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Tendring District Council

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AGENDA

AUDIT COMMITTEE

DATE:	**Thursday, 19 February 2026**
TIME:	**10.30 am**
VENUE:	**Committee Room, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE**

MEMBERSHIP:

Councillor Sudra
Councillor Steady
Councillor Fairley
Councillor Keteca
Councillor Morrison
Councillor Placey

Chief Executive
Ian Davidson

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DATE OF PUBLICATION: Wednesday, 11 February 2026

AGENDA

1 Apologies for Absence and Substitutions

The Committee is asked to note any apologies for absence and substitutions received from Members.

2 Minutes of the Last Meeting (Pages 7 - 22)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on

3 Declarations of Interest

Councillors are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests or Non-Registerable Interests, and the nature of it, in relation to any item on the agenda.

4 Questions on Notice pursuant to Council Procedure Rule 38

Subject to providing two working days' notice, a Member of the Committee may ask the Chairman of the Committee a question on any matter in relation to which the Council has powers or duties which affect the Tendring District **and** which falls within the terms of reference of the Committee.

5 Report of the Corporate Director (Finance & IT) - A.1 - Statement of Accounts 2024/25 and associated Annual and Year End Reports of the External Auditor

To present for consideration and approval a number of associated reports which include the following, to enable the final opinion on the accounts and value for money arrangements to be formally issued by the External Auditor:

- The External Auditor's Report for the year ended 31 March 2025;
- The External Auditor's Value for Money Report 2024/25;
- The Council's Statement of Accounts (including the Annual Governance Statement) for 2024/25 for consideration and approval for publication by the backstop date of 27 February 2026

(THIS REPORT IS "TO FOLLOW")

6 Report of the Internal Audit Manager - A.2 - Report on Internal Audit (Pages 23 - 66)

To provide a periodic report on the Internal Audit function for the period September 2025 – January 2026 and to provide an annual review of the Anti-Fraud and Corruption Strategy for approval by the Audit Committee.

7 Report of the Head of Planning and Building Control - A.3 - Building Safety Inspection Review - Outcomes and Actions (Pages 67 - 72)

Report on the recent Building Safety Regulator (BSR) audit of the Council's Building Control function, requested by the Corporate Director (Finance and IT) and Section 151 Officer and Corporate Governance, Performance and Procurement Manager.

8 **Report of the Assistant Director (Finance & IT) - A.4 - Table of Outstanding Issues (Pages 73 - 92)**

To present to the Committee the progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Audit Committee is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Thursday, 26 March 2026.

Information for Visitors

FIRE EVACUATION PROCEDURE

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MINUTES OF THE MEETING OF THE AUDIT COMMITTEE, HELD ON THURSDAY, 25TH SEPTEMBER, 2025 AT 10.30 AM IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15 1SE

Present:	Councillors Sudra (Chairman), Steady (Vice-Chairman), Fairley, Morrison and Placey
Also Present:	Councillor Calver
In Attendance:	Ian Davidson (Chief Executive), Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer), Damian Williams (Corporate Director (Operations and Delivery)), Craig Clawson (Internal Audit Manager), Clare Lewis (Resilience and Assurance Manager), Karen Hayes (Corporate Governance, Performance & Procurement Manager), Katie Koppenaal (Democratic Services Officer) and Bethany Jones (Democratic Services Officer)
Also in Attendance:	Sarah McKean (External Auditor (Director - KPMG)) and Jodie Preston (External Auditor (Manager - KPMG))

10. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

No apologies for absence or substitutions were received or notified on this occasion.

11. MINUTES OF THE LAST MEETING

It was unanimously **RESOLVED** that the Minutes of the meeting of the Committee, held on 26th June 2025, be approved as a correct record and be signed by the Chairman.

12. DECLARATIONS OF INTEREST

There were no declarations of interest made by Councillors in relation to any item on the agenda for this meeting.

13. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question pursuant to Council Procedure Rule 38.

14. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.3 - TABLE OF OUTSTANDING ISSUES

It had been decided by the Chairman of the Committee to allow the Chief Executive and Corporate Governance, Performance & Procurement Manager to address the Committee on the Table of Outstanding Issues (report A.3) prior to consideration of the remaining agenda items.

Members heard that the Table of Outstanding Issues had been reviewed and updated since it had been last considered by the Committee in June 2025.
There had been three main ongoing elements to this report as follows:

1) Updates against general items raised by the Committee – Appendix A

2) Updates against the 2024/25 Annual Governance Statement Action Plan – Appendix B

3) Updates against recommendations made by the External Auditor – Appendix C

In terms of items 1 and 3 above, there had been no significant issues to raise, with actions having remained in progress or further details set out within the report (A.3).

It was reported that, in respect of the 2024/25 Annual Governance Statement Action Plan, although that remained subject to the Committee's final approval later in the year once the work of the External Auditor had been completed, for timely and practical reasons the version that had been published at the end of June 2025 alongside the Unaudited Statement of Accounts presented the most up to date position for the Committee's consideration. Similarly to last year, that approach had enabled the actions and associated updates to be considered as early as possible within the Committee's annual work programme. Appendix B therefore included outstanding items from last year's Annual Governance Statement alongside new items for the current year. There had been no significant issues to highlight at the present time with actions and activities having remained on-going.

Local Audit Reform

Within previous reports, timely updates to the various audit reforms announced by the Government had been included with a summary as follows:

- Simplification and Streamlining: The reforms had aimed to simplify financial reporting requirements and streamline the audit process to make it more efficient;
- Increased Capacity: Efforts would be made to increase the capacity of the audit sector, reducing reliance on a small number of auditors;
- Funding Support: Up to £49 million in funding would be provided to help local authorities clear audit backlogs and cover additional costs;
- New Local Audit Office: A new Local Audit Office would be established to coordinate functions currently spread across multiple organizations, such as the National Audit Office and the Financial Reporting Council; and
- Transparency and Accountability: The reforms had been designed to restore public trust in how councils managed and reported their finances, to ensure better value for taxpayers.

The various associated activities had remained ongoing, with a number of matters set out within the Government's recently announced English Devolution and Community Empowerment Bill 2025, which included the following:

- The establishment of the Local Audit Office to oversee the local audit system in England with its main objectives to secure the effective operation of the system of audit with a view to meeting the needs of users of the audited accounts – the key focus / activities had been that audits under the Act had been carried out to a high standard, and that there had been a suitable range of persons able and willing to carry out such audits.

- Establishing and maintaining a register of individuals and firms who had been (by virtue of their registration) entitled to carry out audits in accordance with the Act.
- Overseeing the eligibility and regulation of registered providers.
- The appointment of Auditors.
- Audit Fees.
- Preparation of the Code of Audit Practice.
- Mandating the requirement to establish Audit Committees, which must have included at least one independent member.

It was highlighted to Members that the above formed part of a broader "Plan for Change" to bring long-term stability to the local audit system. Although practical implications had remained under review with further updates planned to be presented to the Committee later in the year, the Council had already undertaken timely steps as necessary, such as those associated with the appointment of an Independent Person.

The East of England Local Government Association (EELGA) Housing Review

Members were aware that, at the Audit Committee's meeting on 25 April 2024, the Committee had been informed of the changes happening within the Local Government Social Housing arena and that Local Housing Authorities with retained housing stock, from 1 April 2024, became part of the regulated social housing regime with a requirement to comply with a new set of Consumer standards.

Members heard that this report had built upon the previous report to provide the Committee with a 'progress' update following the continuing work to improve the management of this Council's housing stock and work carried out to achieve compliance with the Consumer Standards.

Members had recalled that, as part of the regulatory process, the Regulator of Social Housing (RSH) had introduced new consumer standards and 12 Tenant Satisfaction Measures (TSMs).

The four **Consumer Standards** that social housing landlords would be assessed against were:

- The **Safety and Quality Standard** which required landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.
- The **Transparency, Influence and Accountability** Standard which required landlords to be open with tenants and treat them with fairness and respect so they could access services, raise concerns, when necessary, influence decision making and hold their landlord to account.
- The **Neighbourhood and Community Standard** which required landlords to engage with other relevant parties so that tenants could live in safe and well-maintained neighbourhoods and feel safe in their homes.
- The **Tenancy Standard** which set requirements for the fair allocation and letting of homes, as well as requirements for how tenancies had been managed by landlords.

Tendring District Council had been collating evidence and reporting on the new consumer standards since April 2024. The results of TSM's had been reported on an annual basis to the regulator as well as to Cabinet and the Tenants' Panel.

At the Cabinet's meeting on 27 June 2025 a report on the outturn performance against the RSH's Tenant Satisfaction Measures for 2024/25 had been presented. The report outlined the detail behind the data collection and the methodology used during consultation with the Council's tenants.

