

INTERNAL AUDIT PROGRESS REPORT

Maldon District Council

2024/25 and 2025/26

CONTENTS

SUMMARY OF WORK 2

REVIEW OF 2024/2025 WORK 3

REVIEW OF 2025/2026 WORK 4

SECTOR UPDATE 5

KEY PERFORMANCE INDICATORS 9

APPENDIX 1 10



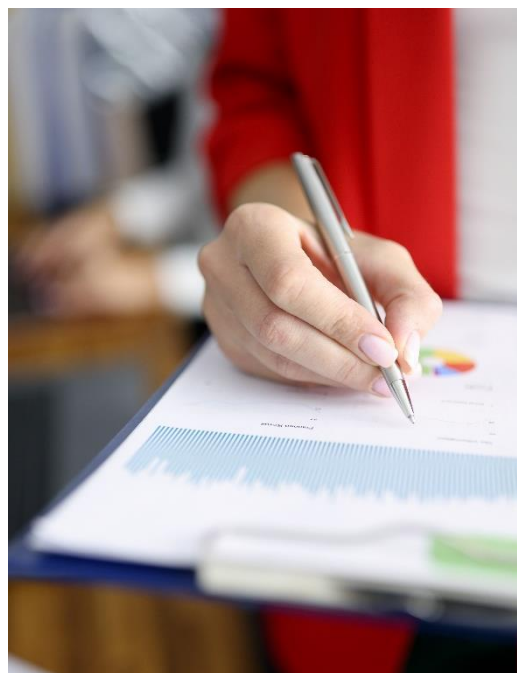
SUMMARY OF WORK

INTERNAL AUDIT

This report is intended to inform the Performance, Governance and Audit Committee of progress made against the 2024/2025 and 2025/2026 internal audit plans. 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 Public Sector Internal Audit Standards. 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'. 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.



2024/2025 INTERNAL AUDIT PLAN

Since our last progress update in February 2025, we have completed the following reviews and present the final reports to the Committee alongside this progress report:

- ▶ Building Control
- ▶ Disaster Recovery and Business Continuity
- ▶ GDPR

We are making satisfactory progress in the delivery of the remainder of the 2024/25 internal audit plan, and are finishing fieldwork on the two remaining reviews:

- ▶ Asset Management
- ▶ Main Financial Systems

We anticipate presenting these reports at the July Committee meeting, which will conclude our work for the year and inform our Annual Report and Head of Internal Audit Opinion.

2025/2026 INTERNAL AUDIT PLAN

We have started work on the 2025/26 internal audit plan. All Q1 audits are scoped and their progress is as follows:

- ▶ HR System Review - Fieldwork commenced on 08/05/2025
- ▶ Waste and Recycling - The final terms of reference was issued on 14/05/2025. Fieldwork is due to commence on 02/06/2025.
- ▶ Local Government Review - The draft terms of reference was issued on 09/05/2025 and is being considered by management.

We anticipate presenting these reports at future Committee meetings.

REVIEW OF 2024/2025 WORK

AUDIT	PGA COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Health and Safety	December 2024	✓	✓	✓	M	L
Capital and Commercial Project Management	February 2025	✓	✓	✓	S	M
Health and Wellbeing	February 2025	✓	✓	✓	S	S
Contract Management	February 2025	✓	✓	✓	S	M
GDPR	June 2025	✓	✓	✓	M	M
Business Continuity and Disaster Recovery	June 2025	✓	✓	✓	S	S
Building Control	June 2025	✓	✓	✓	L	M
Asset Management	July 2025	✓	✓			
Main Financial Systems	July 2025	✓	✓			

REVIEW OF 2025/2026 WORK

AUDIT	PGA COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
HR System Review	September 2025	✓	✓			
Waste and Recycling	September 2025	✓				
Local Government Review	September 2025	✓				
Management of Property	January 2026					
Safeguarding	January 2026					
Corporate Governance	March 2026					
IT Governance	March 2026					
Food Safety	March 2026					
Main Financial Systems	June 2026					

SECTOR UPDATE

Our quarterly public sector briefing summarises recent publication and emerging issues relevant to local authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, non-executive directors and governors.

