



Maldon District Council

Internal Audit Report - Final

CORPORATE GOVERNANCE

OCTOBER 2025

Design Opinion	 Substantial
Effectiveness Opinion	 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:	Aaron Winter - Partner Andrew Billingham - Internal Audit Manager Ollie Seabrook-Smith - Assistant Manager
Dates work performed:	08 August 2025 - 23 September 2025 (closing meeting)
Draft report issued:	09 October 2025
Final report issued:	14 October 2025

Executive Summary

Design Opinion	 Substantial	Effectiveness Opinion	 Moderate
Recommendations	 0	 2	 2

SCOPE

Background

- ▶ Corporate Governance refers to the systems, processes, and principles that guide how Maldon District Council (“the Council”) is directed and controlled. It ensures that the Council operates effectively, transparently, and accountably, serving the interests of the community it represents.
- ▶ The Council has adopted a local Code of Corporate Governance, which has been prepared in line with the seven principles of the Chartered Institute of Public Finance Accountancy (CIPFA), which are:
 1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 2. Ensuring openness and comprehensive stakeholder engagement
 3. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 4. Determining the interventions necessary to optimise the achievement of the intended outcome
 5. Developing the Council’s capacity, including the capability of its leadership and the individuals within it
 6. Managing risks and performance through robust internal control and strong public financial management
 7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- ▶ The Code of Corporate Governance sets out the arrangements it has in place to ensure that the Council conducts its business in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- ▶ There are three types of decision-making systems that councils can adopt, Leader and Cabinet, Committee System and Mayoral System. Maldon District Council has adopted a Committee System. Under this system the Council is divided into politically balanced committees that make key Council decisions. As such, councils who adopt the Committee System are not required to have an overview and scrutiny committee, although the Council does.
- ▶ The Committees are supported by numerous Working Groups, which examine specific issues in detail and then inform the deliberations of the committee.
- ▶ The Council currently has 13 Committees as part of its Corporate Governance framework, including four Planning Committees. On 24/06/2025, the Minister of State for Local Government and English

Devolution, unexpectedly announced plans to abolish the committee system although a date for this has not yet been set and the impact of this will not be covered by the review. The National Planning and Infrastructure Bill is also expected to remove the operation of Area Planning Committees.

- ▶ The Council also has a Scheme of Delegation, accessible on the Internet, which outlines how decision-making powers are distributed. Its purpose is to ensure that decisions are made efficiently and effectively by assigning specific responsibilities to various officers or committees. This helps streamline processes, allowing routine matters to be handled without needing Council approval. By clearly defining who is responsible for what, it also promotes accountability and transparency within the Council. This is crucial for maintaining smooth operations and ensuring that the Council can respond promptly to issues as they arise.

Purpose

- ▶ The purpose of the audit was to provide assurance over the operation of a sample of Working Groups (as detailed in Finding 2) to support the committee structure to ensure that it is fit for purpose and delivering the outcomes required by the Council. The audit also provided assurance over the Council's controls around the operation of the Scheme of Delegation to ensure all legislative requirements are met and being consistently applied.

Areas reviewed


- ▶ We reviewed the induction process to confirm it covered all roles and responsibilities, interviewed a sample of Members to confirm they received the induction and gathered feedback on the process.
- ▶ We sought to confirm for a sample of Members who are either Chairs of a Working Group or a Committee that they have received training for their role.
- ▶ We sought to confirm for a sample of Members that they have completed a declaration of interest form and that these were monitored during Working Group decision making.
- ▶ We sought to confirm for a sample of Working Groups that roles and responsibilities are defined within a terms of reference, decisions and actions are documented, and that there are regular interactions between Working Groups and the applicable Committee.
- ▶ We interviewed the Leader of the Council and Chair of the Performance, Governance and Audit (PGA) Committee and obtained their view on delegation decisions and Working Groups functionality.
- ▶ We reviewed the Scheme of Delegation and sought to confirm it is regularly reviewed and updated, sets out delegated responsibilities, it has been communicated to Members and that they have received briefings and training on it. We also tested a sample of delegated decisions to confirm if they were made in line with the Scheme.




