then retake, they get two chances at this before its escalated and appropriate action taken. Internal audit comment:

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	• Scenario-based or role-specific training modules focusing on decision-making under pressure • Escalation pathways for persistent non-compliance, particularly for users with privileged access or governance responsibilities. Implementing a behaviourally-focused risk management programme will significantly reduce residual cyber exposure and strengthen the Council's cyber resilience.				Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information
2025/26 **Safeguarding**	Rec 1 1.1 Establish a clear mechanism and review cycle for the Safeguarding Policy and all supporting policies, especially the draft Staff Volunteering Policy, Recruitment Framework (no date) and draft agreement (contract), which was in the process of being updated May 2025; the Criminal Convictions Policy (January 2018), this is integrated within the Safer Recruitment Procedure (2020), which was also in the process of being updated in May 2025; and in addition the policy on Human Trafficking. The review cycle of the Safeguarding Policy and all supporting policies should be documented and specify that reviews occur every one to three years or following significant legislative changes. Assign responsibility for these reviews to a specific approver or approval body to ensure accountability. 1.2. Ensure all policies, including the Safeguarding for Contractors and Suppliers and the Staff Volunteering Scheme, are dated and regularly updated to help maintain compliance with current legislation and best practices.	Medium	Jon Sharkey Director of Neighbourhood Services & Communities	~~October 2026~~ ~~Closed~~	Management update: 1.1 The Council considers this recommendation has been completed - We accept the finding that the core policy had not been updated at the time of the Audit. At the time of the Audit the Safeguarding Policy was already under review and was subsequently approved by Members on 11/12/2025. The Council now has a centralised system in place to ensure Corporate oversight of policies to help ensure that they remain up to date and relevant. The Criminal Convictions policy and Safer recruitment management guide had been updated in May 25. This document deals with DBS requirements related to convictions, unspent, spent etc 1.2. A regular review of all policies has been undertaken by the Lead Safeguarding Officer. 1.3. The Council considers this recommendation has been completed. At the time of the Audit advice on identifying and reporting Human Trafficking and Modern Slavery was provided to staff via the Councils Intranet. A new Modern Day Slavery Statement including managing slavery risks in line with the Modern Slavery Act 2015 has since been completed and approved and published on the website. Internal audit comment:

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	1.3. Develop the policy on Human Trafficking to include a statement outlining how the Council understands and manages the risk of slavery and human trafficking within its operations and supply chains. This should align with the Modern Slavery Act 2015 and LGA guidance on modern slavery.				Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information.

RECOMMENDATIONS: IN PROGRESS

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2024/25 **Asset Management**	Rec 1 1.1 The Council should implement supporting procedures to provide detailed guidance to support implementation of the Asset Management Strategy. Each procedure should clearly outline the objectives, scope, and principles for asset management, including guidelines for acquisition, maintenance, depreciation, and disposal. Detailed procedures should support the asset management strategy, covering the recording, tracking, and reporting of assets to ensure consistency and compliance. Including responsibilities and duties of the appropriate parties. This approach should provide clear guidance to managers, budget holders, and staff, enhancing the Council's asset management practices. 1.2 The Asset Management team should document the disposal process using a flow chart. Clearly outlining the decision-making steps for staff to follow.	Medium	Head of Assets, Coast and Countryside	~~June 2026~~ December 2026	Management update: We are currently working with colleagues in our Legal team on an Asset disposal policy. This will include a process for considering the disposal of assets. Once the policy has been agreed and finalised, it will be agreed at the Strategic Assets Working Group before going to S&R or Council. From this Policy, a flowchart clearly outlining the decision-making steps for staff can be drafted. Internal audit comment: Work in implement the recommendation is ongoing. A new implementation date has been agreed to allow more time to address the identified actions.

FOR MORE INFORMATION:

AARON WINTER

Aaron.Winter@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

© 2026 BDO LLP. All rights reserved.

www.bdo.co.uk

This page is intentionally left blank

Maldon District Council

Internal Audit Report - Final

Car Parking

October 2026

Design Opinion	Moderate
Effectiveness Opinion	Moderate



IDEAS | PEOPLE | TRUST

CONTENTS

EXECUTIVE SUMMARY 2
DETAILED FINDINGS 6
APPENDIX I - DEFINITIONS 16
APPENDIX II – TERMS OF REFERENCE 17
APPENDIX III - RESPONSIBILITIES AND CONFORMANCE 19

DISTRIBUTION	
Jon Sharkey	Director of Neighbourhoods and Communities
Nicola Syder	Senior Car Park and Community Safety 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 Andrew Billingham, Internal Audit Manager Ollie Seabrook-Smith, Assistant Manager
Dates work performed:	August 2026 – September 2026
Draft report issued:	8 September 2026
Management responses received:	6 October 2026
Final report issued:	7 October 2026

Executive Summary

CRR REFERENCE: RISK 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

Design Opinion	Moderate	Effectiveness Opinion	Moderate
Recommendations	0	5	0

SCOPE

Background

- Car Parking is overseen by the Director of Neighbourhoods and Communities who joined Maldon District Council ("the Council) in April 2026.
- The Council adheres to traffic regulation orders to ensure the efficient operation and enforcement of its car parks. These regulations are vital for maintaining order and accessibility in the district's parking facilities.
- The Council operates several pay and display car parks, including Promenade Park, High Street East, Council Offices (weekends only), Butt Lane, Friary Fields, Carmelite Way (evenings and weekends only), and White Horse Lane.
- Additionally, there are two season ticket car parks located at Market Site and Silver Street.
- Collectively, these car parks contribute significantly to the Council's revenue, generating approximately £2 million annually.
- In line with modern payment trends, the Council has transitioned to cashless transactions, accepting payments via card at pay and display machines, which have been in use for eight years, or through the Ringo phone service, implemented in 2019.
- If car park users do not display a valid pay and display ticket or have a permit, then a Penalty Charge Notice (PCN) can be issued. The charge is £70, however for minor infringements (for example exceeding the maximum time limit or not displaying a Pay and Display ticket), the charge is generally £50.
- Payment of a PCN must be received within 28 days of the date of issue. If payment is received within 14 days, a discounted rate of £25 or £35 depending on the contravention will be accepted.

Purpose

- The purpose of the audit was to provide assurance over the Council's arrangements for the administration, collection and recording of car parking income.

Areas reviewed

- We reviewed the Council's car parking strategy, policy, and associated procedures and confirmed whether these were subject to regular

review, clearly defined roles and responsibilities, and documented the Council's rationale and approach to setting and charging car parking fees.