The Council's Outturn Performance Report against the TSMs had indicated a general improvement in performance and tenant satisfaction with the proportion of respondents who reported that they had been satisfied with the overall service from their landlord increasing from 80.1% in 2023/24 to 81.3% in 2024/25.

It was reported that satisfaction with repairs (both overall satisfaction with repairs and satisfaction with the time taken to complete a repair), had decreased. The reasons for this would be explored in more detail with the members of the Tenants Panel. Conversely, the proportion of non-emergency and emergency repairs completed within the Council's target timescale had increased.

It was noted that the number of complaints, both at Stage 1 and 2, that were responded to within the Housing Ombudsman's Compliant Handling Code timescales had improved significantly when compared to the 2023/24 figures.

It was highlighted to Members that the Council had requested support from the East of England LGA (EELGA) to identify areas for improvement and to develop an action plan to drive improvements.

As part of that process a Housing Board, chaired by the Portfolio Holder for Housing & Planning, had been set up to monitor performance against the consumer standards. The board met monthly.

The previous report had identified areas that had been included as part of the evaluation, and an update had been provided in each of those areas.

Strategy

The Committee was reminded that a significant amount of work had been undertaken to review existing policies as well bring forward new policies that had been needed to deliver sustainable social housing. To date over 30 policies had been reviewed and approved.

Additional Housing policies had been in the pipeline to be reviewed and delivered within the following twelve months, the new Housing Strategy 2026 – 2030 would go to Cabinet on September 26 for approval to go to consultation.

Staff Culture

Work continued to engage staff with the new requirements; regular meetings continued to be held by the Corporate Director with housing managers to discuss the progress being made to meet the regulatory requirements. Those discussions had then been fed back to the various teams via their respective team meetings. Housing Managers

attended the Housing Board and had full involvement in the performance management process.

Data Management

This had still been an area for concern, and whilst a significant amount of work had been carried out with new software purchased and installed, there had still been gaps in the collation of the data. To this end, the Housing Service had been working with the IT Service to create a register of all the data and where it had been held. Once this piece of work had been completed and further work would be carried out to then collate all the data to a central reporting tool that would aid the Housing Service to easily gather data to respond and report on the regulatory standards.

It was reported that a contract had been placed to carry out the remainder of the stock condition surveys, and the expectation had been that the Council would have completed 75% of those surveys by the end of that financial year, with the final 25% completed in the following financial year.

A new Data Compliance Officer post had been created and filled. This post would ensure that data had been collected, collated and appropriately analysed.

Strategic Partnership Working

It was explained to the Committee that the Council continued to have several effective partnerships addressing housing related issues. Managers had been actively engaged in those partnerships and had been well regarded by other agencies. Partnership working had been delivering tangible benefits to Tendring in terms of joint working, funding, and engaging with the wider community.

In the light of Local Government Reorganisation (LGR), the Corporate Director had been engaging with other local authorities to discuss Housing Issues and the implication of LGR moving forward.

Housing Budgets

The Budgets continued to be well managed. The Portfolio Holder for Housing & Planning had met regularly with the Corporate Director and Finance officers to discuss budgets, as well as annually to review the 30-year business plan.

There had still been concerns about the historical impact of below inflation rent rises and there had been pressures on all budgets which would need to be factored in and managed for the future through the identification of savings, redirection of resources and securing external funding. The Government had confirmed a 10-year rent settlement that permitted Social Landlords to increase rents by CPI+1% every year for 10 years from April 2026 with the intention of providing “greater long-term certainty”.

For the HRA revenue budget the most significant pressures had still arisen from the increasing costs of day-to-day repairs. In the HRA capital budget pressures would come from the requirements to meet the Decent Homes Standard, safety standards and better insulation of homes.

Within the General Fund the cost of temporary accommodation had been a significant pressure. A Homelessness and Temporary Accommodation Board had been set up, chaired by the Portfolio Holder for Housing & Planning, to explore ways in which the Council could prevent homelessness as well as reduce the overall cost of temporary accommodation. The Board met every two weeks.

Complaints

It was reported that both the Ombudsman and the Regulator of Social Housing continued to strongly emphasise complaints as an indicator of how well social landlords listened to and responded to the concerns of their residents. The Council had taken this seriously and there had been a significant improvement in the response to complaints, as shown in the TSM's.

Ref Measure	2023 / 2024 Performance	2024 / 2025 Performance
Proportion of: Stage one complaints; and Stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	73.9% 61.5%	93.6% 91.7%

The Council had recently introduced and adopted a Corporate and Housing Complaints Policy that had been approved at the Cabinet's meeting on 25 July 2025, that had come into effect on 1 September 2025. This enabled all complaints to be handled more consistently and in line with national codes. The importance of the updated policy had been communicated to staff via a recent Senior Managers' Forum, All Staff Briefings and other associated training sessions.

Disrepair claims continued to be a concern. However, improved record keeping and a robust approach supported by Legal Services had allowed this issue to be kept under control. Engagement with the Tenants' Panel continued as the Council sought their support to encourage tenants to engage directly with the Council rather than with legal firms.

Tenant Engagement

It was reported that the team had continued to work with tenants, via the Tenants' Panel to ensure that there had been good dialogue and challenge from the tenants as to how they supported them.

The team had also reinstated a Tenants' newsletter and had been actively looking at other ways to engage with tenants. There had been a 'recruitment' drive to increase the number of tenants on the panel that had been successful. Numbers had increased sufficiently to a point that the Tenants' Panel had been setting up sub-groups to provide greater focus on key areas, such as repairs, complaints and tenant engagement. The Chair of the Tenants' Panel had also been a member of the Housing Board. Alternative methods of tenant engagement had also been trialled.

Housing Management

It was highlighted to Members that the Council currently had several vacancies, however, the Council had advertised and had been in the process of interviewing to fill those vacant posts. The new tenancy management support posts had now been fully engaged with undertaking tenant engagement work, include tenancy checks, estate walk abouts and drop-in sessions for tenants in various locations within the District.

Repairs and Maintenance

It was reported that condition surveys continued to be carried out and with the intention that 75% of all the housing stock would be surveyed within this financial year.

A dedicated housing asset management plan that could inform the HRA 30-year business plan had been written and approved. A revised repairs policy had been adopted and had introduced a reduced number of categories, clear response times, and looked to strike a balance between landlord and tenant responsibilities, whilst having clear targets for performance.

Many of the issues raised here had been addressed within the Data Management section of this report, and as stated a Housing Asset Management Plan had been produced and had been followed.

The team continued to develop, and several of the items raised in the last report had been covered in the report (A.3). The continuation of the stock condition work would allow for more detailed information to inform the 30-year business plan as well as the annual capital and repairs schedules.

There had been ongoing issues with the Term Maintenance contractor, and this had been reflected in the TSM's mentioned earlier in this report. The Corporate Director had met with the Contractor to discuss their performance and how it would be improved. An improvement plan had been submitted by the contractor, and this had been reviewed by the Repairs team.

Housing Solutions and Homelessness

The Committee heard that the service had been well thought of within the Council and was described as caring and supportive. An increasing volume of referrals (caseloads of 50-70 and 7 new cases a week), linked to the cost-of -living crisis and a lack of affordable housing for those in need had been impacting on the morale and stress levels of staff working in this service area. There was a need for greater management support to address the pressures staff were under. An additional senior officer post had been created, and that person had been in post since July 2025. The officer provided additional support to the team and advice on day-to-day caseload management.

There had still been relatively high numbers in temporary accommodation but few of those had had an 'accepted' decision. The balance between homelessness prevention work and use of temporary accommodation had been reviewed. Linked to this had been greater clarity on how the budget for the Homeless Prevention Grant could be and had been spent. It had now been a requirement of MHCLG that at least 49% of this grant had been spent on homelessness prevention work. An appraisal of the value for money and standards of temporary accommodation had also been undertaken.

The team had been working closely with private sector landlords to source more affordable self-contained accommodation, with work done so far, generating high quality accommodation that had been more affordable for the Council.

Overseeing all the above had been a new Homelessness and Temporary Accommodation working group, chaired by the Portfolio Holder for Housing and Planning.

It was reported that there had been a number of supported housing schemes in Tendring meeting the needs of a variety of client groups. Partners cited a lack of supported accommodation for single people with more complex needs and challenging behaviours who might not be suitable for existing shared accommodation. A Housing First Scheme had been included in the homelessness action plan but had not yet been considered. The Council could also consider developing small sites for temporary modular homes for single people, which had been becoming recognised as very successful in other areas. Access to floating support did not appear to have a clear and consistent pathway.

Supported housing provision remained an area for future review, something that had been considered across Essex through a new Supported Housing Board in light of the Supported Housing (Regulatory Oversight) Act 2023.