AREAS OF STRENGTH

- ▶ A process map is in place that fully details the process for onboarding Members. Where Members are recruited via by-elections they are provided an induction and support is provided by officers as needed. A portal is in place that summarises key information and key members of staff, covering all aspects of their role and responsibilities, however we note possible improvements identified in the findings section below. We

	<p>confirmed that officers sought feedback after the last full Member onboarding session and training was received.</p> <ul style="list-style-type: none"> ▶ Every May, Chairs and Vice Chairs receive training in relation to chairing meetings. If they are unable to attend this training, or any other training delivered, videos are recorded and uploaded to a Sharepoint. The onus remains on the Members to ensure this training is completed. ▶ For a sample of five members, we confirmed all had completed their declarations of interest and were advised to review this on an annual basis. At the start of all Working Group meetings, there is a standing agenda item to declare any applicable interests. It is up to the Member to ensure they update their declaration and make any required declarations. ▶ Each Working Group had a terms of reference in place and templates available to record minutes and associated action logs, however note finding 2 below in relation to the use of these documents. ▶ A Scheme of Delegation is in place and was last reviewed and approved by Full Council in December 2024 and contains delegated responsibilities including Member approvals. ▶ We reviewed all three delegated decisions since April 2025 and confirmed they were approved in line with the Scheme and the information recorded online on the register of decisions was correct.
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 <p>AREAS OF CONCERN</p>	<ul style="list-style-type: none"> ▶ For one Member sampled it was not possible to confirm they had received the Chairing meetings training. The mandatory e-learning and cyber security training also showed non-compliance across several Members. (Finding 1, Medium) ▶ For a sample of Working Groups, the terms of reference were not up-to-date, it was also not clear that agreed actions were followed up, or in minutes reviewed that there was a documented link and communication with the applicable Committee. (Finding 2, Medium) ▶ Feedback was gathered from a sample of Members who had recently received an induction which identified several possible improvements the Council could make to the process. (Finding 3, Low) ▶ It was not clear that following the approval of the Scheme of Delegation that this was included as part of subsequent briefings. Differences were also identified between the approval levels between the Council and other Essex authorities. (Finding 4, Low)
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 <p>ADDED VALUE</p>	<ul style="list-style-type: none"> ▶ We benchmarked the Council's Scheme of Delegation limits with other Councils in the Essex area. A summary of this is below and more detail is included at Appendix II. ▶ Following the completion of this benchmarking activity we identified areas where the Council had lower levels of authority compared to other Essex authorities and required Member approval at an earlier stage than others. This included activity relating to: write offs, virements, asset disposals and contracts under seal.
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CONCLUSION

- ▶ We have concluded Substantial assurance over the design of the control framework and Moderate assurance over the operational effectiveness of controls relating to corporate governance.

Control Design


- ▶ Overall, we found that there are sound processes in place to monitor corporate governance effectively, including a process map documenting the roles and responsibilities of the onboarding process. Feedback has been sought by the Council following the full Member induction in May 2024, and actioned to ensure 2025 was further embedded
- ▶ We identified minor improvements to be made including considering increasing the information available to Members as part of the induction process and made available on the Member site.
- ▶ As part of our benchmarking we also identified several approval levels that were lower than other Essex authorities for the Council to consider that may help enhance or streamline decision making.

Control Effectiveness

- ▶ Our testing found that for one Member it was not possible to confirm they had attended or reviewed the Chair training session, and gaps were identified in relation to the mandatory training and compliance gaps with remaining members.
- ▶ For a sample of Working Groups reviewed there were out of date terms reference, gaps in action follow up and lack of documentation surrounding the communication with the applicable Committee.