- We confirmed whether parking charges were reviewed on an annual basis and that the charges for 2026/27 had been formally approved through the appropriate governance arrangements.
- Through sample testing, we verified whether the approved parking charges for 2026/27 had been accurately applied across Council-operated car parks and to parking permits and season tickets issued during the period under review.
- We selected a sample of parking permits and assessed whether appropriate validation and eligibility checks had been completed prior to their issue.
- We completed a walkthrough of the process for identifying parking offenders to assess whether controls were suitably designed to identify and escalate offenders in a timely manner.
- We selected a sample of Penalty Charge Notices (PCNs) and verified whether payments received were accurate and appropriately recorded. For unpaid PCNs, we also confirmed whether the Council had undertaken enforcement action in line with established procedures.
- We reviewed whether reconciliations between payments made by car park users and income received and banked by the Council were completed.
- We sought to review the three most recent management reports relating to car parking services presented to senior management and assessed whether they contained sufficient operational and performance information, recorded actions arising, and were reported on a regular basis.

AREAS OF STRENGTH

- We confirmed there is currently an annual review process for parking charges, including: independent scrutiny through the Finance Working Group; formal governance oversight by the Strategy and Resources Committee; and final approval by Full Council, providing segregation of duties and appropriate authority levels, however, note the finding in relation to the Full Council approval of these fees and charges **(Finding 2 - Medium)**.
- Our testing of a sample of 10 parking permits/season tickets showed the payment amounts charged for each permit were agreed to the approved 2026/27 permit fee schedule, with no exceptions identified. Testing also confirmed that, where applicable, the required validation checks had been completed prior to permit issuance, with supporting evidence retained to demonstrate that eligibility requirements and approval controls had been appropriately applied.
- We completed a walkthrough of the process to identify parking offenders and confirmed that inspections are completed daily, Monday to Sunday, to ensure adequate coverage of the Council's car parks. Handheld devices are used to scan number plates to record PCNs. Photographic evidence is taken to support all issued PCNs, to mitigate against potential disputes. The current process ensures that offenders are identified in a timely manner and that comprehensive supporting evidence is obtained.

AREAS OF CONCERN

- The Car Park Strategy provided an overarching framework for the Council's parking objectives, rationale for charging, and commitment to periodic review. However, the strategy did not clearly define key roles and responsibilities, governance arrangements, or the detailed process for setting and approving parking charges **(Finding 1 - Medium)**
- For all cark parks, except the Council Offices, the Sunday and Bank Holiday car parking charges in RingGo and on the Council website did not match the approved 26/27 fees and charges. The amounts varied between 10p and 30p for the first hour of Sunday parking more than the approved charges. We were advised that the fees and charges schedule that was approved was not completed correctly and from reviewing the minutes on the Council website it was not clear that a corrected version was approved at full Council **(Finding 2 - Medium)**
- For our sample testing of PCNs issued, one exception was identified relating to a payment of £25 being received, which is the reduced amount if paid within 14 days, but for this one it was paid three days after this timescale, and the rationale for this was not noted against the PCN. Management confirmed there is currently no documented process for identifying, investigating, recording, or recovering PCN underpayments **(Finding 3 - Medium)**
- There is currently no reconciliations completed between income received, and banking completed by the Senior Car Park and Community Safety Officer, or the Finance Business Partner Manager **(Finding 4 - Medium)**
- KPIs have not been established by the service and the primary method of monitoring performance is through PCNs issued and income from parking. Documentation was provided to show the PCN figures being monitored regularly and the income being monitored through regular monthly forecasting, but it was not clear that these are reported to a suitable governance forum. **(Finding 5 - Medium)**

ADDED VALUE

Per the agreed audit terms of reference, we completed a benchmarking exercise against other clients and similar audits completed to identify areas of improvement for the Council. These have been outlined in more detail below, as part of the findings raised as part of this audit.

CONCLUSION

We have provided moderate assurance over control design and operational effectiveness of the controls in relation to car parking.

Control Design:

- The control design has been assessed as moderate. The Council has established several key controls, including an annual review and approval process for parking fees and charges involving independent scrutiny by the Finance Working Group, oversight by the Strategy and Resources Committee, and approval by Full Council. In addition, procedures are in place to validate parking permit applications, conduct regular parking

enforcement inspections, and obtain photographic evidence to support the issue of Penalty Charge Notices (PCNs).

- However, opportunities exist to strengthen the control framework. The Car Park Strategy provides an overarching framework for parking operations but does not clearly define roles and responsibilities, governance arrangements, or the detailed process for setting and approving parking charges. Furthermore, formal processes have not been established for the identification and recovery of PCN underpayments, reconciliation of parking income to banking records, and the development and reporting of service performance indicators. A finding was also identified regarding the approval and implementation of parking fees and charges.

Control Effectiveness:

- The control effectiveness has been assessed as moderate. Testing confirmed that parking permit and season ticket charges were applied in accordance with the approved 2026/27 fee schedule, with appropriate eligibility and validation checks completed prior to permit issuance. We also confirmed that parking enforcement activities are undertaken daily, with handheld devices and photographic evidence used to support the timely and accurate identification of parking offenders.
- However, several exceptions were identified which indicate that controls are not operating consistently across all areas. These included discrepancies between approved parking charges and the charges published within RingGo and on the Council website, an instance of a PCN underpayment where no rationale was documented, the absence of reconciliations between parking income received and amounts banked, and limited evidence of formal performance monitoring and reporting through defined KPIs. Collectively, these findings demonstrate that while key controls are operating in practice, improvements are required to ensure they are applied consistently and supported by a stronger governance and monitoring framework.

Detailed Findings

1	Car Parking Policy
TOR Risk	There is an ineffective car parking strategy and roles and responsibilities are not clearly defined leading to Council objectives not being achieved.
Significance	Medium

FINDING

The Car Park Strategy provides a suitably designed framework describing the Council's parking objectives, rationale for charging, and commitment to periodic review. The control is partially effective in design because although review activities and stakeholder involvement are referenced, the strategy does not clearly define specific roles, responsibilities, governance arrangements, or the detailed process for approving and setting parking charges. This was last reviewed in June 2025.

During this review, we completed a benchmarking exercise against parking service audits completed at other local authority clients. As a matter of good practice, it was common for authorities to maintain a suite of documented parking policies and procedures that complemented their overarching parking strategy and clearly defined the roles, responsibilities, and accountabilities of officers involved in the delivery and management of the parking service.

Such documentation typically established ownership for key activities including fee setting, income management, enforcement, performance monitoring, contractor management, and periodic policy review. This helped ensure consistency in service delivery, strengthened governance and accountability arrangements, and reduced the risk of ambiguity regarding operational responsibilities.

Root cause

When the current two key members of staff joined the team the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the strategy that governs the service.