Conclusion

The review of the housing service had been a positive step in understanding the current policy and practice within the service. It provided an overview to help identify what had been working well and where further work was needed. Following on from this exercise, an accurate 'position' had been identified, and an action plan developed to build upon the positive areas identified as well as to be able to address those areas that fell short of the requirements of the new regulatory standards. Regular meetings had been conducted to monitor the progress and the impact of the action plan.

The action plan had enabled the Housing Service to take a significant step forward to meet the requirements of the new Regulatory regime.

The periodic review of the Council's housing function had been included as a standing item on the Audit Committee's annual work programme and consideration would be given to the options to present this on a timely and on-going basis in future years whilst ensuring the relevant assurances had still been provided to the Committee. Although the outcome from any formal inspection would always be presented to the Audit Committee, it had currently been proposed to provide future / general updates to the Committee based on the outturn performance against the regulator of Social Housing's satisfaction measures (TSM's) each year and other relevant information.

Proposed approach to the planned review of the Corporate Risk Management Framework/Register

Members were reminded that, in accordance with the Committee's work programme, it had been planned to present the regular Corporate Risk Update to this meeting of the Committee. However, it had been proposed to take a pragmatic approach to accommodate the various existing commitments that formed part of the planned wider

review of risk, as set out within the AGS, including the associated training requested by the Committee.

With this in mind, it had been proposed to organise a 'working' session with members of the Committee outside of the formal programme of meetings, that would aim to encompass a training session alongside the planned review previously discussed. The outcome from the proposed session could therefore be considered formally, if necessary, at the subsequent scheduled meeting of the Committee in February 2026.

Although this presented a slight delay in formally updating the Committee regarding the Council's current risk register and associated arrangements, it had been important to highlight that various underlying risk management activities remained on-going within existing governance arrangements, which in turn had also been complemented by additional activities such as:

- The review of Departmental risks as part of the Directorate / Service Planning Process along with Management Team recently reinforcing the importance of risk management at an operational and corporate level.
- The monthly reporting of associated risks at the Regeneration and Capital Delivery Board.
- The establishment of the Senior Officer Project Board as highlighted with the AGS, with Management Team identifying a number of key risks / projects for them to review as part of their early work programme.
- A broader review undertaken during Management Team's regular project and performance meetings.

Subject to the Committee's approval of the recommendations above, Officers would make the necessary arrangements in due course.

RIPA – Regulatory Investigatory Powers Act 2000

The Committee had been informed that the Authority had not conducted any RIPA activity in the last quarter, and it had been rare that it would be required to do so.

Whistleblowing

The Committee had also been informed that the Authority had received two notifications of Whistleblowing, which had currently been in the informal/investigatory stage. A further update would be provided to the Audit Committee at a future meeting if required.

It was moved by Councillor Sudra, seconded by Councillor Fairley and **RESOLVED** that the Committee:

a) notes the progress against the actions set out in Appendices A, B and C;

b) notes the outcome of the periodic review of the Council's housing function; and

c) having considered the proposed approach to the review of Risk Management, as set out within this report, requests Officers to undertake the necessary arrangements for a facilitated session in October / November.

15. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT

The Committee was informed that the Global Internal Audit Standards had required the Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that could be used to inform the Annual Governance Statement.

Four audits had been completed since the last Audit Committee meeting in June 2025. Three of the audits had received a satisfactory level of overall assurance of 'Adequate Assurance' or 'Substantial Assurance'.

The Housing Repairs and Maintenance audit had received an overall opinion of 'Improvement Required'.

A further 13 audits from the 2025/26 Internal Audit Plan had been allocated and seven had currently been at the fieldwork phase.

The Internal Audit manager informed Members that his team had been in the 'Key Systems' phase of the audit plan where all financial and core service systems and processes had been reviewed. Each area had been tried and tested that was very important to the Council's day-to-day activities. They had not anticipated any significant issues in that area as historically those issues had been well managed; however, the Internal Audit Manager had highlighted that it had been important to ensure that those systems and processes continued to work as expected and remained well controlled.

Fraud and Compliance work had been ongoing in that period along with GDPR priorities particularly relating to data sharing agreements, Freedom of Information Requests and Subject Access Requests.

Quality Assurance – The Internal Audit function issued satisfaction surveys for each audit completed. No unsatisfactory responses had been received in that period.

Resourcing

It was reported that the Internal Audit team currently had an establishment of 4 full time employment posts with access to a third-party provider of Internal Audit Services for specialist audit days as and when required. The Internal Audit Team currently had an Audit Technician post vacant. They currently had had an apprentice within the team for nearly a year who had been continuing to develop well and had currently been undertaking the administrative responsibilities for the Audit, Fraud and Compliance functions.

Outcomes of Internal Audit Work
The Public Sector Internal Audit Standards had required the Internal Audit manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report four audits had been completed and the final report issued.

Assurance	Colour	Number this Period	Total for 2025/26Plan	

Substantial		1	1	
Adequate		2	2	
Improvement Required		1	1	
Significant Improvement Required		0	0	
No Opinion Required		0	0	Three consultative engagements in 2025/26 to date

For the purpose of the colour coding approach, both the substantial and adequate opinions had been shown in green as both were within acceptable tolerances.

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and requiring reporting to Committee were: -

Housing Repairs and Maintenance

Issue

The Committee was made aware that there had been a number of contractors with annual spend over £50k within the Housing Repairs and Maintenance function being used where the original contract had now expired or where no contract had ever been in place. The majority of work undertaken had been made up of smaller jobs of less than £5k each with a cumulative value of more than £50k. However, if considered the same type of work over several different properties, then a tender process would have been required for each area under the Council's procurement procedure rules.

Risk

Without works being carried out by contractors appointed in accordance with the Procurement Rules, there had been significant risks of overspend (where contractors had no budget or the Council had limited remit to set pricing), disaggregation of spend and poor governance (in the event of dispute).

There could have also been issues of probity and how companies were chosen without a transparent procurement process.

Agreed Action

The Internal Audit Manager alerted the Committee to an action plan that would be created to review all contracts within the department, including their status and time remaining. Given the potential of working with other councils and LGR, all contracts would be regulated with use of retendering, exemption or extension as considered appropriate and practical.

In addition, a departmental contract register would also be created to help ensure contracts had been centrally monitored and prevent repetition of that situation.

The service had also been undertaking a full review of all contractors with an overall spend of more than £50k and determining the best course of action required in line with procurement procedure rules.

Members heard that where significant spend had been identified with contractors without any form of contract in place, all works with them had been ceased in the short term until appropriate action could be taken.

Management Response to Internal Audit Findings – There had been processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action had been taken. Where appropriate, follow up audits had been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding had been as follows: -

Status	Number	Comments
Overdue more than 3 months	0	
Overdue less than 3 months	0	
Not yet due	2	

The Audit Committee had requested more detail on the outstanding actions within the above table and on previous significant findings as a matter of context. Appendix B showed a summary of those findings and agreed actions including the service response and an internal audit status. That would become a regular appendix of the periodic progress reports going forwards.

Update on previous significant issues reported

All previous significant issues had been provided within Appendix B of the report.

Internal Audit Charter

It was reported that a requirement of the Global Internal Audit Standards (GIAS) had been for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. The Charter had last been updated and approved in September 2024.

It had previously been reported that new Global Internal Audit Standards had been introduced in January 2024 with a view to becoming mandatory in January 2025. The team had been awaiting CIPFA's response with a view on the impact to the public sector.

CIPFA had provided an application note relating to any differences between the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards and how they should be addressed going forwards.

The Internal Audit Charter had now been reviewed in line with the GIAS and provided for review in Appendix C. No significant changes had been required other than

terminology changes. The high-level categories within the charter remained similar to those under the previous standards.

Quality Assurance Improvement Programme (QAIP)

The Internal Audit Manager had been required to undertake an annual QAIP undertaking a self-assessment of the Internal Audit function against the Global Internal Audit Standards. That had been a full review of the working practices against the standards set by the Institute of Internal Audit and adopted by CIPFA. The team had been waiting on the CIPFA application note before completing the assessment.

The assessment against the standards had been completed with any actions and recommendations to be reported at the next Audit Committee for its review.

It was reported that there had been an expectation that there would be a programme to work to because there had been some changes to the Global Standards that had been new in comparison to the Public Sector Internal Audit Standards. The QAIP would be periodically provided to the Audit Committee with updates on progress against implementation.

It was moved by Councillor Sudra, seconded by Councillor Placey and **RESOLVED** that:

(a) the contents of the report (A.1) be noted; and

(b) having duly reviewed the Internal Audit Charter, the Charter be approved for the 2025/26 financial year.

16. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.2 - EXTERNAL AUDITOR'S INTERIM ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Members heard that, during the year, a number of reports had been issued by the Council's External Auditor as part of their work associated with the Statement of Accounts and review of the Council's arrangements to secure value for money.

The first such report had been their Audit Plan and Strategy that had been presented to the Audit Committee in March 2025. That report had set out the various elements of the work that the External Auditor had planned on undertaking in respect of the year ending 31 March 2025 and had included their value for money risk assessment / approach that was set against the following three key elements:

1. Financial Sustainability;
2. Governance; and
3. Improving economy, efficiency and effectiveness.

The External Auditors had now broadly completed their work associated with their value for money review.

The Committee was reminded that, ordinarily, this would be presented alongside the outcome of their work on the Council's Statement of Accounts within their final annual report for the year, but due to the back stop date arrangements introduced by the Government in response to the national recovery from the previous years' audit delays,

they had been required to publish their value for money commentary for 2024/25 by 30 November 2025.

The External Auditor would continue their work associated with the wider Statement of Accounts review, with the aim of reporting their findings within a final annual report for the year by the back stop date for the publication of the audited accounts, which for 2024/25 would be 27 February 2026.

It was reported that, to meet the 30 November 2025 deadline associated with reporting value for the money issues highlighted, the External Auditors had helpfully issued an interim Annual Report, which had been attached to the main agenda report (Appendix A) and had set out the outcome of their work to date.

The outcome had been welcomed with no significant risks associated with the Council's value for money arrangements across the aforementioned 3 key areas.

The External Auditor had revisited the recommendations they had made last year within the attached interim report. The Council's planned responses had now either been put in place or had remained on-going, which had been reported separately to the Audit Committee as part of providing the necessary assurances.

The Committee was informed that the External Auditors had made a recommendation within their report (page 15 of Appendix A), which had also included a management response. In respect of the proposed management response set out, it had been worth emphasising that there would be a number of practical opportunities over the next couple of years to address the point raised as part of the planning and implementation phases associated with Local Government Reorganisation, which would include activities such as contracts, procurement and performance.

In addition to the above, and having followed the Government's closure of OFLOG and sought alternative ways to support improvement, the Government had recently announced the introduction of a Local Government Outcomes Framework, which had provided a more focused approach, which in itself presented an alternative / complementary opportunity to respond to the recommendation made by the External Auditor.

Members were reminded that the External Auditor was still undertaking the necessary activities associated with the Council's Statement of Accounts for 2024/25, with the outcomes planned to be presented to the Audit Committee in February 2026. Their on-going work might identify issues that impacted on their current value for money commentary and if that proved to be the case then an update would be reported within the External Auditor's final report for the year if necessary.

It was reported that the External Auditor had also taken the timely opportunity to provide an update on providing assurance relating to the recovery from the national external audit backlog. The External Auditor's associated report had been attached (as Appendix B), which broadly had reflected information previously presented to the Audit Committee, with the Council having continued to be committed to supporting the process as necessary.

Delivering Priorities

Careful planning to ensure financial stability underpinned the Council's capacity and ability to deliver against its objectives and priorities. The outturn position and associated Statement of Accounts that had been prepared each year reflected this broad aim and had supported the successful financial planning process which had included communicating and consulting with relevant stakeholders.

Legal Requirements (including legislations & constitutional powers)

The Committee heard that the Government had put arrangements in place to clear the backlog of outstanding historical audit opinions. Those arrangements had been referenced within the attached External Auditor's Reports which had broadly reflected the detailed information previously presented to the Audit Committee.

The attached Interim Report had reflected the requirements of the Government's associated interventions and those set out within Accounts and Audit Regulations, which had included the requirement to publish value for money commentary for the year ended 31 March 2025 by 30 November 2025.

The Audited Statement of Accounts for 2024/25 would need to have been published by the backstop date of 27 February 2026.

Finance and other resource implications

There had been no direct financial implications - the External Auditor's proposed fees had been supported by additional Government funding and would be kept under review as part of their on-going work and associated costs.

Questions by Members:	Answers given:
We know that the floor measuring was an issue when the previous external auditors handed over to KPMG. How is that going to be resolved?	(Sarah McKean (KPMG)) Unfortunately, I don't think that will be resolved in this year's audit. Richard and his team are still working on that. For our audit plan this year, the other land and building section of PPE, is probably going to be only area that we don't attempt to test. But this year we will be able test all the other areas of PPE, which is part of building that assurance back year by year. (Richard Barrett) For the 2023/24 accounts, we had no measurements, this year we used our qualified internal surveyor to do that measurement and during this year, ready for the 2025/26 accounts, we will have an external independent valuation measurement for those assets.

It was moved by Councillor Steady, seconded by Councillor Fairley and **RESOLVED** that in respect of the 2024/25 Statement of Accounts process, the Audit Committee:

(a) notes the External Auditor's Interim Annual Report for the year ended 31 March 2025, and agrees the Management Response to their recommendation as set out on page 15 of the Attachment 1, along with the publication of the report as necessary; and

(b) notes the External Auditor's update attached concerning the rebuilding back of assurance associated with the Government's interventions in response to the national audit backlog

The meeting was declared closed at 12.13 pm

Chairman

AUDIT COMMITTEE

19 FEBRUARY 2025

REPORT OF INTERNAL AUDIT MANAGER

A.2 PERIODIC REPORT ON INTERNAL AUDIT – SEPTEMBER 2025 – JANUARY 2026
(Report prepared by Craig Clawson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide a periodic report on the Internal Audit function for the period September 2025 – January 2026 and to provide an annual review of the Anti-Fraud and Corruption Strategy for approval by the Audit Committee.

EXECUTIVE SUMMARY

- Seven audits have been completed since the last Audit Committee in September 2025. All seven audits received a satisfactory level of overall assurance of 'Adequate Assurance' or 'Substantial Assurance'.
- A further eight audits from the 2025/26 Internal Audit Plan have been allocated (three of which are consultative reviews) and nine are currently at the fieldwork phase.
- The Anti-Fraud and Corruption Strategy has been reviewed and updated as part of the annual review for Audit Committee approval.
- Mitigation controls have now been added to the Council's Fraud Risk Register
- An assessment against the new Global Internal Audit Standards has been complete with the recommendations / actions recorded in Appendix C - Quality Assurance Improvement Programme (QAIP).

RECOMMENDATION(S)

The Audit Committee are requested to consider and note whether they have received a satisfactory level of assurance from the following reports provided by the Internal Audit Manager;

- **Periodic Internal Audit Report**
- **Appendix A – Internal Audit Progress Report**
- **Appendix B – Agreed Action Tracking**
- **Appendix C – Anti-Fraud and Corruption Strategy**
- **Appendix D – Fraud Risk Register**
- **Appendix E – Quality Assurance Improvement Programme (QAIP)**

REASON(S) FOR THE RECOMMENDATION(S)
The above recommendations are required to ensure that the Audit Committee agree and accept the contents of the report.

ALTERNATIVE OPTIONS CONSIDERED
The reports are for information and consideration of the Audit Committee.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Provision of adequate and effective internal audit helps demonstrate the Council's commitment to corporate governance matters. It also links in with the Council's key priorities of 'Delivering high quality services' and having 'Strong finances and governance'.
LEGAL REQUIREMENTS (including legislation & constitutional powers)
The Council has a statutory responsibility to maintain adequate and effective internal audit. The Accounts and Audit Regulations 2015 make it a statutory requirement that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards and guidance.
FINANCE AND OTHER RESOURCE IMPLICATIONS
Finance and other resources The Internal Audit function is operating within the budget set. Recruitment and retention remains to be the biggest risk of not being able to deliver the Internal Audit Plan. This is continuously monitored and the Audit Committee are updated with any issues accordingly.
USE OF RESOURCES AND VALUE FOR MONEY
External Audit expect the following matters to be demonstrated in the Council's decision making: *A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;* *B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and* *C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.*

As such, set out in this section the relevant facts for the proposal set out in this report.

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	**Budgets are reported to the Audit Committee annually to review. The Internal Audit Manager regularly monitors those budgets throughout the year to ensure that they remain adequate and do not overspend.**
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	**The Internal Audit Charter sets out the roles and responsibilities of both the Audit Committee and the Internal Audit function. The powers of the Audit Committee and the role of Internal Audit is also set out within the Councils Constitution.**
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	**Internal Audit continues to monitor new working practices in order to streamline processes and improve performance and potentially reduce costs. Internal Audits undertaken may support services in doing the same and potential reduce overall costs to the Council.**

MILESTONES AND DELIVERY

Review of recommendations and decision to be made on 19th February 2026 by the Audit Committee

ASSOCIATED RISKS AND MITIGATION

Review of the functions of the Council by Internal Audit assists in identifying exposure to risk, and its mitigation.