Detailed Findings

1 Training

TOR Risk:	Chairs of Working Groups and Committees have not received adequate training to enable them to fulfil their roles and responsibilities leading to confusion and potentially decisions that are ultra vires.
Significance	 Medium



FINDING

Every May all chairs and vice chairs receive training around chairing meetings and expectations of committees and working groups. A training program is agreed on an annual basis and briefing sessions given, and copies of videos stored on a central sharepoint for those who could not attend the training.

From our testing of a sample of four Working Groups, Finance Member Group, Net Zero, LGR Devolution and Planning Policy, it was not possible to confirm the Chair of the planning policy member group has received training in relation to being a chair. For each additional course the Council tracks who attended and a Teams recording is maintained which is shared to the Member Sharepoint and its down to individuals to monitor for any sessions they missed.

For e-learning and Boxphish cyber security, the Council can specifically see who has completed what training and they review this monthly as part of management meetings. The Assistant Director - Programmes, Performance and Governance shares updates with group leaders so that they can encourage participation. These are compulsory courses and it has been noted by the Assistant Director that uptake has been slower than expected but that this is improving.

The most recent report provided confirmed that 10 Members have completed less than the 85% target of their Boxphish courses, and only 8% of all Member e-learning courses have been completed.

Root cause

There have been historic issues with getting Members to complete all required training, and while this is regularly chased it remains up to Members to ensure this is completed.

Implication

There is a risk where Chairs or Vice Chairs have not completed the required training, that the working groups will not be meeting in accordance with its terms of reference and not referring appropriate decisions within the governance framework.



RECOMMENDATION

1a. The Council should remind Members and leaders of political parties on the importance and requirements to complete and adhere to training requirements with continued reporting to the PGA. The Council could also consider: removing Member IT access if core training is not completed, or make changes to roles/committees/working groups if appropriate training is not completed.



MANAGEMENT RESPONSE

1a. As part of this report review, the PGA committee may consider to recommend to Council that non-compliance of training and possible sanctions such as removal of IT access are explored again. Officers will continue to monitor and report compliance as part of the Balance Scorecard process


Responsible Officer:

1a. Cheryl Hughes/ Emma Holmes

Implementation Date:

1a. December 2025

2 Working Groups

TOR Risk:	Roles and responsibilities of Working Groups are not defined and understood leading to confusion amongst Members regarding their purpose and the delivery of key strategic objectives.	
Significance		Medium



FINDING

Working Groups have a terms of reference in place, and notes are held of each meeting which details actions taken. These are followed up on each subsequent meeting. The Chair of the Working Group attends and interacts with each applicable Committee.

We confirmed for a sample of four working groups - Finance Member Group, Net Zero, LGR Devolution and Planning Policy:

- Roles, responsibilities, expectations and deliverables are clearly defined within an up to date terms of reference.
- Decisions and actions are clearly documented within minutes and action plans, with progress made clear, including escalation of concerns/delays.
- Through review of a sample of Committee minutes, the Chair of the Working Group regularly interacts with their applicable Committee and their recommendations are considered and discussed before Committee decisions are made and found that:

However we identified the exceptions with the following groups.

Finance Member Group:

- A terms of reference is in place that details roles and responsibilities, with expectations and deliverables, however it is not clear when it was approved and what version is current.
- In the April 2025 meeting notes, several actions were raised for updates to be provided. From reviewing the June and July 2025 notes it was not clear that responses to these actions were provided and discussed. At time of fieldwork the Group had not met again.
- It was not possible to confirm through reviewing minutes that this Member Group and associated recommendations had been considered and discussed at Strategy and Resources Committee.

Planning Policy Working Group:

- A terms of reference is in place that details roles and responsibilities, with expectations and deliverables. The terms of reference is dated 14 May 2021 and is therefore out of date and may not accurately reflect the current working practices of the group.

Local Government Reorganisation and Devolution Working Group:

- A terms of reference is in place that details roles and responsibilities, with expectations and deliverables, however it is not clear when it was approved and what version is current.

Root cause

There was no process in place to ensure this information was included within the meeting notes. We were advised dDiscussions from the Finance group were taken forward to the Committee but just not noted in the working group. Terms of reference have not been reviewed.