Implication

There is a risk that the consistency, transparency, and accountability in the administration of parking services across the District will be impacted by roles and responsibilities and fully documented processes not being in place.

RECOMMENDATION

1a. A complementary Car Park Policy should be developed and approved by the Council to:

• Clearly define roles, responsibilities, and accountability for the management of car parks, including ownership of policy reviews, performance monitoring, fee proposals, and operational delivery.

• Establish a formal governance framework, including review frequency, approval requirements, escalation routes, and reporting mechanisms.

• Document the methodology and principles for setting and reviewing parking charges, including consideration of demand management, asset utilisation, customer needs, benchmarking, financial sustainability, and strategic objectives.

• Specify the process and frequency for reviewing parking tariffs, permits, concessions, and season ticket arrangements.

MANAGEMENT RESPONSE

1a. Agreed. A complementary Car Parking Policy will be developed to support the existing Car Park Strategy. The policy will clearly set out the roles, responsibilities and accountabilities for the management and operation of the Council's car parks, including responsibility for reviewing the policy, developing fee proposals, monitoring performance and overseeing operational delivery.

The policy will also document the governance and approval arrangements for parking-related decisions, the frequency of policy and tariff reviews, reporting and escalation routes, and the principles to be considered when setting charges. These will include customer needs, demand management, use of the Council's parking assets, benchmarking, financial sustainability and alignment with the Council's wider strategic objectives.

The policy will be subject to the appropriate internal review and governance process before being presented for formal approval.

Responsible Officer:	1a. Jon Sharkey & Nicola Syder
Implementation Date:	1a.31 March 2027

2	Car Parking Fees and Charges
TOR Risk	There is a risk that parking charges are applied without appropriate authorisation, resulting in financial loss, challenge from service users, non-compliance with Council governance requirements, and reputational damage.
Significance	Medium

FINDING

We confirmed there is currently an annual review process for parking charges, including:

- independent scrutiny through the Finance Working Group;
- formal governance oversight by the Strategy and Resources Committee; and
- final approval by Full Council, providing segregation of duties and appropriate authority levels.

For all cark parks, except the Council Offices, the Sunday and Bank Holiday car parking charges in RingGo and on the Council website did not match the approved 26/27 fees and charges. The amounts varied between 10p and 30p for the first hour on Sunday above the approved fees.

The Strategy and Resources Committee in November 2025 noted the recommendation from the Car Parking Task and Finish Group that the fees and charges should remain the same for 2026/27 as the previous financial year. From reviewing the full Council meeting in December 2024, the 25/26 and 26/27 fees and charges align.

Therefore, using Butt Lane as an example, on Sunday P&D for one hour was £1.10 in 2025/26 and 2026/27 in the fees and charges documents. Therefore, the current charge, of £1.40 for one hour P&D on Sunday via RingGo and as detailed on the Council website, at Butt Lane doesn't align with the approved charges.

Root cause

Management believe the fees and charges currently in place are correct, and it is not clear at which point in the process there was a failure to identify the correct and agreed charges to be reported to full Council for approval.

Implication

There is a risk that parking charges are applied without appropriate authorisation, resulting in financial loss, challenge from service users, non-compliance with Council governance requirements, and reputational damage.

RECOMMENDATION

2a. Review the current parking charges that have been implemented for 2026/27 against the fees and charges formally approved by Council as part of the 2026/27 budget-setting process.

Where discrepancies are identified, either:

• Approve the revised parking charges currently being applied, including any increases above the approved 2026/27 fees and charges; or amend the parking charges to bring them into line with the fees and charges approved by Council for 2026/27.

• Strengthen the annual fees and charges review process by requiring all proposed parking charges to be reviewed and verified prior to publication or implementation, with appropriate management checks and approvals undertaken.

MANAGEMENT RESPONSE

2a. Agreed. Management will complete a documented review of the parking tariffs currently applied and published on the Council's website against the fees and charges formally approved for 2026/27.

Where discrepancies are confirmed, management will ensure that the charges are either corrected to align with the approved schedule or submitted through the appropriate governance process for formal approval. Any changes arising from this review will be applied consistently across the relevant payment systems, published information and car park signage, where applicable.

The annual fee-setting process will also be strengthened through the introduction of a documented verification check. Before new or revised tariffs are implemented, the approved schedule will be independently checked against the charges programmed into payment systems and published through the Council's communication channels. Evidence of these checks and the associated management approval will be retained.

Responsible Officer:	2a. Jon Sharkey & Nicola Syder
Implementation Date:	2a.31 December 2026

3 PCN Underpayments	
TOR Risk	Parking offenders are not identified appropriately, or action taken on a timely basis, and accurate payments are not received for PCNs, leading to loss of income for the Council.
Significance	Medium

FINDING

We selected a sample of 20 PCNs to confirm that payments were received correctly, and if not, whether enforcement action was taken.

One exception was identified relating to a payment of £25 being received, which is the reduced amount if paid within 14 days, but for this one it was paid three days after this timescale and the rationale for the reduced payment was not noted against the PCN. Management confirmed there is currently no documented process for identifying, investigating, recording, or recovering PCN underpayments.

Root cause

Management stated it is common for Unity5 Chipside to approach the Council for a management review to confirm whether or not to try and secure the remaining amount outstanding, but this was not completed in this case, and there is not a routine, agreed process in place to manage this.

Implication

There is a risk that PCN income is not fully recovered and that inconsistent treatment of underpayments may undermine the effectiveness and fairness of parking enforcement arrangements. There is also an increased risk of fraud where there is not oversight of these reduced amounts being accepted.

RECOMMENDATION

3a. It is recommended that the Council:

Review instances since 1 April 2026 where Penalty Charge Notices (PCNs) have been settled at the discounted rate outside the statutory 14-day discount period to determine the extent and impact of the issue.

Liaise with Unity5 Chipside to agree a process for following up on under payments, including formally recording and acknowledging any cases where reduced payments have been accepted after the expiry of the 14-day period, including the reasons for the decision and whether the reduction was applied in accordance with Council policy or operational practice.

Assess whether any further action is required, considering the financial impact, consistency of treatment, legal and procedural requirements, and the potential implications for enforcement activities and public confidence in the parking service.

Implement appropriate monitoring controls to ensure that any future acceptance of discounted PCN payments outside the prescribed period is appropriately authorised, documented, and supported by a clear rationale.

MANAGEMENT RESPONSE

3a. Agreed. Management will review PCNs settled at the discounted rate outside the applicable discount period from 1 April 2026. This review will establish the number and value of relevant cases, the reasons for accepting reduced payments and whether any further action is proportionate or required.

The Council will work with Unity5 Chipside to establish and document a consistent process for identifying and referring PCN underpayments for management review. The process will require decisions to accept a reduced or late payment to be appropriately authorised, supported by a recorded rationale and retained against the relevant case.