As this report is a periodic update report, there is no exposure to strategic risks within the Councils Risk Management Framework. There is however an operational risk of being unable to complete and deliver the internal audit plan and be unable to provide the Head of Internal Audit Annual Opinion.

OUTCOME OF CONSULTATION AND ENGAGEMENT

Internal Audit activity assists the Council in maintaining a control environment that mitigates the opportunity for crime.

During the course of internal audit work issues regarding equality and diversity, and health inequalities may be identified and included in internal audit reports.

There is no specific effect on any particular ward.

EQUALITIES
There are no equality impacts directly associated with this progress report. However they will need to be considered as part of any improvement / remedial actions undertaken by the relevant Service where necessary.
SOCIAL VALUE CONSIDERATIONS
There are no direct implications associated with this report but will be considered as part of the delivery of the audit plan as necessary.
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030
There are no direct implications associated with this report but will be considered as part of the delivery of the audit plan as necessary.
OTHER RELEVANT IMPLICATIONS
Set out what consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are then set out below. **Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

Crime and Disorder	**N/A**
Health Inequalities	**N/A**
Area or Ward affected	**N/A**

ANY OTHER RELEVANT INFORMATION
N/A

PART 3 – SUPPORTING INFORMATION

BACKGROUND
The Global Internal Audit Standards require the Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that can be used to inform the Annual Governance Statement.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
N/A

INTERNAL AUDIT PROGRESS 2025/26

Seven audits have been completed since the last Audit Committee in September 2025. All seven audits received a satisfactory level of overall assurance of 'Adequate Assurance' or 'Substantial Assurance'.

A further eight audits from the 2025/26 Internal Audit Plan have been allocated (three of which are consultative reviews) and nine are currently at the fieldwork phase.

The audits complete in this period were;

- Corporate Governance
- Housing Strategy and Homelessness
- Environmental Services
- Emergency Planning
- Corporate Complaints
- Members Conduct and Expenses
- Treasury Management

No significant issues were identified for the Audit Committee to be concerned about with only some moderate actions agreed to be managed through the regular follow up process with the service.

Fraud and Compliance work is ongoing in this period along with GDPR priorities particularly relating to data sharing agreements, Freedom of Information Requests and Subject Access Requests.

Quality Assurance – The Internal Audit function issues satisfaction surveys for each audit completed. No unsatisfactory responses were received in this period.

Resourcing

Internal Audit currently has an establishment of 4 fte posts with access to a third party provider of Internal Audit Services for specialist audit days as and when required. We currently have an Audit Technician post vacant. We have had an apprentice within the team for over a year who is continuing to develop well and currently undertaking the admin responsibilities for the Audit, Fraud and Compliance functions.

Outcomes of Internal Audit Work
The standards require the Internal Audit manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report four audits have been completed and the final report issued. The Public Sector Internal Audit Standards require the reporting of significant risk exposures and control issues.

Assurance	Colour	Number this Period	Total for 2025/26Plan	
Substantial		4	5	
Adequate		3	5	
Improvement Required		0	1	

Significant Improvement Required		0	0	
No Opinion Required		0	0	Three consultative engagements in 2025/26 to date

For the purpose of the colour coding approach, both the substantial and adequate opinions are shown in green as both are within acceptable tolerances.

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and requiring reporting to Committee are: -

- **No Significant issues to report in this period**

Management Response to Internal Audit Findings – There are processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action has been taken. Where appropriate follow up audits have been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows: -

Status	Number	Comments
Overdue more than 3 months	0	
Overdue less than 3 months	0	
Not yet due	2	

The Audit Committee requested more detail on the outstanding actions within the above table and on previous significant findings as a matter of context. Appendix B is a summary of those findings and agreed actions as well as including the service response and an internal audit status. This will become a regular appendix of the periodic progress reports going forwards.

Update on previous significant issues reported

Significant outstanding issues are now provided within **Appendix B** of this report.

ANTI-FRAUD AND CORRUPTION STRATEGY

The Council are required to have an Anti-Fraud and Corruption Strategy, this was last updated in March 2025. The strategy is subject to an annual review process.

The amended strategy is set out in **Appendix C.** Amendments made since the last review are highlighted in red font.

The main updates relate to the inclusion of the Fighting Fraud Locally pillars Govern, Prevent, Pursue and Protect and to also include a reference to the Economic Crime and Corporate Transparency Act 2023 relating to the need for all organisations over a certain size needing to evidence that they reasonably try to prevent fraud which may lead to fines and sanctions if we cannot evidence this.

The Strategy continues to be based on Cipfa's code of practice on managing the risk of fraud and corruption. As its foundation, the Strategy sets out the Council's commitments along with the following key areas:

- Strategic Framework
- Legislation and General Governance
- Definitions
- Standards, Expectations and Commitment
- Roles and Responsibilities
- Prevention
- Detection and Investigation.
- Resources Invested in Counter Fraud and Corruption

The strategy will continue to be subject to an annual review process including progress against identified actions and has therefore been included on the ongoing work programme of the Committee. It is acknowledged that through its application, the Strategy will evolve to reflect the various strands of work being developed within the Council, which will be included in future updates presented to the Committee.

The committee has also been provided with a Fraud Risk Register within **Appendix D** to review and adopt. The Fraud Risk Register has now been updated with the mitigating controls evidencing how the Council defends itself against the many different threats of fraud it faces.

Furthermore, to demonstrate the effectiveness of the Anti-Fraud and Corruption Strategy and address how fraud risks impact on achieving the Councils objectives and its service users; the Internal Audit Manager will continue to provide an update on the work undertaken by the Fraud and Risk Team and the outcomes from that work on a bi-annual basis.

QUALITY ASSURANCE IMPROVEMENT PROGRAMME (QAIP)

The Internal Audit Manager is required to undertake an annual QAIP undertaking a self-assessment of the Internal Audit function against the Global Internal Audit Standards. This is a full review of our working practices against the standards set by the Institute of Internal Audit and adopted by CIPFA.

The assessment against the standards is now complete with any actions and recommendations deemed necessary have been reported in Appendix E. This will be a list of actions by which the Internal Audit Team will need to comply with that we currently do not. There is a programme of work to be carried out over the next 12 to 18 months as there has been some changes in the Global Internal Audit Standards that were not previously in the previous Public Sector Internal Audit Standards. The team will work to actioning these requirements where possible and update the Audit Committee on our progress.

As previously discussed, the current Internal Audit Team would be classified as non-compliant because we are yet to have another External Quality Assessment which is required every five years. In light of LGR approaching it is prudent to discuss with the Audit Committee as to whether the external assessment is worth completing as the team in its current form will not exist and therefore any new audit function under a Unitary Council will need another external assessment. The external assessments can cost anywhere from £6k to £12k depending on the size of the authority. The assessments can be very resource intensive too which would mean less availability during the LGR transition period.

We are more than happy to undertake the external assessment however wanted to open a discussion with the Audit Committee as to whether that would be the most pragmatic approach in this instance.

APPENDICES
Appendix A – Internal Audit Progress Report 2025/26 *Appendix B – Action Tracking Summary – Major Findings* *Appendix C – Anti-Fraud and Corruption Strategy* *Appendix D – Fraud Risk Register* *Appendix E – Quality Assurance and Improvement Programme (QAIP)*

REPORT CONTACT OFFICER(S) *Include here the Name, Job Title and Email/Telephone details of the person(s) who wrote the report and who can answer questions on the content.*	
Name	**Craig Clawson**
Job Title	**Internal Audit Manager**
Email/Telephone	**cclawson@tendringdc.gov.uk** **01255 686531**

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Tendring District Council Internal Audit			
2025/26 Internal Audit Plan Progress Report			
Audit Title	**Status Jan 2026**	**Audit Scope Summary**	**Audit Opinion**
Key Systems / Key Financial Risk Areas			
Procurement	Allocated	To review the Councils compliance with procurement rules for works or services of value which require a tender exercise	To be confirmed
Housing Benefits	Fieldwork	To ensure that the control framework in place when processing housing benefit claims is strong and all legislative and regulatory requirements are met by the service	To be confirmed
National Non Domestic Rates	Fieldwork	To ensure that the control framework in place when processing business rate applications is strong and all legislative and regulatory requirements are met by the service	To be confirmed
Main Accounting System Budgetary Control	Fieldwork	To review processes and procedures relating to the management of the Councils financial accounting system and ensure that all legislative and regulatory requirements are met. This includes budgetary control across all departments within the Council	To be confirmed
Corporate Governance	Complete	To ensure that the Council have a strong Corporate Governance framework in place. The CIPFA Code of Corporate Governance is used as a guide and comparison. The Best Value Standards and Intervention Statutory Guide will also be considered in this review.	Substantial Assurance
Council Tax	Draft Report	To ensure that the control framework in place when processing Council Tax applications is strong and all legislative and regulatory requirements are met by the service. The new Citizens Access system to be included.	To be confirmed

