

MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT

2022/23 FLOOD MANAGEMENT
OCTOBER 2022

Design Opinion	● Moderate
Design Effectiveness	● Moderate

IDEAS | PEOPLE | TRUST



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DISTRIBUTION

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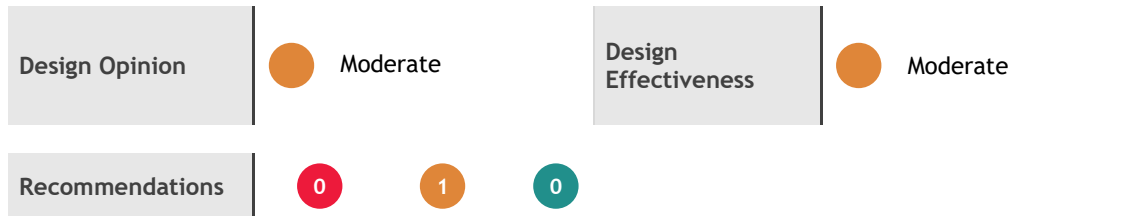
BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.


REPORT STATUS

Auditors:	Freya Beard - Assistant Manager
Dates work performed:	25/08/2022 - 09/09/2022
Draft report issued:	4 October 2022
Final report issued:	26 October 2022

EXECUTIVE SUMMARY

BAF REFERENCE:




SCOPE

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. Key partners include the Environment Agency and Anglian Water.
- ▶ Flooding remains a risk for the Council and the internal audit, completed in 2020, identified four findings. The significant actions required included updating the Strategic Flood Protection Plan, providing training, liaising with external stakeholders and updating of strategies.

AREAS REVIEWED

- ▶ We reviewed the previous recommendations made in the 2019/20 Flooding Risk Management audit to follow up on the progress made on these. Where work had been completed, we obtained evidence of this to assess whether the changes had been implemented as described. Additionally, we reviewed the current communication arrangements with Essex County Council (ECC), Members, Anglian Water and the Environment Agency. We obtained meeting minutes from a sample of flood boards to assess whether these were in place and operating effectively.


AREAS OF STRENGTH

Our review noted the following areas of strength:

- ▶ The Council runs a Coastal & Flooding Group board on a bi-annual basis. Membership includes representatives from MDC, ECC and the Environment Agency. Meetings had been held as planned in September and March during 2021 and 2022. Detailed meeting minutes are retained and show that a range of presentations and updates are given on flood related issues across the district
- ▶ An Essex Flood Partnership Board is in place which is organised and chaired by ECC but attended by MDC, along with other District and Borough Councils, the Environment Agency, Anglian Water, Essex Highways, Essex Fire & Rescue and the NFU. Meetings are held quarterly,

and minutes are retained, which showed updates were provided for a range of local flood programmes and current issues

- ▶ The Council have introduced a Master Strategic Flood Protection Action Plan which details all of the current projects and maintenance plans for 2022/23, along with the action owner, details of the work and current status.

 **AREAS OF CONCERN**

Our review noted the following key finding:

- ▶ Communication with one of the key partners, Anglian Water, has been ineffective, with no updates or attendance from them at the last three MDC flood board meetings (covering a period of 18 months from September 2021 to March 2022). Additionally, there was one Essex County Council flood board which MDC did not attend (Finding 1 - Medium).
- ▶ In our follow up review work we noted the following results:

Total Recs	ORIGINAL REPORT			FOLLOW UP STATUS		
	H	M	L	Complete	In Progress	Incomplete
5	0	5	0	2	0	3

The three that are incomplete are:

- The need for comprehensive, rather than ad hoc training, on flood management (partly delayed by the issues engaging with Anglian Water, noted above)
- Discussing training requirements with external partners
- The need for a sustainable drainage systems (SuDS) strategy

For full details of these please see appendix I.


 **CONCLUSION**

The Council has adequate arrangements in place to have regular communications and updates with key partners, with bi-annual MDC flood board meetings and quarterly ECC flood boards which MDC also attend. Both boards have generally good attendance and include adequate discussion of current projects and issues. However, it was noted that Anglian Water, a key partner, do not regularly attend these.