Implication

There is a risk where working groups do not adhere to their terms of reference they may not refer decisions appropriately within the governance framework.

**RECOMMENDATION**

2a. The Council should ensure terms of reference are up-to-date and version controlled so it is clear when the document was last reviewed and when it will be subsequently reviewed.
 2b. The Council should ensure where a Working Group reports to a Committee the subsequent Working Group minutes note this and confirm the outcome for information purposes.

**MANAGEMENT RESPONSE**

2a. A note will be circulated to officers involved in working groups to highlight this recommendation. For the first meeting that takes place in the municipal year, we will ensure terms of reference are reviewed when each working group sits.
 2b. A note will be circulated to officers involved in working groups to highlight this recommendation.

Responsible Officer:

2a. Cheryl Hughes


2b. Cheryl Hughes

Implementation Date:

2a. November 2025

2b. November 2025

3 Induction

TOR Risk:	The Member induction process is inadequate leading to Members not understanding the key roles and responsibilities they have in the decision making or corporate governance process.
Significance	 Low



FINDING

Inductions are completed on an ad hoc basis for by-elections and when individual Members join the Council. A full day of onboarding is delivered when there is a full election.

Our review of the Member induction process and discussions with a sample of two Members found the following:

- Formal records confirming who has received an induction and when are not maintained, as either this is completed for all members, or on an ad hoc basis when new members start, which is why this record is not maintained.
- Feedback had been sought by the Council after the full onboarding in May 2024, and completion of required training, and from the onboarding information provided this had been incorporated.

Below is some feedback received from the two councillors interviewed:

- A directory indicating who to contact for specific queries would have been beneficial. Queries from residents come in quickly, and knowing who to approach for issues like council tax would have been useful. The Councillor was conscious of sending emails to individuals not involved in the process. Everyone was very helpful and willing to assist, but the Councillor desired the knowledge to streamline processes.
- More explanation of working groups, governance layers, and report language would be beneficial.
- The induction process was unclear, with considerable back-and-forth required to set up a laptop and account. Issues persisted with Mod Gov, as it was initially set up via an external email address, causing syncing problems with the internal email address.
- Upon receiving the laptop and systems access, there was no induction meet-and-greet scheduled, nor guidance on what to do throughout the process.
- There was no information provided on using Freshserve, the portal for raising Member queries, which differs significantly from the process for a Town Councillor.
- There was uncertainty about the location of meeting rooms and Council procedures, leading to a sense of being lost. Emails were sent to officers and copied to other councillors, but Freshserve tickets should be used if the process was understood.
- Welcoming new councillors should involve an up-to-date website for training, with a current calendar of events for all members.
- These issues impact member/officer relationships across the Council.
- Residents contacted the Councillor regarding housing issues, and he reached out to other members to resolve these queries but was unsure how to proceed.
- Freshserve felt impersonal, reducing interactions to statistics rather than fostering relationships.

- A video summarising the planning team (for example), communication processes, and member referral/call-in procedures would be beneficial. Guidance has not been shared with the Councillor on raising questions with officers regarding planning applications.
- Communication routes and flow charts are needed to show how to raise queries without predetermining outcomes or using officers' time unnecessarily.
- The homepage should be kept up-to-date to maintain trust noting one officer has left, and another has taken over.
- A PowerPoint presentation of the structure was available, but numerous vacancies were off-putting. A corporate directory showing the head of department and reporting lines would be useful.
- Members knew they were able to approach other members of their party for assistance and guidance.

Root cause

Since the original website was put together, there has been capacity issues in keeping this up-to-date and being able to expand on this information effectively.

Implication

There is a risk that where Members are not fully inducted they will not be aware of their responsibilities and who to contact which may impact their ability to service their constituents.



