



MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

COVID RECOVERY PLAN
OCTOBER 2021

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Substantial	Substantial

IDEAS | PEOPLE | TRUST



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DISTRIBUTION

Name	Job Title
Paul Dodson	Director of Strategy, Performance and Governance and Returning Officer
Chris Leslie	Director of Resources
Richard Holmes	Director of Service Delivery and Head of Paid Service

REPORT STATUS LIST

Auditor:	Ben Endersby
Dates work performed:	03 August - 29 September 2021
Draft report issued:	20 October 2021
Final report issued:	29 October 2021

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)

Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Substantial	The controls that are in place are being consistently applied.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX II)

High	0
Medium	0
Low	1

TOTAL NUMBER OF RECOMMENDATIONS: 1

CRR/BAF REFERENCE:

R29: Failure to deliver services as a result of Covid-19

BACKGROUND:

In response to the Covid 19 pandemic Maldon District Council developed a Covid Recovery Framework to outline the priority of operational work as well as to prepare for the long-term recovery of the District. It seeks to provide a framework to set out the key areas to consider and highlight where more detailed plans are required.

The approach to dealing with Covid has been based on systems management, working with partners, primarily across Essex, to work as a team in addressing the key challenges they have faced. This has included the work of the Essex Strategic Co-ordination Group as well as with the voluntary sector and communities.

Included within the Framework are recovery plans from an Economic and Community point of view as well as a Roadmap which specifies key dates and the steps to have been completed.

Whilst the Framework paper is largely operational, member engagement is sought through both the Reset and Recovery Working Group, as well as the normal processes of Committee and Council, to take forward the projects and Strategies as they emerge. The plans themselves will remain dynamic and evolving, and will need to be amended, based on circumstances.

GOOD PRACTICE:

- The Recovery Framework received appropriate review, scrutiny and approval by Senior Management prior to its release and implementation
- The Framework contains clear key priorities to enable recovery plans to be produced for the Council's core services and key activities, linked to the revised Corporate Plan approved in late 2020/21
- Clear governance structures have been established, with adequate detail of the core roles and responsibilities in delivering the individual recovery plans. This involved the Corporate Leadership Team (CLT) maintaining ownership of the Framework and the Reset and Recovery working group being responsible for managing and monitoring the delivery of it.
- Individual Project Leads for each work stream were also in place and they delivered updates for each of their assigned areas to be reviewed and scrutinized
- Other committees and groups throughout the Council (Strategy and Resources Committee, Executive Leadership Team [ELT] and Performance, Governance and Audit Committee) also received regular update reports which ensured appropriate committee oversight and scrutiny of the Council's performance against the framework's core objectives.

KEY FINDINGS:

- The Terms of Reference for the Reset and Recovery Group is out of date and requires review and revision (Finding 1 - Low)

ADDED VALUE

We completed a benchmarking exercise of the Council's Recovery Framework against other Council Recovery Plans. We reviewed the date the plans were produced, the key priorities and themes detailed within each plan, what governance arrangements and KPIs were in place and how performance would be monitored.

We reviewed plans from :

- Ashford Borough Council
- London Borough of Hounslow
- Malvern Hills District Council
- Swale Borough Council
- Wychavon District Council

In general, the Maldon plan compared well to others but in some cases there were more comprehensive KPIs and one District had their plan on a page, so it was easier to read.

CONCLUSION:

Our review found that the Council has an adequate Recovery Framework in place that is well managed and supported with key processes, controls and documentation. Minor exceptions were noted regarding the need to revise and review terms of reference for the Rest and Recovery Group and developing more KPIs but this did not affect our final assessment of substantial assurance over the control design and substantial assurance over the control effectiveness.

DETAILED FINDINGS

RISK: GOVERNANCE STRUCTURES, INCLUDING ROLES AND RESPONSIBILITIES, ARE UNCLEAR AND NOT ADHERED TOO

Ref	Significance	Finding
1	Low	<p>At its meeting on 16 July 2020, the Council agreed to the formation of the Covid-19 Reset and Recovery Member Working Group. This Group was responsible for developing a Covid-19 Corporate Reset and Recovery Plan/Recovery Framework. At its first meeting on 3 August 2020 the Covid-19 Reset and Recovery Member Working Group agreed the draft Terms of Reference for the group.</p> <p>The role of the group is to review the impact of the emergency and also the way in which services are delivered in the new circumstances. These actions and considerations include Council Business Impact, Community Impacts and Business and Economic Support. Work is focused under the following work streams which have assigned Project Leads providing update to the members:</p> <ul style="list-style-type: none"> · Supporting businesses/Economic Development · Financial recovery · Town Centre Recovery · Future ways of working · Ongoing Covid19 Response <p>The Reset and Recovery group meet monthly and from a sample of five minutes and papers we reviewed, all were well attended, with clear minutes and actions plans in place for all.</p> <p>However, we noted that the Terms of Reference (ToR) for the group requires updating as some staff named within it are no longer at the Council and there was no review/approval date. Further, it did not include the regularity of the meetings. Having an out of date ToR could result in the working group not fulfilling its roles and responsibilities.</p>

RECOMMENDATION:

The Reset and Recovery Working Groups Terms of Reference should be reviewed and updated and should detail the regularity of its meetings and include its date of approval and next review.

MANAGEMENT RESPONSE:

The recommendations set out are accepted and Terms of Reference will be reviewed at the next meeting of the Re-set and Recovery Working Group.

