



# MALDON DISTRICT COUNCIL

## INTERNAL AUDIT REPORT

PARTNERSHIPS  
NOVEMBER 2021

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

IDEAS | PEOPLE | TRUST



EXECUTIVE SUMMARY .....	47
DETAILED FINDINGS .....	49
STAFF INTERVIEWED .....	52
APPENDIX I - DEFINITIONS.....	53
APPENDIX II - TERMS OF REFERENCE .....	54

#### DISTRIBUTION

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Cheryl Hughes	Programmes, Performance and Governance Manager

#### REPORT STATUS LIST

Auditors:	Christopher Andre
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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	3
Low	0

### TOTAL NUMBER OF RECOMMENDATIONS: 3

### CRR/BAF REFERENCE:

R3 AND R4

### BACKGROUND:

Partnerships are increasingly seen as a key approach to working and a means of achieving corporate objectives and delivering improved outcomes and efficient, effective services through collaboration with different organisations. Partnerships may also provide leverage to source additional funding, or reduce risks.

The term 'Partnership' is broad, covering a wide range of delivery formats including networks and steering groups, boards, shared service and contractual arrangements. Effective governance arrangements, clarity of the purpose of the partnerships, and review against delivery objectives is key to ensuring Corporate Objectives and Priorities are delivered.

The Council delivers its outcomes through partnership working and via its thematic strategies it identifies 'Smart Partners' These are individuals, groups and organisations who have a clear delivery remit, a statutory responsibility or who provide access to data and other helpful resources, including funding.

### GOOD PRACTICE:

- The Council maintains a record of partners via its Outside Bodies document as well as through the three thematic Strategies (Place, Prosperity and Community)
- Partners within the thematic strategies have been identified as such in order to enable the Council to meet its corporate objectives as identified in their recently updated 2021-2023 Corporate Plan
- Performance against objectives is monitored via quarterly reporting to the Performance, Governance and Audit Committee

- Members have been nominated for the Council's formal partners and there are robust processes in place to ensure these are agreed, with approval required from Full Council.

#### KEY FINDINGS:

- There is no documented guidance detailing the difference between smart and formal partners and the requirements expected to be in place for both (Finding 1 - Medium)
- Following the update to the Corporate Plan the three thematic strategies have not yet been updated to reflect this (Finding 2 - Medium)
- Whilst Members are nominated to sit on the Board of each of the formal partners, there is little feedback received and documentation held on ModGov (Finding 3 - Medium)

#### CONCLUSION:

The Council has a good understanding of the partnerships it holds, be it with smart or formal partners. As opposed to some other Councils we have undertaken this review at, where there is little record of the partnerships and who is responsible for them, Maldon has ensured partners are recorded in central documents and, in respect of the thematic strategies, the purpose of these partnerships is known.

However, where the Council has differentiated between smart and formal partners, there is a lack of guidance detailing what is to be expected to be in place for each, whilst feedback as to the work undertaken at formal partners is not readily available. In addition, updates are required to the thematic strategies following the renewed corporate objectives. This has led to a moderate assurance over both the design and operational effectiveness of controls in place regarding partnerships and their management.

## DETAILED FINDINGS

**RISK: PROTOCOLS AND GUIDANCE INCLUDING REQUIRED GOVERNANCE ARRANGEMENTS ARE NOT DEFINED OR ARE INADEQUATE**

Ref	Significance	Finding
1	Medium	<p>The Council has two types of partnerships in place, strategic (smart) and formal. Smart partnerships in place are aligned more with the thematic strategies and have been identified in order to help the Council achieve its corporate objectives. This differs to formal partners who are often statutory bodies relating to highways, county councils and safeguarding.</p> <p>There is expected to be different levels of governance over each of these with formal partners more likely to have regular, minuted meetings with terms of reference agreed as opposed to the less prescribed smart partners which are liaised with on a less frequent basis. However, there is no guidance in place which details the varying requirements between the two sets of partners. Additionally, our review of documentation found that some smart partners had more robust documentation in place as opposed to others for example Livewell is an established smart partner and looks at health and wellbeing and we were provided with a ToR, minutes and notes. However, Aran Services, who is another smart partner didn't not have any documentation available. There was a consensus amongst staff that there is a lack of clarity over what is expected to be in place in terms of agreements, terms of reference, minutes, actions etc.</p> <p>Without clear guidance as to what should be in place for the respective partners there is an increased risk of a lack of consistency and this may result in partnerships not meeting the needs of the Council.</p>

### RECOMMENDATION:

Guidance should be produced which clearly defines the requirements for both formal and smart partners or Statutory/Non statutory - whichever provides the best definition.