RECOMMENDATION

3a. The Council should consider enhancing the induction process for new members by doing the following:

- Updating the website made available to Councillors with up to date information and ensuring this is reviewed regularly.
- Compiling a list of key officers involved in specific processes to assist in Members knowing who to contact when queries arise.
- Designing a series of flowcharts showing key processes and how Members are expected to approach these, for example in specific planning queries.
- Maintaining a record of all Members who have received an induction to ensure these are completed for all required joiners.



MANAGEMENT RESPONSE

3a. With the proposed Local Government Reorganisation it is unclear if any further elections of Councillors will take place. Until the position has been confirmed no immediate work will be undertaken on these recommendations.

The enhancements will be considered should further onboarding be required in the future


Responsible Officer:

3a. Emma Holmes

Implementation Date:

3a. May 2027

4 Scheme of Delegation

TOR Risk:	The Scheme of Delegation is not regularly reviewed and approved leading to an ineffective process, which does not facilitate efficient governance.	
Significance		Low



FINDING

There is a Member approved scheme of delegation which outlines the responsibilities that need Member approval. Decisions are made according to this scheme. We reviewed the scheme of delegation and found the following:

- We reviewed the training and briefings and noted that the scheme of delegation has not been formally shown to members except for its last approval by Full Council. As above, it is understood that the reason members are given decision to make is due to the scheme of delegation requirements.

We also conducted a benchmarking activity of the Scheme of Delegation levels against other Essex authorities. The outcomes of this are documented as part of Appendix II below. The initial observations are that the Council has limits lower than other authorities in relation to write offs, virements, asset disposal and those contracts under seal.

Root cause

The Council has had the limits in place for some time due to the structure of Working Groups and Committees and these limits have not been formally reviewed or amended.

Implication

There is a risk where the scheme of delegation is not understood by members that decisions will not be made correctly and in accordance with the Council's constitution.

Also, if delegations are restricted and unclear, that leads to time-consuming escalations involving more senior officers or members and delays in responses to suppliers and residents.

Furthermore, ensuring that a clear approach to delegation is especially important as the Council moves to the new structure, along with clarity on the resources directors and other officers hold.



RECOMMENDATION

4a. Officers should ensure that the scheme of delegation is included as part of future briefings to Members to ensure they understand the requirements.

4b. The Council should review the outcomes of the benchmarking completed by Internal Audit and consider whether any changes need to be made to the Scheme of Delegation.



MANAGEMENT RESPONSE

4a. This recommendation will be highlighted to senior officers of the Council, so that they can reference the scheme of delegation where relevant

Decisions made by Members are supported by Officers, who advise when a matter falls within the delegated powers and can be determined without Committees involvement.

Officers are responsible for preparing reports for Committees and their oversight significantly reduces the risk of decisions being made outside the Constitutional framework

4b. The PGA committee as part of consideration of this report may want to recommend to Council, a review of the delegation levels and whether they are fit for purpose

Responsible Officer:	4a. Cheryl Hughes/ Emma Holmes 4b. Cheryl Hughes/ Emma Holmes
Implementation Date:	4a. November 2025 4b. November 2025