HOUSEHOLDS DISPOSED OF 5.6 MILLION TONNES OF PACKAGING LAST YEAR

COUNCILS ARE URGING THE GOVERNMENT TO ENSURE THAT REFORMS FOCUS ON REDUCING UNNECESSARY WASTE CREATED IN THE FIRST PLACE AND INCREASING THE RECYCLABILITY OF PACKAGING.

New analysis has found that 5.6 million tonnes of packaging waste was binned by households last year, as councils call on new reforms to reduce packaging and make it easier to recycle.

The study, commissioned by the Local Government Association (LGA), County Councils Network (CCN), and District Councils Network (DCN), found that:

- 3.2 million tonnes of packaging was put into recycling bins
- 2.3 million tonnes was put into residual, or “black” bins
- 70,000 tonnes was mistakenly put in food waste.

It is being published as councillors, politicians and organisations debate how to reform waste services to achieve a zero-waste society at the second day of the LGA’s Annual Conference.

New reforms - called the packaging Extended Producer Responsibility scheme - will require industry to pay for the processing of packaging waste by councils from 2026, alongside proposals to change how councils collect waste from homes.

Councils are urging the Government to ensure that reforms focus on reducing unnecessary waste created in the first place and increasing the recyclability of packaging.

Councils need to receive the full actual costs for delivering local waste and recycling services rather than estimates and call on the Government to review the decision to significantly reduce fees facing the packaging industry to ensure that they meet the full costs facing councils. Investment in local waste reduction programmes is also essential to help councils tackle waste more effectively and sustainably.

Recyclable waste that goes in the wrong bins costs councils more to treat and also creates more emissions. These extra costs are unlikely to be met by the payments from the pEPR scheme, placing additional financial pressure on local authorities.

Councils are calling for clearer labelling on packaging to help households dispose of waste correctly.

[Households dumped 5.6 million tonnes of packaging last year | Local Government Association](#)

FOR INFORMATION

For the Performance, Governance and Audit Committee Members

GLOUCESTER CITY COUNCIL: MANAGING A CYBER ATTACK

THE COUNCIL HAS PRODUCED A CASE STUDY OF THE CYBER ATTACK SO THAT OTHER COUNCILS CAN LEARN FROM THEIR EXPERIENCE

Background

In December 2021, Gloucester City Council was the subject of a targeted ransomware attack which encrypted its servers and temporarily prevented the council from providing services which relied on the data held on those servers.

Overview

This case study is based on the first-hand experiences of key staff at the council of dealing with the cyber-attack. It includes a timeline of the attack, its impact, the recovery process, the cost of the incident, and the lessons learnt by the council.

Download the full case study below:

[Gloucester City Council: Managing a cyber-attack | Local Government Association](#)

FOR INFORMATION

For the Performance, Governance and Audit Committee Members

ROTHER DISTRICT COUNCIL: EMERGING OPPORTUNITIES FOR THE RURAL ECONOMY IN PROTECTED AREAS

ACROSS THE RURAL ECONOMY OF ROTHER, A RANGE OF OPPORTUNITIES ARE EMERGING FOR BUSINESSES. THE PRIMARY OBJECTIVE OF THIS PROJECT WAS TO UNDERSTAND HOW TO LEVERAGE THESE OPPORTUNITIES TO ENHANCE THE RURAL ECONOMY.

Introduction

The project unearthed that positive outcomes could be achieved by synthesising sectors across the rural economy, with a focus on bolstering strengths in:

- Tourism and viticulture
- Improving transportation access
- Planning for new land management practices.

This would be achieved by using new and innovative technologies, creating opportunities in the creative and digital sector while also promoting sustainable practices.

The challenge

The main challenge of this project was to stimulate economic growth across rural businesses within Rother while being considerate of the restrictions placed on planning and development practices due to the concentration of protected land across the district.

With the High Weald AONB covering a large amount of land across Rother, opportunities for the direct development of infrastructure are limited in their scale and scope. Thus, rural businesses are required to capitalise on available resources to expand and develop their practices.

Recent political and economic developments have posed obstacles for rural development. While working to develop solutions, consideration was placed on reinforcing and enabling affordable and sustainable lifestyles. Tackling obstacles around the availability of labour and exploring methods to reduce outgoings for rural businesses are crucial factors in facilitating the growth of the local economy.

The solution

The project identified barriers and opportunities across the rural economy of Rother and translated them into actionable recommendations for Rother District Council. These recommendations were categorised by urgency.

