Maldon District Council

Internal Audit Progress Report

November 2026



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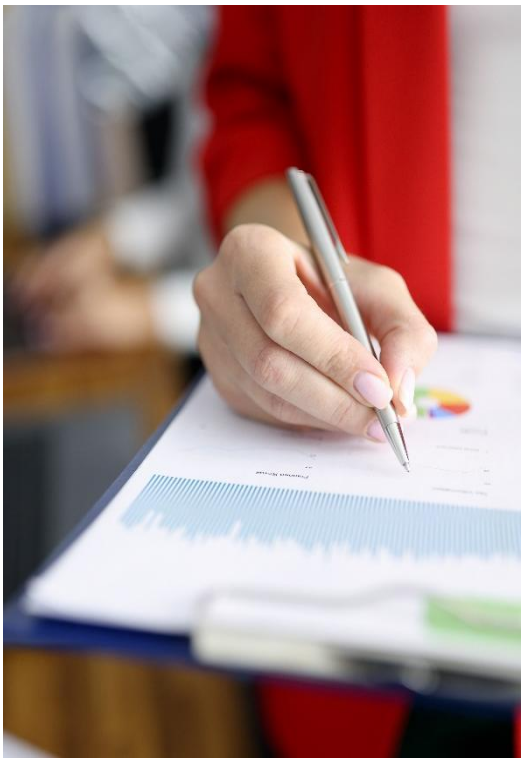
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Summary of 2026/27 Work

Internal Audit

This report is intended to inform the Performance, Governance and Audit Committee of progress made against the 2026/27 internal audit plan. 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 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' opinion. 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.

Internal Audit plan 2026/27

Since our last report on 16 July 2026, we have completed the following review and include a copy of the final report separately to the progress report:

- **Car Parking.**

We have finished fieldwork for the following, and the report is being drafted:

- **Homelessness/Temporary Accommodation.**

We have started fieldwork for the following reviews:

- **Recruitment and Retention**
- **Performance Management**
- **Anti-Social Behaviour and Enforcement.**

We have also begun planning the following:

- **Grounds Maintenance** (fieldwork due to start 09/11/2026)
- **Leisure Services (**fieldwork due to start 11/01/2027)
- **Treasury Management** (fieldwork due to start 18/01/2027).

Essential Conditions

Our papers include the Essential Conditions report, which shows how the Council's internal audit arrangements align with the essential conditions needed for an effective internal audit function and identifies any areas where further action or improvement is required.

Review of 2026/27 Work

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Car Parking	November 2026	✓	✓	✓	M	M
Homelessness/Temporary Accommodation	March 2027	✓	✓	✓		
Recruitment and Retention	March 2027	✓	✓			
Performance Management	March 2027	✓	✓			
Anti-Social Behaviour and Enforcement	March 2027	✓	✓			
Grounds Maintenance	March 2027	✓				
Leisure Services	July 2027	✓				
Treasury Management	July 2027	✓				
Local Government Reorganisation	July 2027					

Key Performance Indicators

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	We remain on track to deliver this for 2026/27.	G
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI for 2026/27.	G
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.	G
4. Annual survey to PGA committee to achieve score of at least 70%	This will be issued following the presentation of the annual report.	N/A
5. At least 60% input from qualified staff	We are on track to meet this KPI for 2026/27.	G
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for the one completed audit for 2026/27.	G
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for the one completed audit for 2026/27.	G
8. 90% of recommendations to be accepted by management	This KPI has been met for the one completed audit for 2026/27.	G
9. Information is presented in the format requested by the customer	This KPI has been met for the one completed audit for 2026/27.	G
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 one completed audit for 2026/27.	G
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. A new EQA is currently being completed.	G

Key
G – Green
A – Amber
R – Red
N/A – Not Applicable

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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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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