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 - Benchmarking

Authority	Expenditure/Contract Award Tiers	Debt Write-Off Limits	Virement Limits	Asset Disposal Thresholds	Planning/Leases/Licences Delegations	Contract Execution/Sealing	Procurement / Quotes / Tenders	Notes
Maldon District Council	£0-£5k: 1 written quote required, £5k-£50k 3 written quotes required, £50k-£100k 3 formal quotes in tender envelope, above £100k full tendering procedures.	Less than £2.5k Director of Resources, Less than £10k s.151 Officer with consultation, over £10k Finance and Corporate Services Committee.	Less than £50k Chief Executive, Directors or s.151 officer with portfolio holder consultation, 50k-100k Finance and Corporate Services Committee, over 100k Full Council.	Less than 10k per item Directors, less than 50k Finance and Corporate Services Committee, more than 50k Full Council.	Planning applications delegated to Director of Strategy, Performance and Governance, except where member call-in applies, or applications are Council-owned, major or controversial. Less than 10k pa rental or 50k capital value Directors with s.151 and Legal, above these limits Finance and Corporate Services Committee or Council.	Contracts over 50k must be under seal, less than 50k can be signed by Chief Executive, Directors or authorised officers.		MDC Constitution Part 4 Financial Regulations and Scheme of Delegation.
Braintree District Council		CD (Support Services) ≤£25k; Cabinet Member >£25k-£50k; Cabinet >£50k-£100k; Council ≤£100k. Exception: CD (Support Services) unlimited for bankruptcy/insolvency/ceased trading.	Revenue: HoS (with s151 & relevant CD) ≤£25k; Cabinet Member (with s151) ≤£50k; Cabinet £50,001-£100k; Council >£100k. Capital: s151 ≤£150k; Cabinet ≤£250k; Council ≥£250k.	Property disposals: HoS ≤£50k; CD £50k-£100k; CM £100k-£150k; Cabinet >£150k. Other property agreements (inc. leases/licences): HoS <£100k p.a.; CD £100k-£150k p.a.; CM £150k-£200k p.a.; Cabinet >£200k p.a. Non-property assets: HoS ≤£10k; CD £10k-£100k; CM £100k-£150k; Cabinet >£150k.	Covered under Other property agreements p.a. bands.	Contracts >£25k must be in writing; >£150k must be under seal.		From Constitution Financial Procedure Rules (Tables A-C) & Property Transactions.
Brentwood Borough Council	£0-£25k: 1 written/verbal quote; £25k-national thresholds: formal competitive tender; Above thresholds: GPA-compliant competition.	Sundry Debtors Manager ≤£1k; Senior Housing Manager ≤£1k (tenants/service charges); Strategic Director Finance ≤£10k (with Service/Budget Manager); >£10k SDF with Chair of Finance Committee.				Standing Orders for Contracts govern under/over £150k; sealed at higher values.		Debt write-offs from FR; procurement from 'Doing business with us' page.
Basildon Borough Council						Contracts ≤£75k executed by two authorised officers (CPR 14.3).	Opportunities ≥£25k advertised on Contracts Finder.	Execution rule from committee report; procurement advertising per council procurement page.
Castle Point Borough Council	Low ≤£10k (≥1 written quote); Medium £10k-£50k (≥3 written quotes); High ≥£50k (tender). If advertised and ≥£30k, publish on CDP.	Debts p.a.: Budget Holder ≤£5k; AD >£5k-£10k; Director >£10k-£25k; s151 >£25k-£50k; Service CM >£50k-£100k; CM Finance >£100k. Inventory: AD ≤£10k; Director >£10k-£25k.	Revenue: AD ≤£25k; Director >£25k-£50k; CM (Finance) >£50k-£100k; Cabinet >£100k.	Process/controls set (Asset Review Board, valuations, s123 notices for open space, undervalue needs s151 & MO). No explicit £ figure in policy.		Higher-value contracts sealed; execution per CPR/Constitution.	National thresholds (incl. VAT): Works £5,372,609; Supplies/Services £214,904.	Financial Regs & CPR (Feb 2025).