Payroll	Allocated	To review all procedures and internal controls relating to payroll and the processing of employees and members pay. New HR / Payroll system I-Trent to be considered in this review.	To be confirmed
Treasury Management	Complete	A full review of the internal controls and procedures relating to investing Council monies as well as short and long term borrowing	Substantial Assurance
Accounts Receivable	Fieldwork	To review the internal controls and processes relating to the Councils Accounts Receivable system and provide assurance that all processes are managed appropriately.	To be confirmed
Accounts Payable	Fieldwork	To review the internal controls and processes relating to the Councils Accounts Payable system and provide assurance that all processes are managed appropriately.	To be confirmed
Health and Safety	Allocated	To review the Council's Health and Safety processes and ensure that all departments are adequately monitored and advised in all H & S matters in line with the Council's legislative and regulatory requirements.	To be confirmed
Other Services / Systems			
Housing Strategy and Homelessness	Complete	To review the Councils approved Housing Strategy and assess compliance with related legislation and regulations and test the effectiveness of the strategy. The audit will also include coverage of homelessness processes and procedures and assess the increasing costs to the Council.	Adequate Assurance
Housing Repairs and Maintenance (2024-25)	Complete	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works.	Improvement Required
Planning Policy & Local Plan	Fieldwork	To review and understand the Councils Planning Policy arrangements and provide assurance over the processes and procedures in place for delivering the plan in a systematic way.	To be confirmed

Electoral Services	Fieldwork	To review processes and procedures in place regarding the electoral process. The scope will particularly review the processes proposed for the upcoming Mayoral Elections.	To be confirmed
Princes Theatre	Complete	To assess all operating activities relating to the Princes Theatre, including the management of the bar and stock control arrangements. Budgetary position, subsidies and Socio-Economic values were not included in the scope of this audit.	Substantial Assurance
Environmental Services	Complete	To review processes and controls within specific areas of Environmental Health. This is a diverse area of expertise and therefore the scope will cover elements of environmental health within the time available	Substantial Assurance
Emergency Planning	Complete	Legislative, Organisational and Management Requirements; Training & Awareness; Liaison With External Bodies; Communication; Testing, Exercising and Review of Plans; and Monitoring and Reporting.	Adequate Assurance
Facilities Management	Complete	To review the Council's processes to facilities management. The scope will include maintenance programmes and management reporting	Adequate Assurance
Housing Regulations Implementation Plan – Follow Up	Allocated	To support the service in implementing any new requirements from the bill and to help reinforce any processes that should already be in place	Consultative
Corporate Complaints	Complete	Receipt, Recording and Allocation of Enquiries; Investigation; Review and Issue of Responses; Performance Management and Reporting.	Adequate Assurance
Members Conduct and Expenses	Complete	To review the processes and procedures in place relating to policy, conduct investigations, controls relating to expenses and declarations of interest, gifts and hospitality.	Substantial Assurance
Levelling up / CRP 2	Allocated	To provide support and advice during all projects / initiatives related to the Levelling Up Fund.	Consultative
Housing Repairs and Maintenance (Follow Up)	Allocated	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	To be confirmed

Financial Resilience and Sustainability	Allocated	To review the processes and procedures in place and assess the effectiveness of the management activity in place.	Consultative
IT Audit			
IT Helpdesk Review	Complete	To assess the access control environment across the Councils network and major systems used by different departments.	Adequate Assurance
IT Governance	Fieldwork	PSIAS expectation that this will be covered each year	To be confirmed
Cyber Security	Fieldwork	IT continues to be one of the biggest risk areas to all organisations. Governance arrangements and project delivery to be within scope	To be confirmed
Use of Artificial Intelligence	Allocated	To review corporate policies on the use of AI in the workplace and assess the risks the Council may face as the technology improves.	Consultative

Status Key

Unallocated	Audit in Audit Plan, but no work undertaken yet
Allocated	Audit is being scoped / has been scoped and awaiting commencement
Fieldwork	Audit in progress
Draft Report	Audit fieldwork complete, but Final Report not yet issued
Complete	Final Report issued and audit results reported to Audit Committee
Deferred	Audit was in Audit Plan, but will now be undertaken in a later year. Deferred audits agreed by Audit Committee
Delayed	Valid request from function being audited for audit to be undertaken later than proposed

Audit Title	Finding	Finding Issue / Risk Identified	Agreed Action Description	Finding	Due Date	Service Response	Internal Audit Status
Disabled Facilities Grant	No contract in place for Council Disabled Adaptations	Disabled adaptation works relating to council tenants are managed by an in house team. The work itself is outsourced to third party contractors. The majority of contractors used to carry out disabled adaptation works are general builders, plumbers and electricians. While it is acknowledged there are some specialists, due to the nature of some adaptations, these are in a firm minority. At current, there are no contracts in place and each adaptation requires the quotation process to be initiated and treated as individual jobs, unlike the building maintenance contracts. In some cases, these works can exceed tender limits when aggregated both overall and to individual companies. As one example, over the last two years, the Council have paid one external company just over £150,000 (£100k last year & £50k so far for this one) to undertake disabled adaptation works, none of which are obviously specialist. Due to the cost of work carried out, it is a concern that no contracts have been established, especially those which are not specialists. Lack of contracts also risk lack of scrutiny of the companies, including financial resilience (to ensure longevity and ability to retro-fix any faults as well as displaying stability) and insurance.	As a short term solution to the issue, the existing Housing Responsive Repairs will be extended to include council adaptations. This will be completed by the end of May 2025. In the long term, a full tender process for the Housing Responsive Repairs contract to be carried out in May 2026, which will include the works of disabled council adaptations as part of that. For specialist work, frameworks to be explored with a view of using them. Contract to be submitted to Audit.	Major	01/05/2025	In light of LGR other partnership options are being explored. For other smaller works the team is currently assembling a basket schedule of items for a short term competitive quotation exercidse to give reassurance around value for money as well as being a key information for the wider contract renewal/procurement which remains scheduled for a 2026 start date. Meanwhile all major projects such as extensions and remodelling are carried out as individual (bespoke) projects fully in line with tender requirements.	It is understood that it is prudent to determine which partnership arrangements are in place in light of LGR however short term interim arrangements need to be in place to comply with procurement and value for money obligations in the short term. Internal Audit will follow up on this area in future to ensure new processes are working effectively.
Housing Repairs and Maintenance	Lack of Contracts	The council's constitution contains a section regarding the Procurement Rules (cf Section 5). As part of that, it requires spend over certain thresholds to be have contracts and tenders. The department uses other ancillery companies to carry out additional work to supplement the main reactive repairs and voids contractor due to capacity and targets. No contract exists between the council and at least one company, and it is unknown how they were appointed. The level of spend would normally require a full tender exercise. In addition, gas servicing work was continued by the existing contractors even after the contract has expired, including extensions. This is now in hand, with tenders due to go out but this should have been identified and managed at an earlier stage.	It was also advised that further contracts were subsequently discovered to be out of date and operating without being under formal contract. Therefore, an action plan is to be created to review all contracts within the department, including their current status and time remaining. Given the potential of working with other councils and LGR, all contracts to be regulated with use of retendering, exemption or extension as considered appropriate and practical. In addition, a departmental contract register will also be created to help ensure contracts are centrally monitored and prevent repetition of this situation. Update of progress of contract statuses and action plan to be provided to audit.	Major	29/05/2026	The service are currently undertaking a full review of all contractors with an overall spend of more than £50k and determining the best course of action required in line with procurement procedure rules. Where significant spend has been identified with contractors without any form of contract in place, all works with them have been ceased in the short term until appropriate action can be taken.	Internal Audit have requested to be kept up to date with progress regarding this issue with further investigatory work continuing to support the department in fully exploring the issue identified.

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Tendring District Council

Anti-Fraud and Corruption Strategy

Introduction

This updated Strategy sets out Tendring District Council's (TDC) approach to preventing, detecting, and responding to fraud, bribery and corruption. It aligns the Council's arrangements to the Fighting Fraud and Corruption Locally (FFCL) pillars (Govern, Acknowledge, Prevent, Pursue and Protect), incorporates the Economic Crime and Corporate Transparency Act 2023 "failure to prevent fraud" offence (in force from 1 September 2025), and strengthens sanctions and recovery, explains organisational roles and responsibilities, commits to training and communications, data-matching and analytics, and supports procurement controls.

The following sections of this document offer an in-depth examination of these elements, concluding with a summary.

All of these considerations are intended to enhance safeguards against potential fraud and corruption.