Management information will be introduced to provide oversight of exceptions and identify recurring issues or trends. The process will also clarify the circumstances in which recovery action should be pursued, taking account of the financial value, legal and procedural requirements and the need for consistent treatment.

Responsible Officer:	3a. Nicola Syder and Jon Sharkey
Implementation Date:	3a.31 January 2027

4	Reconciliations
TOR Risk	Payments received by the Council for parking services may not be accurately recorded as income in the general ledger, leading to undetected fraud or errors.
Significance	Medium

FINDING

There is currently no reconciliations completed between income received and finance records and bank receipts by the Senior Car Park and Community Safety Officer, or the Finance Business Partner Manager.

Root cause

When the current two key members of staff joined the team, the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the service.

Implication

There is a risk that errors, fraud, theft, or unrecorded income may go undetected due to inadequate reconciliation controls and insufficient segregation of duties, resulting in financial loss and inaccurate financial reporting.

RECOMMENDATION

4a. Management should develop and implement documented procedures requiring:

• Regular reconciliation of all car park income streams (including cash, card, and third-party payment providers) to the Council's financial records and bank receipts.

• Timely investigation and resolution of all reconciling differences, with evidence of actions taken retained.

• Independent review and approval of reconciliations by an appropriately authorised officer.

• Clear segregation of duties between officers responsible for collecting/recording income, preparing reconciliations, and reviewing/approving reconciliations.

• Periodic management oversight to ensure reconciliations are completed consistently and in accordance with Council requirements.

MANAGEMENT RESPONSE

4a. Agreed. Working with Finance, the service will develop and implement a documented reconciliation process covering all material car parking income streams and the corresponding financial and banking records.

The procedure will specify the frequency of reconciliations, the information to be reviewed, responsibilities for preparation and independent approval, and the evidence that must be retained. Any differences identified will be investigated promptly, with the cause, corrective action and resolution recorded.

The allocation of responsibilities will provide appropriate segregation between the collection or recording of income, preparation of the reconciliation and its review and approval. Completion of reconciliations and any unresolved differences will be periodically reported to management to provide assurance that the control is operating consistently.

Responsible Officer:	4a. Nicola Syder and Jon Sharkey
Implementation Date:	4a.31 January 2027

5	Management Reporting
TOR Risk	Management reports are not presented to senior management on a regular basis, resulting in insufficient oversight / scrutiny over parking management within the Council.
Significance	Medium

FINDING

We were advised by the Senior Car Park and Community Safety Officer that KPIs have not been established by the service and that the primary method of monitoring performance is through PCNs issued and income from parking. Documentation was provided to show the PCN figures being monitored regularly and the income being monitored through regular monthly forecasting, but it was not clear where these are formally reported to.

It was common practice for parking services to produce regular management reports for review by senior management and/or relevant governance forums. These reports provided oversight of operational performance, financial performance, risks, and service improvement activities, enabling management to make informed decisions and hold service areas accountable for delivery.

As part of this audit, we conducted a benchmarking activity across other parking audits completed at our other clients and identified that typically, management reporting included:

- Car park income performance against budget, including analysis of variances
- Occupancy and utilisation data by car park location
- Parking permit and season ticket statistics
- Penalty Charge Notice (PCN) volumes, collection rates, cancellations, and trends
- Customer complaints, compliments, and service requests
- Key operational issues, risks, incidents, and emerging challenges
- Performance against key performance indicators and strategic objectives
- Updates on agreed management actions and service improvement initiatives
- Proposed changes to fees and charges and the impact of previous tariff changes.

Root cause

When the current two key members of staff joined the team the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the service.

Implication

There is a risk that where complete and consistent management reporting is not in place that performance trends, financial issues, and operational risks will not be identified and addressed in a timely manner.

RECOMMENDATION

5a. The Council should establish a suite of KPIs and management information measures for the parking service and implement a formal governance and reporting framework. This should define the performance information to be monitored, reporting frequencies, and escalation routes, with regular performance reporting undertaken within the directorate

and agreed information reported to SLT to support effective oversight and continuous improvement.

MANAGEMENT RESPONSE

5a. Agreed. The service will establish a proportionate suite of KPIs and management information measures for car parking. These will include financial and operational measures such as income against budget and forecast, PCN volumes and recovery, permit and season ticket activity, customer feedback, operational issues and risks, and progress against service improvement actions.

A formal reporting framework will be documented, setting out the measures to be monitored, data ownership, reporting frequency, responsible governance forums and escalation arrangements. Performance will be reviewed regularly within the directorate, with an agreed summary reported periodically to SLT to support oversight, informed decision-making and continuous improvement.

The measures will be reviewed after an initial period of operation to ensure that they remain relevant, reliable and proportionate.

Responsible Officer:	5a. Jon Sharkey and Nicola Syder
Implementation Date:	5a.31 March 2027

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 potential key risks associated with the area under review), are:

- Risk 1: There is an ineffective car parking strategy and roles and responsibilities are not clearly defined leading to Council objectives not being achieved.
- Risk 2: Parking charges are not subject to annual review and approval resulting in inappropriate charges set.
- Risk 3: Fees and charges collected by the Council are not in line with the agreed schedule of rates, potentially leading to a financial loss for the Council.
- Risk 4: Validation checks are not completed prior to issuing a parking permit / season ticket, potentially leading to the Council granting authority to park in the borough to someone who does not meet the required eligibility.
- Risk 5: Parking offenders are not identified appropriately, or action taken on a timely basis, and accurate payments are not received for PCNs, leading to loss of income for the Council.
- Risk 6: Payments received by the Council for parking services may not be accurately recorded as income in the general ledger, leading to undetected fraud or errors.
- Risk 7: Management reports are not presented to senior management on a regular basis, resulting in insufficient oversight / scrutiny over parking management within the Council.

SCOPE & APPROACH

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

- Review car parking strategy and/or policy procedures and confirm they are regularly reviewed, clearly define roles and responsibilities and sets out the Council's rationale and approach for charging car park fees. (Risk 1)
- Confirm parking charges are reviewed annually and approved. (Risk 2)
- Through sample testing, verify whether the approved charges for 2026/27 have been correctly applied across the Council's car parks and for parking permits / season tickets issued. (Risk 3)
- Select a sample of parking permits to assess whether appropriate validation checks were completed prior to issuing the permits. (Risk 4)
- Walkthrough the processes for identifying parking offenders, to understand if they are adequately designed to identify offenders within a timely manner. (Risk 5)
- Select a sample of PCNs to determine if the payments received were accurate, and if not received, appropriate enforcement action was taken. (Risk 5)
- Review a sample of reconciliations between payments made by car park users and those received/banked by the Council, and whether there is adequate segregation of duties in this process. (Risk 6)
- Review the three most recent management reports on car parking services presented to senior management to assess whether these are adequately detailed, record actions and are presented on a periodic basis. (Risk 7)

Sample sizes will be determined following the completion of our walkthroughs using our Internal Audit Methodology; for example, if a control is performed daily, we may select a sample of fifteen and if monthly a sample of two to three. Where possible, full population testing will be conducted utilising data analytics.

