

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

KEY PERFORMANCE INDICATORS 5

APPENDIX 1 6



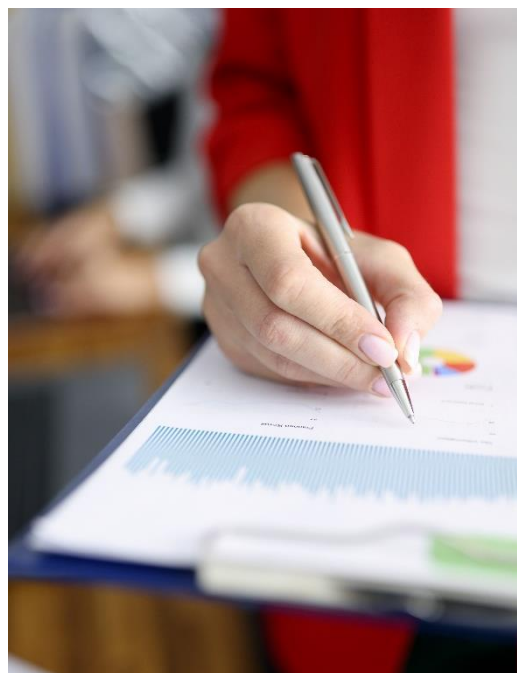
SUMMARY OF WORK

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 the Global Internal Audit Standards in the UK Public Sector. 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 June 2025, we have completed the following reviews and present the final reports to the Performance, Governance and Audit Committee alongside this progress report:

- ▶ Asset Management
- ▶ Main Financial Systems

This concludes our work for the year and informs our Annual Report and Head of Internal Audit Opinion for 2024/25, which is presented as a separate paper.

2025/2026 INTERNAL AUDIT PLAN

We have commenced 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 - Fieldwork commenced on 02/06/2025.
- ▶ Local Government Review - The draft terms of reference was issued on 09/05/2025. The timing of the audit is being considered as wider local government reorganisation progresses.

We anticipate presenting these reports at future Performance, Governance and Audit 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	✓	✓	✓	M	S
Main Financial Systems	July 2025	✓	✓	✓	M	M

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					

KEY PERFORMANCE INDICATORS




QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	We have completed the 2024/25 plan in time to inform our Annual Reporting timetable.	
2. Actual days are in accordance with Annual Audit Plan	We have met 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, therefore we have met this KPI.	
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 have met this KPI during 2024/25.	
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for the nine 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 nine completed audits for 2024/25.	
8. 90% of recommendations to be accepted by management	This KPI has been met for the nine completed audits for 2024/25.	
9. Information is presented in the format requested by the customer	This KPI has been met for the nine 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 nine 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:

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