



# MALDON DISTRICT COUNCIL

## INTERNAL AUDIT REPORT

FLOODING RISK MANAGEMENT - FINAL REPORT  
 SEPTEMBER 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

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#### DISTRIBUTION

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#### REPORT STATUS LIST

Auditors:	Bamo Abraham - Internal Auditor
Dates work performed:	3 <sup>rd</sup> - 7 <sup>th</sup> August 2020
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## EXECUTIVE SUMMARY

## LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non-compliance with some controls that may put some of the system objectives at risk.

## SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	0
Medium	4
Low	0

TOTAL NUMBER OF RECOMMENDATIONS: 4

## BACKGROUND:

The Department for the Environment, Food and Rural Affairs (DEFRA) leads on flood and coastal erosion risk management in England. The Environment Agency has a strategic overview of all sources of flooding and is responsible for risk management activities on main rivers and the coast, regulating reservoir safety and working in partnership with the Met Office to issue flood forecasts and warnings. Essex County Council is the Lead Local Flood Authority.

Local Authorities work closely with Lead Local Flood Authorities and other Risk Management Authorities to perform flood risk management work that provides a reflection of the local knowledge around land drainage and flooding risks in the District.

As per DEFRA guidance local planning authorities should carry out a strategic flood risk assessment (SFRA) for their area. The SFRA will help various parties consider flood risk when making planning decisions about the design and location of any:

- development
- flood risk management features and structures

All SFRAs, should assess the risk from all sources of flooding, the cumulative impact that development or changing land use would have on the risk of flooding and the effect of climate change on risk. Furthermore, all SFRAs should identify opportunities to reduce the causes and impacts of flooding and any land likely to be needed for flood risk management.

We conducted interviews to establish the controls in the controls in place around the Council's strategic ownership of flooding responsibilities to highlight any areas where the controls might be improved.

## GOOD PRACTICE:

- The Council has two internal flooding risk committees in place, the Flood & Coastal Group and the Flood & Coastal Projects & Maintenance, whose members meet bi-annually.

- Maldon District Strategic Flood Projects and Maintenance group was set up in May 2018 to bring together partners to review current flood projects and maintenance work on a half yearly basis. Partners consist of The Environment Agency, Essex County Council, Anglian Water, Maldon District Council (Facilitator) and Private Sector Partners including land owners as appropriate and if schemes being considered would benefit from their input. The aim of the group is to explore opportunities for flood mitigation measures in Maldon district and to work together to seek the most appropriate funding for delivery of such schemes in a planned and coordinated way.

#### KEY FINDINGS:

- The new lead officer for flood risks has yet to undertake any relevant training Finding 1 - Medium
- Maldon's strategic flood protection plan and associated actions have not been updated since 2018-19 - Finding 2 - Medium
- No formal meetings on flooding, both internally and externally, have taken place during 2020 due to Covid-19. - Finding 3 - Medium
- The Council does not have clear guidance on roles and responsibilities for sustainable urban drainage systems (SUDS)- Finding 4 - Medium

#### CONCLUSION:

Overall, we provide the Council with moderate assurance over both the design of controls and the effectiveness of the control framework in place for managing flooding risks. The Council has a sufficiently designed control framework in place to monitor and report on flooding risks, however, due to the restructure of the organisation in 2019 and the Covid-19 pandemic during the year, there has been insufficient focus on this area in recent months.

## DETAILED FINDINGS

RISK: FLOODING RISKS WITHIN THE DISTRICT, AND RESPECTIVE ROLES AND RESPONSIBILITIES FOR FLOOD RISK MANAGEMENT, ARE NOT CLEARLY UNDERSTOOD BY THE COUNCIL LEADING TO INADEQUATE RESPONSE BY COUNCIL DEPARTMENTS

Ref	Significance	Finding
1	Medium	<p>Maldon District Council has recently undergone a transformation exercise. This has led to changes in management structures and staff. As such, there are new officers across the Council who are dealing with Maldon flooding work streams for the first time. Work in relation to Maldon's flood risk was led by the flooding risk lead up until the end of Q3 2019/20, when this officer left their post at the Council. Since then, flooding risk management has been passed on to a new community lead specialist.</p> <p>The new 'flood risk' lead for Maldon has yet to undertake any formal training. This is due to only being in post since January 2020, the impacts of Covid-19 on the organisation and the refocusing of work streams. Since the organisation has undergone the restructure, new officers are in place across all streams but there has been no formal training provided for these officers to understand flooding risks and how to incorporate these into delivery of their service.</p> <p>There is a risk staff across the Council do not hold the appropriate knowledge and skills to ensure flooding risks are managed effectively and safely for the District and surrounding areas.</p>

### RECOMMENDATION:

The Council should ensure all staff across the Council work-streams involved in managing flooding risks undertake and complete training on flooding risk management. The Council should consider involvement and representation from external flooding agencies to lead on specific training as required.