A closing meeting will be held to discuss findings emerging from the review prior to issue of the draft report. Once the report and recommendations have been agreed following discussions with management, a summary of the findings will be presented to the Performance, Governance and Audit Committee at its next meeting. 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.



ADDED VALUE

In addition to the above areas we will also:

Benchmark processes with other Councils where we have completed a similar audit to identify any areas of best practice that can be adopted.

Appendix III - Responsibilities and conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the 'board' as 'the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.' For the Council, 'the board' is the Performance, Governance and Audit Committee (PGAC) acting on behalf of the Council.

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The PGAC is responsible for ensuring the internal audit function has:

- The support of the Council's management team
- Direct access and freedom to report to senior management, including the Chair of the PGAC.

The PGAC is also responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls cover the whole system of controls, financial and otherwise, established by the Council to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The AC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025

- The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

FOR MORE INFORMATION:

Aaron Winter

Aaron.Winter@bdo.co.uk

Freedom of Information

In the event you are required to disclose any information contained in this report by virtue of the Freedom of Information Act 2000 ("the Act"), you must notify BDO LLP promptly prior to any disclosure. You agree to pay due regard to any representations which BDO LLP makes in connection with such disclosure, and you shall apply any relevant exemptions which may exist under the Act. If, following consultation with BDO LLP, you disclose this report in whole or in part, you shall ensure that any disclaimer which BDO LLP has included, or may subsequently wish to include, is reproduced in full in any copies.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

The matters raised in this report are only those which came to our attention during 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.

Copyright © 2026 BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk

Maldon District Council

INTERNAL AUDIT STANDARDS - ESSENTIAL CONDITIONS

November 2026

IDEAS | PEOPLE | TRUST



GLOBAL INTERNAL AUDIT STANDARDS IN THE UK PUBLIC SECTOR

Global Internal Audit Standards in the UK Public Sector requirements

The Global Internal Audit Standards (GIAS) in the UK Public Sector encompass:

- The global Institute of Internal Auditors (IIA) Global Internal Audit Standards effective from January 2025
- The Internal Audit Standards Advisory Board (IASAB) Application Note Global Internal Audit Standards in the UK Public Sector effective from 1 April 2025.

As the activities of the Performance, Governance and Audit Committee (PGA) and senior management are essential to the Internal Audit function's ability to fulfil the Purpose of Internal Auditing, we have set out on the following pages the respective responsibilities of each party together with our assessment of conformance with the specific requirements of Domain III.

Action: The Committee is asked to agree to its roles and responsibilities regarding Internal Audit and to note the conformance assessment.



Global IIA Standards conformance

Domain III Governing the Internal Audit Function

Whilst the Chief Audit Executive (CAE) is responsible for the requirements of Domain III, activities of the board and senior management are essential to the internal audit function's ability to fulfil the Purpose of Internal Auditing. These activities are identified as 'essential conditions' and establish the necessary foundation for an effective dialogue between the board, senior management and the chief audit executive, ultimately enabling an effective internal audit function. The CAE must meet with the board and senior management to discuss:

- The purpose of internal auditing
- The 'essential conditions' to enable an effective IA function
- The potential impact on the effectiveness of the IA function if the board or senior management does not provide the expected levels of support.

Whilst the Board has ultimate responsibility to discuss and approve the IA Charter, setting out the mandate, senior management's perspective helps support the IA function's positioning and promotes the authority granted to the function. The nature and frequency of these discussions depends on the circumstances and changes in the organisation. Within the IIA standards the term Board refers to the body authorised to provide the internal audit function with the appropriate authority, role and responsibilities. Set out below and on the next page are the nine 'essential conditions.'



Internal Audit Mandate

Requirement: CAE to provide board and management with the information necessary to establish an IA mandate to determine IA's authority and role and responsibilities. CAE must assess whether changes in circumstance justify a discussion with the board and management about the mandate.

Board: Discuss with CAE and management the appropriate authority, role and responsibilities for the IA function.

Management: Participate in discussions with the board and CAE on the IA mandate. Support the mandate throughout the organisation and promote IA's authority.

Internal audit Charter

Requirement: CAE to develop and maintain an IA charter, outlining the purpose of internal auditing, commitment to the GIA standards, IA mandate, types of service provided and the board's responsibilities and expectations regarding management's support for IA. CAE to review and update the charter periodically in consultation with the board and management.

Board: Engage in discussions regarding the charter and consider other topics to be included to enable an effective IA function. Approve the charter.

Management: Communicate with the board and CAE about management's expectations that should be considered for inclusion in the charter.

Board and senior management support

Requirement: CAE to provide board and management with the information needed to support and promote recognition of the IA function throughout the organisation.

Board: Champion the IA function, ensure unrestricted access to information, support the CAE through regular, direct communications, demonstrate support by requiring CAE be suitably positioned to fulfil the IA mandate, approve the plan, budget and resource plan, understand any restrictions placed on scope, meet with CAE without management present.

Management: support recognition of the IA function and allow unrestricted access to people and information.

Global IIA Standards conformance

Independence

Requirement: CAE confirm to the board the independence of the IA function annually and any incidents where independence may have been breached. CAE must discuss with board and management any potential impairment to independence.

Board: Establish a direct reporting relationship with CAE, authorise their appointment / removal, provide opportunities for CAE to discuss sensitive matters without management, position CAE at a level they can operate without management interference.

Management: Position IA at a level in organisation that enables it to perform without interference and recognise CAE's direct reporting line to the board.

CAE qualifications

Requirement: CAE must help the board understand the qualifications and competencies necessary to manage IA. CAE must maintain and enhance qualifications and competencies necessary to fulfil responsibilities.

Board: Review the requirements necessary for CAE to manage IA. Approve the CAE role and identify necessary qualifications, experience and competencies required to fulfil responsibilities. Engage with management to appoint CAE with requirement qualifications and competencies.

Management: Engage with board to determine the CAE's qualifications, experience and competencies.

Board interaction

Requirement: CAE provides board with information needed to conduct oversight of the IA function. CAE escalates significant issues to the board when disagreements with management arise.