Harlow District Council	CSOs (Mar 2025, incl. VAT): <£30k quotation; £30k-£60k ≥3 quotations; ≥£60k tender.	AD Finance ≤£1k; Directors/Heads ≤£2k; CE & s151 ≤£5k; Portfolio Holder (with s151) ≤£20k; NDR ≥£20k to Cabinet.		Land disposal (Part 2): AD may sell land with no development potential and value <£10k; or with development potential and sale price <£10k with betterment provisions. Commercial Portfolio leases: Senior Officer approval.		Publish Contract Details Notice for contracts >£5m; signing per CSOs and Constitution.	Above-threshold (PA 2023): Goods/Services ≥£214,904; Works ≥£5,372,609. Award: £214,904-£350k PH; ≥£350k Cabinet key decision; Non-capital ≥£1m or ≥£350k outside budget - Cabinet/Full Council.	CSOs 28 Mar 2025; Debt Write-Off process & Cabinet reports.
Southend-on-Sea City Council		Accounts Receivable/Adult/HB O/P: Asst Manager <£5k; Manager ≤£10k; Director £10,001-£25k; Cabinet ≥£25k. NDR: Senior Officer ≤£2k; Team Leader ≤£5k; Manager ≤£10k; Exec Director (FR) £10,001-£25k; Cabinet ≥£25k. Parking: NPO & Section Leader <£5k; Section Leader £5,001-£10k; Group Manager £10,001-£25k; Cabinet ≥£25k. Housing Rents/Service Charges (South Essex Homes): Head of Service <£25k; Cabinet ≥£25k.		Property Procedure Rules apply (leases >7 years and other land). Specific £ thresholds held in Rules.	Leases/licences/disposals set in Part 7 Section 8 (Property Procedure Rules) - includes term-based rules (e.g., >7 years).		CPR (Part 7 Section 6): level-based thresholds; below-threshold notices (≥£30k) published on Contracts Finder.	From CPR/FPR/Property Procedure Rules & Cabinet report tables.
Thurrock Council	<£30k ≥1 written quote; £30k-£74,999 ≥3 quotes where not advertised; £75k-£213,477 competitively advertised tender.	Finance Procedure Rules + Financial Limits Annex: includes bands incl. stock write-off (e.g., up to £10k Budget Holder; higher tiers per annex).	Up to £25k by Responsible Budget Holder with AD agreement; higher bands in Financial Limits Annex; member approval above limits.	Financial Limits Annex sets disposal approval bands by value; Key Decision thresholds Revenue £500k / Capital £1m apply to route.	Leases/licences/easements/wayleaves/concessions & acquisitions/disposals require s151 agreement/sign-off.		Key Decisions: Revenue ≥£500k; Capital ≥£1m.	CPR & Financial Limits Annex (draft).
Essex County Council	Order/contract authorisation: L3 ≤£2m Directors; L4 ≤£500k HoS; L5 ≤£130k delegated officers.	≤£10k Service Manager (Income) or Head of Finance (Transactional); £10,001-£25k Director; £25,001-£50k Exec Director; £50,001-£100k s151; £100,001-£250k Service CM; >£250k CM Finance.	Director ≤£500k; Exec Director (with s151 & Service CM) >£500k-£2m; CM Finance >£2m-£5m; Cabinet >£5m.	Property: Operational/Surplus - HoS/HoP ≤£250k; Director >£250k-£500k; Exec Director >£500k-£2m; CM Finance >£2m-£5m; Cabinet >£5m. Investment properties - s151 ≤£250k; Exec Dir >£250k-£500k; CM Finance >£500k-£2m; Leader (with s151) >£2m-£5m; Cabinet >£5m. Other assets: HoS ≤£250k; Director >£250k-£500k; Exec Dir >£500k-£2m; CM Finance >£2m-£5m; Cabinet >£5m.		Contracts <£1m signable by authorised officer; ≥£1m signed by Executive Director/HoPS or sealed.	Up to £10k: no competition normally required; £10k-£100k: quotes expected; >£100k: tender expected.	ECC Financial Regulations (Feb 2025).
Chelmsford City Council			≤£25k Director; >£25k-£200k Director (consult s151 & Cllrs); >£200k-£1m Cabinet; >£1m Council.					Part 4.9 Financial Rules Appendix 1 (Virements).
Colchester City Council		Chief Finance Officer (s151) may write-off individual bad debts ≤£5,000.		Director of Estates delegated for routine lettings/licences/wayleaves (no explicit monetary cap stated).	Head of Planning determines most applications except specified categories.		≤£50k: normally 3 written quotes; £50k-national threshold; below-threshold notice or invite ≥3; thresholds: full procedure.	Scheme of Delegation to Officers (Mar 2025) & CPR.
Epping Forest District Council	Tender process from £25k (per 17 Mar 2025 Cabinet).	Housing former tenant arrears/credits ≤£2,500 (with Director of Resources).					≤£25k RFQ; >£25k tender (EPP-led).	Financial Regulations & Mar 2025 procurement update.
Rochford District Council		Sundry Debtors Manager ≤£1k; Senior Housing Manager ≤£1k (housing); s151 ≤£10k; >£10k with Chair of Finance Committee.						Financial Regulations 10.6.3.
Tendring District Council			GMD ≤£50k (Financial Procedure Rules).					FPR extract re virements.