Of our five audit recommendations previously made only two were noted as completed. We have included further actions and amended time frames in appendix I.

In conclusion, we have reported one medium finding and three incomplete recommendations. Additionally, against a complete recommendation we have identified further room for improvement. We have therefore concluded a moderate design opinion and moderate operational effectiveness opinion.

DETAILED FINDINGS

1 FINDING TITLE	
TOR Risk:	There is not effective communication with the Lead Local Flood Authority (Essex County Council) as well as key partner organisations such as the Environment Agency and Anglian Water, in the management of surface water flooding risk in the District.
Significance	

 FINDING
<p>As part of our testing of flood management we examined the communication arrangements between MDC, the Lead Local Flood Authority (Essex County Council), the Environment Agency, Anglian Water and other key partners. We were advised there are two main Flood Boards, the Coastal & Flooding Group, run by MDC, and the Essex Flood Partnership Board, run by ECC. The Coastal and Flooding Group Board meet on a bi-annual basis and the Essex Flood Partnership Board meet quarterly. Minutes are formally documented for both Boards and we obtained these for a sample of recent meetings to examine the timing, attendance and effectiveness of discussions.</p> <p>We obtained minutes from a sample of three Coastal and Flooding Boards covering the period from September 2021 to March 2022. Within our review of the meeting minutes, we noted that, whilst there was generally good representation from key partners, Anglian Water were absent from all of these last three Boards. The Board meeting includes an item for Anglian Water to provide an update, however, this was also not available in any of the three meetings observed, a follow up action was noted for MDC to request a written update prior to the next meeting however this had not been successful. Whilst a representative attended the Essex Flood Board, they were unable to provide the update requested by management and in November 2021 members specifically noted they were experiencing difficulties contacting the required representatives. We have therefore evidenced that this is not an issue faced solely by MDC.</p> <p>We discussed this further with management and were advised there are no issues with Anglian Water other than the communication difficulties. We were informed that they are much more responsive and proactive in the event of flood emergencies, therefore the difficulties relate mainly to the ongoing prevention and management strategies.</p> <p>Additionally, we noted that at the January 2022 Essex Flood Partnership Board there were no MDC councillors or flood team managers in attendance, meaning MDC did not have representation. We understand this was due to conflicting commitments with other work within the Council for all usual MDC representatives.</p> <p>There is a risk that the communications between the Council and Anglian Water are not effective at present and as a result the Council Flood Board have been unable to obtain and provide suitable updates in relation to Anglian Water related projects. There is also a risk that not having MDC representation at the Essex Flood Partnership Boards could impact communications and relationships.</p>

 RECOMMENDATION
A. Continue to work on the relationship with Anglian Water by requesting that they attend or provide adequate updates in advance of the Coastal and Flooding Group

meetings. Where MDC include actions to follow up and request information from Anglian Water in the next Coastal and Flooding Board, ensure this follow up is documented in the meeting minutes at the subsequent meeting

- B. Ensure that there is sufficient MDC representation at all Essex Flood Partnership Boards going forwards.



MANAGEMENT RESPONSE

Maldon Council acknowledges the comments made in relation to its flood partnership meetings.

Service Delivery (Community) has brought in extra resource to help both support Maldon's flooding work and refresh its partnership meetings.

The resource takes the form of the previous Officer who managed and promoted Maldon Districts flood work. As such, the Officer is best placed to immediately identify failing areas and consider appropriate actions.

The Officer will continue to try and secure meaningful involvement from Anglian Water at the Coastal and Flood Board.

The Officer will seek to provide representation for Maldon District at the Essex Flood Partnership Meetings. Where this is not possible, the Lead Specialist (Community) will endeavour to attend.

For context it should be noted that the Responsible Authority for flood response is Essex County Council and the Environment Agency. As such, our direct influence on the flooding workstream can be limited.