Board: Communicate with the CAE to understand how IA's activities fulfil its mandate, communicate the board's perspective on the organisation's strategies, objectives and risks, establish clear processes for escalating issues and support the CAE to resolve disputes with management.

Management: Share perspectives on strategies, objectives and risks to assist with determining priorities, establish escalations processes with the board

Resources

Requirement: CAE to evaluate whether resources are sufficient to fulfil IA's mandate and achieve IA plan.

Board: Collaborate with management to provide IA with sufficient resources, discuss resource with the CAE at least annually, consider the impact of insufficient resources and address any insufficiencies.

Management: Engage with board to provide sufficient resources to fulfil IA mandate and address any identified resource insufficiencies.

Quality

Requirement: CAE must develop, implement, and maintain a quality assurance and improvement program (QAIP), conducting internal and external assessments and reporting results annually to the board and management.

Board: Discuss the QAIP with the CAE, approve the function's performance objectives, assess the function's effectiveness and efficiency of the IA function.

Management: Provide input on IA's performance objectives and participate in the annual assessment.

External Quality Assessment (EQA)

Requirement: CAE must develop a plan for an EQA at least every five years, ensuring that at least one person of the assessment team is suitably qualified.

Board: Review and approve CAE's EQA plan including scope / frequency of EQA, review results directly from the assessor, and approve action plans for addressing gaps.

Management: Collaborate with the board and CAE on the EQA and action plans.

Global IIA Standards conformance

Essential conditions evaluation

We have set out in the following pages our detailed assessment of conformance with the essential conditions for an effective internal audit function within Maldon District Council. This assessment is for consideration and discussion with senior management and the Performance, Governance and Audit Committee.

If either the board or senior management disagrees with one or more of these essential conditions, and our assessment of the conformance these should be discussed, with consideration for how the absence of the condition(s) may affect the internal audit function's ability to fulfil its purpose or conform with specific standards.

Where we are not fully conforming, we should either:

- Agree alternatives to the essential conditions to achieve the same results; or
- Reach agreement with the board and senior management that one or more of the essential conditions are not necessary to conform with the Standards.

In such instances, the chief audit executive must document:

- The reasons for agreeing that a particular condition is unnecessary.
- Alternative conditions that compensate for the absent conditions, to support the judgments of the board and senior management.

If the chief audit executive does not agree with the board's and/or senior management's reasons for not performing one or more of the conditions, the chief audit executive may conclude that the internal audit function cannot conform with the Standards. In such cases, the chief audit executive should document the reasons why the board and/or senior management will not perform the essential conditions. This documentation should be shared with the board and senior management to ensure clarity regarding their positions and made available to an external quality assessor.

Overview of assessment

In the assessment that follows we have recommended that the internal audit services is fully conforming with 8 out of the 9 essential conditions and is generally conforming with one.

The essential condition that is not fully met relates to Standard 8.4 External Quality Assessment. This standard requires the CAE to develop a plan for an EQA and discuss the plan with the board. At BDO we have an EQA performed every 5 years, as required by the standards, however this is across all outsourced internal audit services that we provide to all our clients. For this reason, we do not meet all of the essential conditions that support conformance with this standard which require Board approval of:

- the scope and frequency of assessments
- the competencies of the external assessor or assessment team
- the rationale for choosing to conduct a self-assessment with independent validation instead of an EQA (if applicable)
- the CAE's action plan to address identified deficiencies and opportunities for improvement (if applicable)

As a suggested alternative we will provide the Performance, Governance and Audit Committee and Senior Management with a briefing on the scope, competencies of the team, and a summary report providing the outcome of the EQA assessment and any associated action plan.

Recommendation for approval

We recommend the Performance, Governance and Audit Committee and Senior Management agree and approve the conformance assessment and the agree the alternative condition for conformance with Standard .

Global IIA Standards conformance

Essential condition	Status	Commentary
Internal audit mandate	✓	▸ The internal audit mandate is defined by the IIA as the function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations. BDO has defined the mandate in the internal audit Charter that is reviewed annually to confirm it is up to date and an accurate reflection of practice. This is included within our Annual Plan paper which is discussed and approved by the Performance, Governance and Audit Committee. ▸ Internal audit's mandate is: ○ **Authority:** the CAE has direct access to the Chair of the Performance, Governance and Audit Committee. The internal audit team meets with the Chair of the Performance, Governance and Audit Committee before each meeting to discuss upcoming papers. The CAE and team meets quarterly with the Director of Finance to discuss the organisational strategy, risk, governance and internal audit programme. ○ **Role:** the CAE and internal audit team do not have responsibilities outside of the scope of internal audit. ○ **Responsibilities:** the internal audit function is responsible for the performance of internal audit services and conforming with the IIA International Professional Practices Framework which include the Global Internal Audit Standards. ▸ During the development of the internal audit strategy and internal audit plan, the internal audit team meets with the Senior Leadership Team (SLT) to discuss the role, responsibility and authority of the internal audit function. ▸ As part of individual assignment scoping meetings, we set out the purpose of internal audit, our role, authority and responsibilities to ensure there is no disparity on the service we can provide. ▸ Our internal audit assignment reports also include the responsibilities of the internal audit team.
Internal audit charter	✓	▸ The internal audit charter is approved alongside the Internal Audit Plan each year. This sets out the purpose of internal auditing, our commitment to conformance with the IIA International Professional Practices Framework and our authority, position and reporting lines within Maldon District Council.

✓ Full conformance ✓ Generally conforms ✓ Partial conformance ✓ Non conformance

Global IIA Standards conformance

Essential condition	Status	Commentary
Board and senior manager support	✓	▶ The internal audit team has regular meetings with the Chair of the Performance, Governance and Audit Committee. This allows direct interaction and discussion on the level of support for the internal audit function and whether any restrictions have been imposed in terms of the scope, access or authority of the function. ▶ The Performance, Governance and Audit Committee and Senior Management are involved in risk assurance mapping activity. ▶ SLT are actively engaged in developing the risk assessment and internal audit plan prioritisation, demonstrating support for the function.
Independence	✓	▶ The internal audit function maintains independence in multiple ways. As a function, we are ultimately responsible to the Performance, Governance and Audit Committee and have a direct reporting line to the Chair of the Performance, Governance and Audit Committee In line with this, we have pre-meetings with the Chair of the Performance, Governance and Audit Committee, independent from management, which would allow any concerns to be shared freely. In a similar fashion, the Chairs can also reach out to us at any point during the year. ▶ Should we identify any potential conflicts arising during the delivery of our internal audit services we would discuss the potential conflict with management and the Chair of Performance, Governance and Audit Committee at the time to agree the appropriate actions required. This would also be communicated to the next Performance, Governance and Audit Committee for transparency. Within our annual report we confirm that we have not undertaken any work or activity during the year that would lead us to declare any conflict of interests. ▶ Our internal risk management procedures include specific conflict checks in relation to the clients/projects which are flagged to the internal audit team so that these can be considered for potential conflicts and discussed with Senior Management and the Performance, Governance and Audit Committee if required.
CAE qualifications	✓	▶ It is our policy that staff engaged in the provision of a specialist service be qualified in the relevant professional discipline. In Internal Audit, staff are qualified or are studying for the exams of the Chartered Institute of Internal Auditors or are studying for their qualifications through an accountancy body. ▶ All professionally qualified staff are required by the firm to complete a minimum of 40 hours of continuous professional development (CPD) annually, as well as meeting the specific requirements of the professional body of which they are a member. ▶ Information regarding the qualifications, training and development of the internal audit function is provided to the Performance, Governance and Audit Committee annually as part the Annual Internal Audit Report and Opinion. ▶ The Performance, Governance and Audit Committee, and Senior Management, determine the requirements for the Chief Audit Executive's qualifications, experience and competencies through the specification and selection processes when tendering for the internal audit service.