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 (including those relevant to the IIA's [name] Topical Requirement), are:

- ▶ Risk 1: The Member induction process is inadequate leading to Members not understanding the key roles and responsibilities they have in the decision making or corporate governance process.
- ▶ Risk 2: Chairs of Working Groups and Committees have not received adequate training to enable them to fulfil their roles and responsibilities leading to confusion and potentially decisions that are ultra vires.
- ▶ Risk 3: Member Declarations of Interest are not recorded for all Members potentially resulting in decisions that favour personal gain over organisational goals, compromising trust in the Council.
- ▶ Risk 4: Roles and responsibilities of Working Groups are not defined and understood leading to confusion amongst Members regarding their purpose and the delivery of key strategic objectives.
- ▶ Risk 5: The Scheme of Delegation is not regularly reviewed and approved leading to an ineffective process, which does not facilitate efficient governance.
- ▶ Risk 6: Responsibilities in the Scheme of Delegation and governance mechanisms are not clearly defined and communicated to all staff, including Members, resulting in confusion about the decision making process and impairment of the decisions made.



SCOPE & APPROACH

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

- ▶ Review the Member induction process to ensure it covers all aspects of their roles and responsibilities. We will also speak to a small sample of Members to confirm they have received the induction and gain feedback on what works well and what could be improved. (Risk 1)
- ▶ Test a sample of Members who are Chairs of either a Working Group or Committee to confirm they have received recent training that is relevant to their role or have been assessed as possessing the required skillset perform their role. (Risk 2)
- ▶ Test a sample of Members to confirm they have completed a recent declaration of interest form. We will also review the process to ensure declared interests are monitored and considered during Working Group decision making. (Risk 3)
- ▶ □ For a sample of Working Groups, confirm:
 - Roles, responsibilities, expectations and deliverables are clearly defined within an up to date terms of reference.
 - Decisions and actions are clearly documented within minutes and action plans, with progress made clear, including escalation of concerns/delays.
 - Through review of a sample of Committee minutes, the Chair of the Working Group regularly interacts with their applicable Committee and their recommendations are considered and discussed before Committee decisions are made. (Risk 4)
- ▶ Interview the Leader of the Council and the Chair of the Performance, Governance and Audit Committee to obtain their view on whether Delegated decisions and Working Groups are adequately functioning, fit for purpose and effectively support the Council's corporate governance framework. (Risk 4)
- ▶ Review the Scheme of Delegation and verify:
 - The scheme is regularly reviewed and updated
 - Clearly sets out the delegated responsibilities including any specific areas where Member approval is required
 - It has been communicated to and approved by Members
 - Whether Members have received briefings or training to ensure they understand the delegated framework and have been given the opportunity to provide feedback.
 - Test a sample of delegated decisions to confirm they are in line with the Scheme. (Risks 5 and 6)



ADDED VALUE

In addition to the above areas we will also:

- ▶ Benchmark the Council's Scheme of Delegation limits with other Councils in the Essex area.

Appendix IV - Responsibilities and Conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the ‘board’ as ‘the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.’ For the Council, ‘the board’ is the Performance, Governance and Audit Committee (PGAC acting on behalf of the Council).

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The AC is responsible for ensuring the internal audit function has:

- The support of the Council’s management team.
- Direct access and freedom to report to senior management, including the Chair of the PGAC.
- The PGAC is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls covers the whole system of controls, financial and otherwise, established by the Council in order to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as ‘controls’ or ‘internal controls’.

The PGAC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- ▶ The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025
- ▶ The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

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The matters raised in this report are only those which came to our attention during 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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