Responsible Officer: Damien Ghela / Shirley Hall

Implementation Date: 31/05/23

APPENDIX I - DETAILED RESULTS OF FOLLOW-UP						
Ref	Priority	Recommendation	Original Implementation Date	Management Update	BDO Conclusion	Status
1	Medium	The Council should ensure all staff across the Council workstreams 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.	September 2021	Training is currently provided on an ad-hoc, informal basis. ECC have regular discussions with the Council but don't provide any formal training. Anglian Water are still absent from discussions and the Essex County Council portfolio holder has still been unable to get any meaningful engagement from them. The previous Flooding Workstream Officer has been asked to get involved with some flood risk work again and MDC have recently taken on a Climate Change Officer, with the aim this will link in with flooding work.	With this new expertise within the workstream the Council should look to discuss what support could be provided in terms of training, to ensure knowledge is captured and shared with service delivery officers. We will extend the deadline of this to follow up in December 2022.	Incomplete - we have agreed a revised target date of December 2022

2	Medium	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.	March 2021	Management have now completed this in the form of the flood master plan which is now in place.	<p>We have obtained the Master Strategic Flood Protection Action Plan (March 2022 version). This details all of the current projects by the organisation that owns it (Environment Agency, ECC, Anglian Water etc.), details of the scheme and project, intended outcome, planned or actual date of completion and current status. We note that the current action plan does not directly link the actions to risks and controls in a risk register format.</p> <p>Recommendation: The Council should review the Action Plan to assess whether it could be further improved to incorporate the details noted above, to ensure that the projects sufficiently cover all of the specific flooding risks faced by the Council.</p> <p>Priority: Medium</p> <p>Responsible Officer: Damien Ghela</p> <p>Implementation Date: December 22</p>	<p>Completed - However, further improvements have been identified with a recommendation made</p>
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3a	Medium	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.	September 2021	This is now completed and is covered as part of the flood boards and communications	Communications have been carried out through the Coastal Flood Boards run by MDC. We have examined the meetings for these to confirm they have taken place and have been attended by representatives of MDC, Essex County Council and the Environment Agency.	Completed
3b	Medium	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.	September 2021	See recommendation 1 above	See recommendation 1 above	Incomplete - we have agreed a revised target date of December 2022
4	Medium	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)	September 2021	The Council haven't completed a SUDS strategy yet. There is an Essex wide SUDS strategy and flood strategy which ECC control. MDC have introduced their own master list but this hasn't been translated into a formal SUDS/MDC flood strategy yet due to the time needed and the fact they're not the lead flood authority (this is ECC), it is not seen as essential.	We have agreed to amend this recommendation to a smaller contained strategy document which will include details of the lead agencies, their governance arrangements, and links to the existing flood master plan. We have agreed to extend the deadline of this to December 2022 and will include it as part of our follow up.	Incomplete - we have agreed a revised target date of December 2022

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



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:

- ▶ There is not effective communication with the Lead Local Flood Authority (Essex County Council) as well as key partner organisations such as the Environment Agency and Anglian Water, in the management of surface water flooding risk in the District
- ▶ Recommendations made as part of the 2019/2020 Flooding Risk Management have not been actioned resulting in key risks having not been mitigated.



SCOPE & APPROACH

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

- ▶ Confirm if the Council communicates with ECC at an agreed level and provides ECC with details of initial flooding investigations
- ▶ Confirm if there is appropriate communication with Members, Partnerships (including Anglian Water and the Environment Agency) and flood boards regarding the Council's responsibilities for flood risk
- ▶ Confirm that the recommendations raised within the 2019/2020 audit report have been implemented sufficiently

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit.

We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

It is intended that this audit will be completed through a combination of remote working and onsite meetings and testing, based upon the most effective way of carrying out the work.

In delivering this review BDO may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. The organisation shall only provide the Shared Personal Data to BDO using secure methods as agreed between the parties. BDO will utilise the data in line with the General Data Protection Regulations 2016 (GDPR) and the Data Protection Act 1998, and shall only share Personal Data on an anonymised basis and only where necessary.

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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