### MANAGEMENT RESPONSE:

Maldon District Council underwent a large-scale transformation programme in 2019. As such, we acknowledge our new members of staff require training in various aspects of flood risk management.

The previous Flood Risk expert has recently returned to Maldon on a temporary basis. It is our intention to use her expertise to identify suitable training, pass on knowledge and re-establish partnership links with our new Officers.

Responsible Officer: Damien Ghela | Lead Specialist Community

Implementation Date: September 2021

## DETAILED FINDINGS

RISK: FLOODING RISKS WITHIN THE DISTRICT, AND RESPECTIVE ROLES AND RESPONSIBILITIES FOR FLOOD RISK MANAGEMENT, ARE NOT CLEARLY UNDERSTOOD BY THE COUNCIL LEADING TO INADEQUATE RESPONSE BY COUNCIL DEPARTMENTS

Ref	Significance	Finding
2	Medium	<p>Maldon District Strategic Flood Projects and Maintenance group was set up in May 2018 to bring together partners to review current flood projects and maintenance work on a half yearly basis. Partners consist of The Environment Agency, Essex County Council, Anglian Water, Maldon District Council (Facilitator) and Private Sector Partners including land owners as appropriate and if schemes being considered would benefit from their input.</p> <p>The aim of the group is to explore opportunities for flood mitigation measures in Maldon district and to work together to seek the most appropriate funding for delivery of such schemes in a planned and coordinated way.</p> <p>The action plan details the projects being taken forward on a rolling twelve month basis and is reviewed at the half yearly meetings. Determination of the projects to be included is undertaken by each partner agency based on their own risk assessment (for example Environment Agency funding is prioritised based on the number of properties at risk whereas Anglian Water prioritise their funding based on number of recorded flooding incidents).</p> <p>The latest version of the plan is dated 2018-19 and has not been updated since the departure of the Council's previous flooding risk lead.</p> <p>There is a risk the strategy and action plans are outdated and unsuitable for the District. There is also a risk the Council are not up to date with the latest flooding risks.</p>

### RECOMMENDATION:

The Council should, with its partners, review and update the Strategic Flood Protection Plan and create a flooding management risk register detailing the key risks, controls and action owners.

### MANAGEMENT RESPONSE:

As the work stream for Flood Risk management is refocused the associated risk register and list of associated projects will be updated within the Flood Risk Master Plan.

This work will begin following the next Coastal & Flood Risk Group meeting in Sept 20.

Responsible Officer: Damien Ghela | Lead Specialist Community

Implementation Date: March 2021

## DETAILED FINDINGS

**RISK: GOVERNANCE STRUCTURES, INCLUDING MEMBER INVOLVEMENT, AND RELATED COMMUNICATION AND INFORMATION FLOWS ARE NOT EFFECTIVE IN ENABLING THE COUNCIL TO MEET ITS RESPONSIBILITIES AND TO GAIN ASSURANCE OVER THE IMPLEMENTATION OF PREVENTATIVE MEASURES**

Ref	Significance	Finding
3	Medium	<p>The Council has two internal flooding risk committees in place, the Flood &amp; Coastal Group and the Flood &amp; Coastal Projects &amp; Maintenance, whose members meet bi-annually. MDC also attends the Essex Flood Board and the Executive Officers Group for externally held meetings in relation to flood risk. The Council also works closely with Essex County Council, The Environment Agency and Anglian Water to name a few of the partnering organisations.</p> <p>No formal flooding meetings, both internally and externally, have taken place during 2020. The last Flood &amp; Coastal Group meeting took place in December 2019 and the Flood &amp; Coastal Projects and Maintenance Group last met in April 2019. Since the appointment of a new flood lead, no formal meetings have been held with the lead and the key flooding partners.</p> <p>There is a risk the Council are unaware of their key flooding responsibilities and are unable to implement preventative measures to ensure the safe and effective management of flooding within the District.</p>

### RECOMMENDATION:

1. The newly appointed community lead specialist should contact the key members from each organisation and members within the Council to discuss flooding risks in the short term and ensure the Council are well placed to manage potential risks. Due to the Covid-19 pandemic, if formal face-to-face meetings cannot take place, virtual meetings should be held.
2. Discussion should be held with external bodies on the training support they may be able to provide (Finding 1) and discussions should also be held with the service delivery officers on the elements they would like covered in training.

### MANAGEMENT RESPONSE:

The Lead Specialist - Community has maintained contact with key partners, working with them to finalise reports that will go on to form the basis of future flood management plans. In addition to these contacts, we will be re-establishing links with other partners that were lost because of staff changes.

Plans are already begun to involve other Service Delivery Officers in aspects of Flood Risk Management work. This will be tied into additional training on the subject as well as streamlining of our documentation and record keeping process.