Responsible Officer: Paul Dodson (Director of Strategy, Performance & Governance)

Implementation Date: 31st January 2022

OBSERVATION

BENCHMARKING EXERCISE

Our conclusions were that while the Council's Recovery Framework included clear delivery plans, supported with adequate governance arrangements, accountabilities and monitoring processes, some lessons could be learnt namely in the presentation and simplicity of some other plans produced eg producing a one page document and in the inclusion of clearer measurable actions and KPIs within them.

All the Council plans reviewed during this exercise were shared with the Senior Management involved in this audit and the full results of this exercise can be seen in Appendix I.

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.

Name	Job Title
Paul Dodson	Director of Strategy, Performance and Governance and Returning Officer
Richard Holmes	Director of Service Delivery and Head of Paid Service
Chris Leslie	Director of Resources
Cheryl Hughes	Programmes, Performance and Governance Manager
Jack Ellum	Strategic Theme Lead - Prosperity
Joshua Fulcher	Strategic Theme Lead - Community
Hannah Wheatley	Specialist Services Manager

APPENDIX I - BENCHMARKING EXERCISE

Council	Maldon DC	Ashford BC	Swale BC	LB Hounslow	Wychavon DC	Malvern Hills DC
Name of plan	Recovery Framework (No date on document)	Recovery Plan (Dated June 2020)	Recovery Plan (Dated July 2020)	Recovery Plan (Dated Oct 2020)	Covid-19 Recovery Plan 2021-2023 (No date on document)	Recovery Framework (No date on document)
Themes	Three broad phases 1. The immediate period, where the urgency of fighting the virus and protecting our communities is the paramount challenge. 2. The period from Easter until the autumn when many people will have received the vaccine. Our communities will want to revive normal life robustly and public services will need repair. 3. Winter 2021/22 when we may need refreshed plans for public health and health and social care.	4 key themes - i) economic recovery ii) Community Recovery iii) Place Making, Regeneration, and Infrastructure and iv) Organisational Change and Workforce Development	5 priorities i) economic improvement ii) affordable housing iii) Climate and Environmental Emergency iv) Communities and Social Inclusion v) Renewing Local Democracy and making the council fit for the future	4 themes i) Economic Recovery ii) Community recovery iii) Social and wellbeing iv) Green recovery	5 actions i) Economic recovery ii) Social recovery iii) Community recovery iv) Organisational recovery and v) Environmental recovery	4 areas: i) Our communities and the local economy ii) Reset the business of the Council iii) Recovery of the organization iv) Councillors and democracy
Governance	Themes emanated from revision made to Corporate plan that was approved by the Council in March 21. Reset and Recovery Group in place that monitors progress	Overview and Scrutiny Cabinet	Cabinet subgroups for priority areas have been established	Recovery Programme Board set up chaired by Council leader - 4 taskforces (sub committees) in place reporting to Board each led by cabinet member)	Actions in this plan have been shaped by the findings and recommendations from our LGA Renewal and Recovery Panels and the Covid-19 Review Group's recommendations	A revised version of the Council's Five Year Plan was approved by the Executive Committee on Tuesday (19 January)

Council	Maldon DC	Ashford BC	Swale BC	LB Hounslow	Wychavon DC	Malvern Hills DC
Performance Monitored	Work streams set up to manage completion of themes. Reset and Recovery Group monitors progress and delivery	Quarterly performance report	Areas of focus broken down into short, medium and long term against each of the 5 priorities - with some KPI/deliverables identified	Recovery Index to be used - but no further detail provided	Plan does include key measurables eg Launch a £100,000 Wychavon growth grant to support business growth and diversification. And deliver five open air cinema events in Broadway, Droitwich Spa, Evesham, Pershore and one of the villages	There are 34 actions in the plan which are a bit vague with no clear KPI
Comments	See audit comments in main report	Good linkage and with the reference to Government Recovery plan - "Our plans to rebuild" and Kent Resilience Forum, clear length of plan being 18 months	Document not reader friendly	Very colourful and easy to read document	Plan is contained to one page so very easy to read and review	Although detailed on one page it is easy to read but by having 34 actions, the focus is lost and there don't appear to be any clear KPIs established.
		Clear KPIs identified in draft recovery plan for each theme, along with key priorities and benefits			Like MDC they updated their corporate plan with new actions - helpfully noted on the one page in bold	
		Very colourful and easy to read document				

APPENDIX II - 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 III - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of this review to is assess the controls in place regarding the implementation of the Council's Covid Recovery Framework, including how it is monitored and managed so that it is effective in its objectives.

KEY RISKS:

The Framework is not formalised and does not include sufficient detail to inform the Council's future plans resulting in timeframes and objectives not being met

- Governance structures, including roles and responsibilities, are unclear and not adhered to
- There is a lack of oversight and monitoring of performance against the frameworks objectives
- The framework is not in line with best practice and plans in place at other Councils

SCOPE OF REVIEW:

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

- We will review the framework, the level of input from stakeholders and how this informed the framework
- We will review the governance structure set out in the framework including reporting arrangements and roles and responsibilities
- We will review the minutes of responsible groups and committees to confirm there is sufficient oversight and scrutiny
- We will review the plans in place at other Council's as well as guidance pertaining to covid recovery

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.

BAF/CRR REFERENCE:

R29: Failure to deliver services as a result of Covid-19

FOR MORE INFORMATION:

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

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