Emphasis was placed on developing a communications and engagement strategy to generate support and ensure better engagement with rural businesses. Parallel to this, focusing on developing entry level jobs in industries such as fishing, farming and ecotourism and placing an emphasis on skills and training were highlighted to be of most importance.

Further recommendations focused on developing a cohesive marketing strategy for tourism, facilitating hybrid working practices, working with landowners and farmers to encourage agricultural diversification and facilitating changing land use.

Creating a local scale circular economy, encouraging the uptake of sustainable building practices, and allocating resources to attract and retain a younger, metropolitan demographic while reinforcing transport networks and encouraging decarbonisation all featured as supporting recommendations.

The impact

This project has generated a clear understanding of the main barriers and opportunities facing the rural economy across Rother. Moving forwards, this work will influence the development of a thriving and prosperous rural economy.

The ideal future vision resulting from this work will feature developed and efficient infrastructure networks, a physically and mentally healthy population and a mature, well marketed and sustainable tourism sector based on a thriving viticulture industry with future development that is centered around the preservation and restoration of protected areas.

How is the new approach being sustained?

The council can capitalise on emerging opportunities for the rural economy in Rother and the new approach can be sustained through considering the perspectives of rural businesses in the development of the new Local Plan and other emerging policies and strategies.

Lessons learned

No solution to the challenges facing the rural economy is in itself comprehensive. The perspectives put forward within this project, encompassing the views of stakeholders and informed by desk-based research will weave the fabric of an approach for Rother District Council which will lead to improvement in the condition of the rural economy and the ability to capitalise on emerging opportunities throughout all sectors.

There is a desire to be able to respond quickly but also a recognition that some activity will take time to shape and implement or may be contingent on being able to secure resources or conditions. For this reason, the identification of short-, medium- and long-term priorities was a focal point of the recommendations.

Rother District Council: Emerging opportunities for the rural economy in protected areas | Local Government Association

FOR INFORMATION

For the Performance, Governance and Audit Committee Members

THE DEVOLUTION AND LG REORGANISATION HUB

BRINGING TOGETHER INFORMATION AND RESOURCES ON DEVOLUTION AND LOCAL GOVERNANCE REORGANISATION FOR PUBLIC AND LOCAL AUTHORITIES.

Following the publication of the English Devolution White Paper, the LGA have been working at pace to respond to, and digest the proposals and their respective opportunities and risks.

Our position is clear: we want every council in England to have the ability to secure devolution that works for them, their local economies, and their residents. The devolution of powers and resources can play a huge role in promoting inclusive economic growth, creating jobs, and improving public services. In a very centralised country, moving funding and power from Whitehall to local leaders is needed.

Devolution

Devolution will provide greater freedoms and flexibilities at a local level, meaning councils can work more effectively to improve public services for their area. The result will be more effective, better targeted public services, greater growth and stronger partnerships between public, private and community leaders in local areas.

Local government reorganisation (LGR)

The government has announced that it will facilitate a programme of local government reorganisation for two-tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents.












Proposed reforms in the White Paper will have a significant impact on every council and community. We remain clear that local government reorganisation should be a matter for councils and local areas to decide. There are differing directions of travel underlining the diverse range of views about devolution and local government reorganisation that exist within the local government sector. The LGA will continue to respect each perspective and each choice equally.

The devolution and LG reorganisation hub | Local Government Association

FOR INFORMATION





For the Performance, Governance and Audit Committee Members

KEY PERFORMANCE INDICATORS




QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	We have experienced some delay in completing the final two reviews but remain on track to complete the 2024/25 plan in time to inform our Annual Reporting timetable.	
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI for 2024/25.	
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.	
4. Annual survey to PGA committee to achieve score of at least 70%	This will be issued following the presentation of the annual report.	
5. At least 60% input from qualified staff	We are on target to meet this KPI during 2024/25.	
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for the seven completed audits for 2024/25.	
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for the seven completed audits for 2024/25.	
8. 90% of recommendations to be accepted by management	This KPI has been met for the seven completed audits for 2024/25.	
9. Information is presented in the format requested by the customer	This KPI has been met for the seven completed audits for 2024/25.	
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 seven completed audits for 2024/25.	
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.	

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

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