Strategic Framework

The Council has adopted CIPFA's code of practice (2014) on managing the risk of Fraud and Corruption and follow its 5 key principles which this Strategy encompasses, including setting out the overall framework within which the Council will respond to fraud and corruption.

Tendring District Council is committed to :-

- take all necessary action to prevent fraud and corruption;
- make facilities available to aid detection of fraud and corruption;
- ensure prompt investigation and action.
- acting professionally, fairly and with integrity to identify matters of fraud, bribery, and corruption.
- to limit the council's exposure to fraud and corruption and minimise financial loss to the council and potential adverse effect on its reputation.

Therefore these commitments will be demonstrated through the Council's operation of an effective Anti-Fraud and Corruption strategy. This Strategy will be subject to an annual review which will be presented to the Council's Management Team and Audit Committee.

The Council also aligns its arrangements and activities to the Fighting Fraud and Corruption Locally pillars set out below;

Govern

Ensure robust governance arrangements and top-level commitment are visible and effective across TDC: clear ownership by the Senior Management Team; Audit Committee oversight; and integration with the Council's risk management and assurance framework.

Acknowledge

Acknowledge and understand our fraud risks: maintain a dedicated fraud risk register, conduct periodic horizon scanning, embed fraud risk assessment into service planning and change initiatives, and ensure regular reporting of risk themes to senior management and Members.

Prevent

Enhance prevention through proportionate, risk-based controls: strengthened procurement due diligence (conflicts of interest, gifts and hospitality, supply-chain risks), improved access controls and segregation of duties, pre-employment screening, and fraud-proofing of policy and process changes.

Pursue

Pursue perpetrators using civil, criminal and disciplinary routes and prioritise recovery of losses (including use of the Proceeds of Crime Act where applicable). We will work with the Police, DWP, other local authorities and relevant agencies.

Protect

Mitigate harm to residents, services and the wider community through targeted communications, scam alerts, and partnership activity; we will publish an annual public summary of counter-fraud activity and lessons learned to build deterrence and public confidence.

TDC will maintain “reasonable procedures” to meet the statutory defence against the corporate offence of failure to prevent fraud under the ‘Economic Crime and Corporate Transparency Act 2023. Reasonable procedures at TDC will comprise:

- Top-level commitment;
- Organisation-wide fraud risk assessment;
- Proportionate prevention procedures;
- Due diligence over employees and relevant third parties;
- Communication and training;
- Monitoring and review.

By adopting this strategy and via its annual review of the policy, the Council’s Management Team:

- Acknowledges the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users;
- Acknowledges the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.

By adopting this strategy and via its annual review of the policy, the Council’s Audit Committee:

- Acknowledges its responsibility for ensuring the effective management of fraud and corruption risks.
- Acknowledges the specific goal of ensuring and maintaining the Council’s resilience to fraud and corruption

The Council expects Members and employees to set appropriate high standards through compliance with legal requirements, procedures, code of conduct and general good practice.

The Council will expect all suppliers, contractors, and other service providers (whether individuals or organisations) with which it deals to act at all times with integrity and financial probity. To support this, the Council has Financial Procedure Rules, Procurement Procedure Rules plus a Procurement Strategy. (under review)

Legislation and General Governance

All relevant officers are expected to comply with appropriate legislation, codes of practice and corporate policies when executing duties in relation to fraud.

It is imperative that the following codes, legislation, and policies are adhered to as part of all anti-fraud related activities undertaken within the Council:

- Human Rights Act 2000
- Local Government Finance Act *2012*
- The Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013
- Welfare Reform Act 2012
- Police and Criminal Evidence Act 1984
- Criminal Procedure and Investigations Act 1996
- Regulation of Investigatory Powers Act 2000
- Council's Health and Safety Policy
- Equality Act 2010
- General Data Protection Regulations (GDPR) 2018
- Bribery Act 2010
- Fraud Act 2006 (abuse of position)
- Economic Crime and Transparency Act 2023

This is not an exhaustive list and therefore all officers should act in accordance with any appropriate legislation, corporate/departmental policies and codes of practice that are relevant to the anti-fraud activity being undertaken.

Definitions

Fraud

The term "Fraud" is commonly used to describe a wide range of dishonest behaviour such as deception, forgery, false presentation, theft, embezzlement, bribery, concealment of a material fact, *as well as false representation for gain (financial or non-financial)*

Fraud can be perpetrated by persons outside of the Authority as well as internally. Tendring District Council defines fraud as a dishonest action designed to facilitate gain or loss (personal or for another) at the expensive of the Council and its residents.

Corruption

Corruption is defined as "dishonest or fraudulent conduct by those in power" this is typically seen to involve bribery.

The Council looks to prevent, detect and investigate all aspects of possible corruption within its business.

Risk
The term “risk”, in the context of this Strategy, is identified as an action or inaction that could cause financial or reputation risk to the council.

The council promotes a positive ethos towards the identification of risk management across the council supported by the council’s internal audit team.

Standards Expectations and Commitment

Tendring District Council expects its officers and councillors to commit and abide by the 7 principles of public life, these apply to anyone who works as a public office holder.

Although these principles are set out within the Council’s Constitution, they are included within this strategy for completeness.

Selflessness
Holders of public office should act solely in terms of the public interest.

Integrity
Holders of the public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability
Holders of the public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness
Holders of the public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

Honesty
Holders of the public office should be truthful *and not place themselves in situations where honesty and integrity may be questioned.*

Leadership
Holders of the public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Roles and Responsibilities

Councillors and Elected Members

The roles and responsibilities are clearly defined for councillors in part six of the Council's Constitution entitled Members Code of Conduct. Members are expected to lead by example at all times maintaining the highest standards of probity, honesty and integrity and accountability in their actions. Adherence to Members code of conduct is overseen by the standards committee.

Employees

The expectation for employee's behaviour is set within the Council's Staff handbook and within other associated policies'. The Council supports the official Code of Conduct for Local Government Employees.

The policy states that - The public is entitled to demand of a Local Government employee of any grade the highest standard of integrity, ability and commitment to the ethics of public service and the interest of all members of the community.

Council employees are seen to be the first line of defence against fraud and corruption. Employees are expected to conduct themselves in ways which are beyond reproach, above suspicion and be fully accountable.

Managers must be prepared to establish and maintain systems of internal control, ensuring that the Council's resources are properly applied and focused in the right areas for which they were intended. Advice may be sought from Internal Audit on potential control issues.

If an employee believes that they need to raise a concern and are unable to do so with their manager they should use an alternative route to raise their concerns, it is suggested that they contact one of the following in the first instance:-

Chief Executive	Monitoring Officer
Head of Department	Section 151Officer
Internal Audit Manager	Head of People

The Internal Audit Manager would normally be the first point of contact in accordance with Financial Procedure Rules. In certain circumstances, however it might be appropriate for the Police to be advised at the same time as Internal Audit and the Monitoring Officer.

Matters can also be raised through Protect - protect-advice.org.uk This is a registered charity whose services are free and strictly confidential. They can be contacted on 020 3117 2520 or via the web form on the website.

The Council has Procurement Procedure Rules, and Financial Procedure Rules to ensure that all employees who deal with financial matters do so in a controlled, proper and transparent way that accords with best practice. These documents are reviewed periodically to ensure they remain up to date.

The Council uses systems and procedures that incorporate internal controls. These controls include separation of duties, independent checks and authorisation restrictions to ensure that errors as well as impropriety are prevented. Financial Regulations require that all Heads of Department maintain systems and controls to a standard acceptable to the Chief Finance Officer.

Employees identified as having committed fraud against the Council will be subject to disciplinary action, civil action or criminal prosecution (or all of the afore mentioned) where deemed appropriate.

Employees are responsible for their own conduct and behaviour and are expected to assist and comply with an investigation. Failure to do so may be considered a breach of trust.

Internal Audit

The Council's internal audit team operate in accordance with the Global Internal Audit Standards under section 4 of the Local Government and Housing Act 1989. Internal audit undertakes an annual programme of work, which is reported to the Audit Committee on a quarterly basis. Whilst it is not the primary function of the internal audit team to detect fraud, the internal audit actively must evaluate the potential for the occurrence of fraud and how the organisation manages the risk of fraud.

Fraud prevention is a key element of the work Internal Audit undertakes and internal controls are assessed to ensure that fraud can be prevented from the outset. If controls are not followed or are weak, then actions are taken to strengthen the control framework as it is harder to retrieve any losses from fraud than it is to prevent them in the first place.

External Audit

External audit review the Council's effectiveness at identifying the risk of fraud within the organisation and preventing and detecting fraud within the organisation.