Responsible Officer: Damien Ghela | Lead Specialist Community

Implementation Date: Sept 21

**DETAILED FINDINGS**

**RISK: RESPONSIBILITIES FOR SUSTAINABLE URBAN DRAINAGE SYSTEMS (SUDS) ARE NOT CLEAR, LEADING TO INADEQUATE CONSIDERATION OF IMPACT ON SURFACE WATER FLOODING OF NEW DEVELOPMENT AT THE PLANNING APPLICATION AND POST DECISION STAGES**

Ref	Significance	Finding
4	Medium	<p>SUDS are drainage systems that are considered to be environmentally beneficial, causing minimal or no long-term detrimental damage. They are often regarded as a sequence of management practices, control structures and strategies designed to efficiently and sustainably drain surface water, while minimising pollution and managing the impact on water quality of local water bodies.</p> <p>The Council does not have clear guidance on roles and responsibilities for SUDS across the Council. There is a detailed SUDS folder that has a collection of reports and documents. It does not seem to contain a list of responsible officers. There are ad-hoc meetings regarding flood projects which support the overarching bi-annual meetings but these are not regular calendared meetings, or formally arranged.</p> <p>Given the Council have undergone a restructure, there is a risk roles and responsibilities with regards to SUDS have not been defined and the Council are not considering the impact of surface water flooding at planning and post decision stages.</p>

**RECOMMENDATION:**

The Council should design and implement a formal SUDS strategy that includes the designated responsibilities and formal governance arrangements to manage and monitor SUDS. Training should be provided where necessary potentially incorporating this as part of the wider flooding risk management training (finding 1)

**MANAGEMENT RESPONSE:**

A SUDS strategy including governance and process arrangements will be added to the overarching MDC Flood Risk strategy document.

The document will be drafted with input from the returning Flood Risk expert and wider partners.

Responsible Officer: Damien Ghela | Lead Specialist Community

Implementation Date: Sept 21



**STAFF INTERVIEWED**

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

Damien Ghela

Lead Specialist Community

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

### PURPOSE OF REVIEW

The purpose of this review is to consider the design and effectiveness of the controls in place around the Council's strategic ownership of flooding responsibilities to highlight any areas where the controls might be improved.

### 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 key risks associated with the area under review are:

- Flooding risks within the District, and respective roles and responsibilities for flood risk management, are not clearly understood by the Council leading to inadequate response by Council departments
- Governance structures, including Member involvement, and related communication and information flows are not effective in enabling the Council to meet its responsibilities and to gain assurance over the implementation of preventative measures
- There is not effective communication with the Lead Local Flood Authority (Essex County Council) in the management of surface water flooding risk in the District
- There is not effective communication with other organisations (including Anglian Water, the Environment Agency and developers) in the management of surface water flooding risk in the District
- Responsibilities for Sustainable Urban Drainage Systems (SUDS) are not clear, leading to inadequate consideration of impact on surface water flooding of new development at the planning application and post decision stages.

### SCOPE OF REVIEW

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

- Confirm if the Council is aware of its responsibilities, and those of other relevant organisations, and provides training and information to Members on flood risks roles and responsibilities
- Confirm if the responsibility for dealing with flood related matters is assigned appropriately within the Council and various Council Committees oversee aspects of flooding response
- Confirm if the Council communicates with ECC at an agreed level and provides ECC with details of initial flooding investigations
- Confirm if the Council has appropriate mechanisms for completion and monitoring of agreed actions arising from its partnership flood mitigation plans
- Confirm if there is appropriate communication with Members, Partnerships (including AW, EA and developers) and flood boards regarding the Councils responsibilities for flood risk
- Confirm that Council has identified flooding as corporate risk, and has implemented flood risk management into relevant working practices e.g. planning decisions.

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

## APPROACH

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

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

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you are unsure about any of the information required.

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Key flooding risk management documents	<ul style="list-style-type: none"> <li>Details of roles and responsibilities for surface water flood risk management within the Council</li> <li>Any related strategies, policies, plans and procedures, including those relating to Planning and consideration of SUDS</li> <li>Outline of Terms of Reference and communication arrangements with ECC and other partner organisations for the purpose of surface water flood risk management.</li> </ul>	Shirley Hall, Lead Specialist Community	Start of fieldwork

While we always aim to minimise the impact of our fieldwork, we estimate that we will require a minimum of two hours per day with all key personnel.

In delivering this audit, we may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. We will not require this information to be sent to us and our records of testing will be limited to anonymised records e.g. case numbers / employee numbers.

**Access to information/staff:**

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you.

Where control weaknesses are identified during our review we may require access to additional information, or need to undertake extended sample testing. This may also result in additional fees to cover this work.

Any such charges would be notified to you and agreed at the time the issue is identified.

**Timing changes and cancellation:**

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within three weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than three weeks' notice will be accommodated at no charge.

FOR MORE INFORMATION:

**Greg Rubins**

Greg.Rubins@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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