### MANAGEMENT RESPONSE:

Partnerships database is to be updated detailing if it is a formal or smart partner/ Statutory or Non statutory. Descriptions are provided in terms of what each partner is responsible for or what they bring to the activity but without a status definition. We will provide this clarity and status.

Responsible Officer: Georgina Button

Implementation Date: 30 November 2021

**RISK: SMART PARTNERS HAVE NOT BEEN IDENTIFIED ACROSS THE THREE THEMATIC STRATEGIES INCREASING THE LIKELIHOOD THAT OBJECTIVES ARE NOT MET**

Ref	Significance	Finding
2	Medium	<p>All three thematic strategies (Place, Prosperity and Community) include the partners they have identified as being key to the implementation and achievement of corporate priorities and objectives. The thematic strategies currently in place and available on the Council's website are in place for 2019-2023 and were approved at Full Council in November 2019.</p> <p>These were developed to achieve the targets of the Corporate Plan and partners are placed alongside these objectives. The Corporate Plan was updated in 2021 with new priorities identified. These established new objectives under the Place, Prosperity and Community thematic strategies and a separate document was developed which lists these. However, the full strategic theme documents have not yet been updated and therefore there is not the same level of cohesiveness between the objectives and the specific partners in place to achieve these.</p> <p>If the thematic strategies are not updated in line with the Corporate Plan there is a risk that the partnerships in place are either no longer required or further partners are needed.</p>

**RECOMMENDATION:**

The Council should ensure the three thematic strategies are updated to reflect the new objectives identified in the latest Corporate Plan and that partnerships are appropriately mapped out

**MANAGEMENT RESPONSE:**

Thematic strategies have now been updated and will be added to the Council's website this week.

Responsible Officer: Georgina Button

Implementation Date: 30 November 2021

**RISK: THERE ARE INSUFFICIENT LEVELS OF MANAGEMENT AND/OR MEMBER INVOLVEMENT AND FEEDBACK FOR FORMAL PARTNERSHIPS**

Ref	Significance	Finding
3	Medium	<p>Members are appointed via Full Council to formal partnerships in order to sit on their respective Boards. We were informed that representatives are then required to feed back and provide copies of documentation which should be held on ModGov.</p> <p>A sample of formal partners were chosen with notes/minutes/ToRs requested. However, no documentation was able to be provided to satisfy this requirement other than the approval of appointment to respective partnerships.</p> <p>Without sufficient documentation maintained in reference to formal partnerships there is an increased risk that the Council is unaware of progress and ongoing work it is a part of.</p>

**RECOMMENDATION:**

The Council should ensure that sufficient documentation is maintained for the formal partners. This should include:

- Terms of Reference
- Minutes from meetings
- Action Logs
- Updates from Council representatives

**MANAGEMENT RESPONSE:**

The process was detailed at Statutory Annual Council with a reminder as to requirements recently circulated. Reminders will be issued where needed and the process noted again at Statutory Annual Council in 2022.

Responsible Officer: Cheryl Hughes

Implementation Date: May 2022

**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
Georgina Button	Strategy, Policy and Communications Manager
Cheryl Hughes	Programmes, Performance and Governance Manager
Paul Dodson	Director of Strategy, Performance and Governance and Returning Office
Josh Fulcher	Strategic Theme Lead - Community
Jackie Longman	Strategic Theme Lead - Place

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 assess the adequacy and effectiveness of the Council's arrangements for the management of Partnerships and Smart Partners given the outcomes within the Corporate Plan to deliver various projects with partner involvement

### KEY RISKS:

- Protocols and guidance including required governance arrangements are not defined or are inadequate
- The Council enters into significant partnerships without approval
- The Council does not maintain an up to date list of Formal Partnerships which details Lead Officers
- Smart Partners have not been identified across the three Thematic Strategies increasing the likelihood that objectives are not met
- The governance arrangements do not make provision for effective strategic oversight of partnerships, or oversight is not effectively and regularly carried out to ensure partnership objectives are met
- There are insufficient levels of management and/or Member involvement and feedback for Formal Partnerships

### SCOPE OF REVIEW:

- We will review protocols in place to ensure they provide sufficient guidance to Officers in the establishment of a Partnership
- We will choose a sample of Partnerships (Smart and Formal) and confirm there are sufficient levels of governance in place
- We will review the process for maintaining an up to date list of Partnerships in place within the Council
- We will review the reporting and management arrangements to ensure there is adequate oversight

### BAF/CRR REFERENCE:

R3 and R4

**FOR MORE INFORMATION:**

**Greg Rubins**

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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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