✓ Full conformance ✓ Generally conforms ✓ Partial conformance ✓ Non conformance

Global IIA Standards conformance

Essential condition	Status	Commentary
Board interaction	✓	▶ The Chief Audit Executive provides the Performance, Governance and Audit Committee with the information it needs to conduct its oversight responsibilities. This includes the provision of: ○ The internal audit plan and budget and subsequent significant revisions to them (if applicable) ○ Changes potentially affecting the mandate or charter ○ Results of internal audits, including conclusions, themes, assurance, advice, insights, and monitoring results ○ Results from feedback surveys received in relation to the performance of the internal audits ▶ The Performance, Governance and Audit Committee communicates their perspective on the Maldon District Council's strategies, objectives, and risks through the Performance, Governance and Audit Committee pre-meetings and via the discussion held at the Performance, Governance and Audit Committee. ▶ The internal audit team attend every Performance, Governance and Audit Committee and present the findings of each internal audit assignment. Performance, Governance and Audit Committee members can ask questions of the internal audit team and senior management on the content of the reports. ▶ The internal audit team involves both the Performance, Governance and Audit Committee and senior management in determining the scope of the annual internal audit plan to ensure to it is addressing key assurance needs and concerns.
Resources	✓	▶ Each year, we discuss the internal audit plan with senior management and the Performance, Governance and Audit Committee. We ensure there is enough time allocated to deliver individual reviews and conduct sufficient coverage to provide an annual opinion. ▶ As part of the planning process the relevant skills, competencies and expertise that are required to deliver the plan and internal audit mandate are considered. Use of subject matter experts is factored into the overall resource and budget for the plan. Internal audit plans clearly articulate where we foresee the use of specialist resources. ▶ BDO continually invests in platforms and technologies to drive innovation, efficiency, and value for you. We have several tools to support the internal function and provide valuable insights, such as various data analytics packages, EDI and Governance maturity assessments.

✓ Full conformance ✓ Generally conforms ✓ Partial conformance ✓ Non conformance

Global IIA Standards conformance

Essential condition	Status	Commentary
Quality	✓	▶ We follow a clear and defined method of working, which is being aligned to the new Global Internal Audit Standards (effective from January 2025). This ensures that all assignments and deliverables have undergone a thorough review and approval process. ▶ BDO's Risk Management Unit oversees our quality assurance policies, procedures, and review approach. Quality assurance is our highest priority and is integral to our Conduct of Professional Services Manual (CPSM). This includes the review and approval of work, quality and documentation requirements, and annual 'cold' and 'hot' reviews of partner and manager files. ▶ We have agreed performance measures with the Performance, Governance and Audit Committee. Performance against these measures is reported annually to the Performance, Governance and Audit Committee. ▶ We seek regular feedback through our Listening Programme, client satisfaction surveys, formal effectiveness/feedback processes, and regular communication. Our staff undergo continuous training through recognised providers, and we share our experiences internally to enhance the quality of our work.
External quality assessment (EQA)	✓	▶ The global standards of the Institute of Internal Auditors (IIA) requires every internal audit function that aims to comply with its standards to be reviewed, externally, every five years. ▶ At BDO we recognise the importance of independent quality assurance and so submit our RAS team to an External Quality Assurance (EQA) review every five years, most recently in 2021. We engaged the Chartered Institute of Internal Auditors (CIIA) to carry out the EQA and, in summary, their conclusion was that BDO generally conforms to the International Professional Practices Framework (IPPF). This was the highest of the three gradings awarded by the CIIA at the time. ▶ RAS is committed to continuous improvement and has agreed a Quality Assurance Improvement Programme with the CIIA to respond to the recommendations and suggestions raised through the EQA exercise. ▶ A copy of the EQA report is available on request so you may obtain comfort regarding our working practices. ▶ The EQA of the BDO internal audit services is not specific to Maldon District Council and the scope covers all of our out-sourced internal audit clients. For this reason, we generally conform with Standard 8.4 External Quality Assessment which requires the CAE to discuss the plan for the EQA with the Board. We do not meet all of the essential conditions under this standard which require collaboration and Board approval of: ○ the scope and frequency of assessments ○ The competencies of the external assessor or assessment team ○ The rationale for choosing to conduct a self-assessment with independent validation instead of an EQA. ○ The CAE's action plan to address identified deficiencies and opportunities for improvement (if applicable). Instead, we determine these internally. We will however keep the Performance, Governance and Audit Committee up to date on these as appropriate.

✓ Full conformance ✓ Generally conforms ✓ Partial conformance ✓ Non conformance

FOR MORE INFORMATION:

Aaron Winter, Partner

Aaron.Winter@bdo.co.uk

Freedom of Information

In the event you are required to disclose any information contained in this report by virtue of the Freedom of Information Act 2000 ("the Act"), you must notify BDO LLP promptly prior to any disclosure. You agree to pay due regard to any representations which BDO LLP makes in connection with such disclosure, and you shall apply any relevant exemptions which may exist under the Act. If, following consultation with BDO LLP, you disclose this report in whole or in part, you shall ensure that any disclaimer which BDO LLP has included, or may subsequently wish to include, is reproduced in full in any copies.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

Copyright © 2026 BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk



REPORT of
DIRECTOR OF STRATEGY AND IMPROVEMENT

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 NOVEMBER 2026

FINAL UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

1. PURPOSE OF THE REPORT

1.1 To update Members on the final position of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

2. RECOMMENDATION

That the Committee acknowledges the final position of Maldon District Council's UK Shared and Rural England Prosperity fund allocations for 25 / 26.

3. SUMMARY OF KEY ISSUES

3.1 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 A report was brought to the Strategy and Resources Committee on 23 January 2025, which granted delegated authority to the Corporate Leadership Team (now Senior Leadership Team (SLT)) to identify projects for delivery in consultation with the Leader of the Council and the Chairperson of the Strategy and Resources Committee, under UKSPF.

3.3 That report also recommended to the Council that 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 (Minute No. 537 refers), meaning there is a total delivery fund of £654,292.

3.4 At the Council meeting on 3 April 2025, Members approved the proposed projects to be delivered detailed were presented in the report. At the same meeting, an Addendum paper was presented outlining Maldon District Council's allocation for Rural England Prosperity Fund (REPF) 2025 / 26 (£129,077). Members granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of the Strategy and Resources Committee, and Ward Members, to identify projects for delivery via REPF funding.

3.5 As required by the Ministry of Housing, Communities and Local Government (MHCLG), the Council submitted its forecast spend, outputs and outcomes for 25 / 26. MHCLG confirmed the submission was accepted.

3.6 Of the available Government issued grant for UKSPF (£327,146) and REPF (£129,077), £456,294.83 of actual spend has been incurred. This represents 100% of

the allocation with a 0.01% overspend, which will be covered by existing budgets. Final updates on the individual project progress is contained within **APPENDIX 1**.

UK Shared Prosperity Fund (UKSPF) Allocation	£327,146	Remaining	£0
Rural England Prosperity Fund (REPF)	£129,077	Remaining	£0
	£456,223		**£0**

3.1 Of the Council's approved match funding (£327,146), £303,839.81 of actual spend has been incurred. This represents 93% of the match funding allocation. The remaining funds are being managed through the Council's Where Quality of Life Matters grant scheme.

Maldon District Council Match Funding	£327,146	Remaining	£23,306.19

4. CONCLUSION

4.1 UKSPF and REPF delivered significant opportunities in the Maldon District, 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 supported 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 supported 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 aimed to directly support the authority's Climate Action Strategy and Climate Action Plan.

6. IMPLICATIONS

(i) **Impact on Customers** – Projects delivered were designed to benefit residents / businesses and ensured there was a significant customer benefit from its outputs.

(ii) **Impact on Equalities** – Projects were delivered in accordance with the Public Sector Equality Duty.

(iii) **Impact on Risk (including Fraud implications)** – Delivery was reported through the Council's Project Management Office monthly, which records and reports risk. A separate Fraud Risk Assessment, issued by MHCLG, was maintained.

(iv) **Impact on Resources (financial)** – The authority had agreement to use 6% of its allocation to support the management and administration of the UKSPF programme. Any ongoing commitment for project maintenance is being funded through base budgets.

(v) **Impact on Resources (human)** – The coordination work for UKSPF work was undertaken by the Head of Economic Development. Project delivery was well supported by resources drawn from the wider organisation. Project Managers were identified and were required to report through the Project Management Office monthly.

(vi) **Impact on Devolution / Local Government Reorganisation** – None, the funding is not affected by changes arising from Devolution and Local Government Reorganisation.

Background Papers:
APPENDIX 1 – Final UK Shared and Rural England Prosperity Funds 2025 / 26 Project Delivery
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, Director of Strategy and Improvement.

This page is intentionally left blank

APPENDIX 1

Final UK Shared and Rural England Prosperity Funds (UKSPF) 2025/26 Project Delivery

Project	Budget	Spend to date	Funding Source	Project Update
Ufest 2025	£3,595.66	£3,595.66	UKSPF	Complete – as per 18 September 2025 report.
Saltmarsh Fest 2025	£10,004.58	£10,004.58	UKSPF	Complete – as per 29 January 2026 report.
Increase tourism budget	£12,166.98	£12,166.98	UKSPF	Complete – as per 4 June 2026 report.
Culture and Heritage Strategy	£25,000.00	£25,000.00	UKSPF	Complete - as per 17 September 2026 report.
North Essex Economic Board Business Support	£26,675.00	£26,675.00	UKSPF	Complete – as per 4 June 2026 report.
One Maldon District Partnership - Thriving Places Grant scheme	£60,408.78	£60,408.78	UKSPF	Complete - seven projects being funded by the One Maldon District Partnership Thriving Places Grant panel and are in delivery. These are: • Dementia Friendly and Suicide Prevention coordination support • Youth Sector Strengthening • Winter Support Plan • Mental Health Support and Training • Community Asset Upgrade • Youth Physical Activities Work will continue under business as usual with project deliverers.
VE(Victory in Europe) Day Event	£3,000.00	£3,000.00	UKSPF	Complete – as per 18 September 2025 report.
99 Wood Road Community Supermarket Location	£20,000.00	£20,000.00	UKSPF	Complete – as per 29 January 2026 report.
Management and Administration	£16,004.00	£16,075.83	UKSPF	Complete - overspend will be covered from existing core budgets.

APPENDIX 1

Final UK Shared and Rural England Prosperity Funds (UKSPF) 2025/26 Project Delivery

Project	Budget	Spend to date	Funding Source	Project Update
Community Grants Scheme – Where Quality of Life Matters	£295,883.00	£272,576.81	MDC	Complete Phase 1 (P1) project approved: 37 P1 projects in delivery: 18 P1 projects successfully completed: 16 P1 projects awaiting payment: 3 (subject to milestones) Phase 2 projects received: 27 Remaining funds are being managed through the Council's Where Quality of Life Matters grant scheme and moved to business as usual.
Community Grant Officer Post	£51,554.00	£51,554.00	UKSPF 25/26 Maldon District Council 26/27	Complete - officer completing role as expected. Work moved to business as usual.
Continued development of 'Secret Garden' at Promenade Park	£198,000.00	£198,000.00	UKSPF REPF	Complete – as per 29 January 2026 report.
Delivery of cultural event activities within the district	£25,000.00	£25,000.00	UKSPF Maldon District Council	Complete - final event supported Burnham-on-Crouch Hometown Row in August.
Concession infrastructure Riverside Park	£18,038.00	£18,038.00	REPF	Complete – as per 12 March 2026 report.
Make Space for Girls BOC (Burnham-on-Crouch)	£18,039.00	£18,039.00	REPF	Complete - UKSPF funding fully delivered, match funding sourced from the PFCC (Police, Fire and Crime Commissioner) utilised for completion of final stages, work moved to business as usual.
	£783,369.00	**£760,134.64**		

UK Shared Prosperity Fund (UKSPF) Allocation	£327,146	Remaining	£0
Rural England Prosperity Fund (REPF)	£129,077	Remaining	£0
Maldon District Council Match Funding	£327,146	Remaining	£23,306.19
	£783,369		**£23,306.19**