Corporate Fraud and Risk Team

The Council has established a dedicated Corporate Fraud Team who focus on providing a comprehensive anti-fraud service available to all service areas. The team will utilise all available methods to detect and investigate fraud and corruption within the Authority. This includes the use of data matching and intelligence led investigations where possible. The Internal Audit Manager is responsible for assessing the authority's counter fraud arrangements in consultation with the Section 151 Officer and the Head of People.

Public Sector Partners

The Council will continue to work with other authorities to provide positive data matching results and ensure fraud and error is identified and corrected at the earliest opportunity.

National Fraud Initiative (NFI)

The Cabinet Office are responsibility for the NFI data matching process. This is an independent public body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local and national services for the public. The NFI looks into a broad range of fraud risks faced by the public sector. The NFI has been embedded in the statutory external audit process for audited and inspected bodies since 1998 and is currently run every two years. Additional data matches/exercises are available if required.

The National Fraud Initiative compares different sets of data such as payroll and benefit records, against other records held by the same, or another organisation, identifying errors in data recorded and potentially highlighting potentially fraudulent claims and payments. Any potential discrepancies identified have a full investigation carried out if felt appropriate.

The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

The Assurance and Resilience Manager is the Council's key contact and ensures that any NFI activity within the Council has the required action taken.

The National Anti-Fraud Network (NAFN)

Through NAFN the Council acquires data legally from a wide range of information providers in response to allegations of fraud and on-going investigations. NAFN will play a key role in ensuring the Council has effective lines of enquiry to ensure the Council maintains a robust intelligence gathering framework. The council's privacy notices advise customers how we will share their data.

Contractors

The Council expects all contractors it has dealings with to act with complete honesty and integrity in all dealings with the Council, its service users and residents. The Council expects the employees of contractors to report any suspicions or knowledge they may have in relation to fraud and/or corruption against the Council. We will seek the strongest available sanctions against contractors that commit fraud against the Council or who commit fraud against public funds. This expectation should be clearly stated in any contract.

Helpline for Employees

Whistle-blowers are protected by the Public Interest Disclosure Act 1998. All calls from employees are therefore treated confidentially. The Council has a whistleblowing policy and has a helpline for employees to bring attention to anything happening in the workplace that might be illegal, improper or unethical. The Council encourages employees to use the helpline to disclose any concerns in order that they can be dealt with. Any allegations will be fully investigated and, if substantiated, appropriate action will be taken in accordance with this policy. The council also has its own fraud hotline which can be used by staff and members of the public. fraud.hotline@tendringdc.gov.uk

Audit Committee

The remit of the Council's Audit Committee is set out in associated terms of Reference within the Council's Constitution and includes requirements to consider and monitor this strategy. They are also required to review the Council's risk management arrangements and seek assurances that action is being taken. They must also consider risk related issues and consider and monitor the strategy, plan and performance of the Council's Internal Audit Service. In addition, the Committee is required to consider the strategy and plans of the Council's External Auditor.

Risk Register

The Council has a corporate risk register in order to identify, record, review and revise and manage key business risks. All risks have been evaluated and prioritised. The Council will ensure that fraud risks are routinely considered as part of its risk management arrangements.

A separate Fraud Risk Register has now been developed to be adopted by the Audit Committee. This register provides further detail on the fraud risks that impact the Council with details of how those risks are to be mitigated and additional actions where Council processes may need strengthening.

The Risks of Fraud and Corruption

The Council acknowledges that there are many risks from fraud and corruption but has identified the following significant items:

- Reduced income from Council Tax/ Local Council Tax Support Scheme/Business Rates
- Reduced availability of social housing in respect of tenancy related matters
- Reduced income from business rates
- Misappropriation / misuse of grant income
- Uncompetitive pricing / reduced value for money from procurement activities
- Procurement
- Cyber Security Fraud
- Invoice Fraud
- Money Laundering

The Council will evaluate on an on-going basis the harm to its aims and objectives and service users that different fraud risks can cause. This approach will apply to 'business as usual' activities of the Council but also specifically during times of prolonged periods of national or local emergencies such as COVID 19.

Upon accepting office, following election, Members are required to comply with members' code of conduct which includes expected behaviours and declaration of interests. Interests are also expected to be declared during their time in office, should a change occur.

Prevention

One major preventative measure against fraud and corruption is to take appropriate steps when employing new staff to establish, as far as is possible, their previous history in terms of their propriety, integrity and honesty.

The Council makes all appropriate enquiries in respect of all staff regardless of whether they are permanent, temporary or on fixed-term contracts.

All employees are bound by the Local Government Code of Conduct and local code of conduct as set out in the Staff Handbook (various paragraphs) and other relevant policies and are subject without exclusion to the Council's Disciplinary Procedures. Employees must disclose any pecuniary interest in contracts or similar matters and must on no account accept any fees or rewards in respect of their employment by the Council other than their proper remuneration. Other matters such as secondary employment or the receipt of gifts and hospitality (in accordance with the Code of Conduct) must be properly registered.

Section 151 of the Local Government Act 1972 places a statutory responsibility on the Chief Finance Officer to ensure that proper arrangements are made for the administration of the Council's financial affairs. The Council has adopted Procurement Procedure Rules,

as well as using the councils Standard Financial Terms and Conditions to ensure proper contact management is carried out as well as complying with Financial Procedure Rules to ensure that all employees who deal with financial matters do so in a controlled, proper and transparent way that accords with best practice. These documents are reviewed periodically to ensure they remain up to date.

The Council uses systems and procedures that incorporate internal controls. These controls include separation of duties, independent checks and authorisation restrictions to ensure that errors as well as impropriety are prevented. Financial Regulations require that all Heads of Department maintain systems and controls to a standard acceptable to the Chief Finance Officer.

Risk assessments, covering fraud and other issues affecting the whole range of Council activities, is undertaken by Internal Audit who then carry out independent reviews to monitor the adequacy and effectiveness of internal controls and governance arrangements ensuring that there is appropriate departmental compliance.

It is evident, nationally, that an increasingly wide variety of frauds are being perpetrated. The larger frauds may involve the creation of multiple identities and false addresses, and involve different agencies. It is therefore becoming increasingly necessary to liaise with those other agencies, exchanging information, where possible and appropriate, to help prevent and detect such fraud. The Council is committed to ensuring that arrangements exist, and they are developed, to encourage the exchange of information with other agencies including:-

- other local authorities;
- government departments;
- police forces;
- The Cabinet Office including NFI - Data matching exercises;
- the National Anti-Fraud Network [NAFN];
- Essex Audit Group [EAG];
- Housing Benefit Matching Service [HBMS] run by the DWP

During prolonged periods of national or local emergency there are unfortunately many individuals and organisations who seek to take advantage of public bodies such as Local Authorities whilst they are responding to associated challenges and pressures. For a local authority, who provide a diverse range of services, attempted fraud can cover the large range of activities highlighted in the previous section but during national or local emergency situations they can become more targeted and sustained.

During these periods it is important for the Council to maintain its key prevention checks and controls and not be pressurised into acting outside of these important aspects of internal governance. Any individual should speak to their manager or one of the contacts set out in this report if they feel that something being done would potentially increase the Council's exposure to the risk of fraud or corruption.
In addition to the above, the Council will identify, keep under review and disseminate as appropriate, guidance from all relevant bodies such as Government Departments, CIPFA, NAO, NFI as early as possible during a time of national emergency.

The Fraud and Risk team carry out regular fraud awareness training for all TDC staff, members, and contractors, detailing the Councils' expectations. This training forms part of the Council's induction process for all new employees.

Detection and Investigation

Preventative systems, particularly internal controls within the Council have been designed to provide indications of fraudulent activity, and equally importantly, to deter potential fraudsters.

The responsibility to prevent and detect fraud and corruption lies with Management Team, Heads of Department, managers and all other employees of the Council as well as members of the public. Alert employees or members of the public are frequently the first to spot indications of fraud and corruption and prompt action by them enables effective detection to occur and appropriate action to be taken. The Council has a dedicated fraud hotline and email for all fraud related matters which could affect the Council and an online reporting form. Details are fraud.hotline@tendringdc.gov.uk Tel 0800 169 7004

A significant proportion of fraud is discovered by chance or as a result of a "tip-off". Advice on this issue for employees and their managers can be obtained from the Assistant Director of Finance and IT.

Financial Procedure Rules require all Heads of Department to report all suspected fraud or similar irregularity to the Internal Audit Manager. Correct reporting is essential to the Council's anti-fraud strategy to ensure:-

- consistent treatment of fraud and corruption;
- proper investigation by an independent unit (Internal Audit)
- prompt implementation of appropriate investigative activity;
- optimum protection of the Council's interests.

Under associated legislation, Tendring is required to participate in National Fraud Initiatives [NFI] run by the Cabinet Office. Data will be provided by the Council and will be used for cross-system and cross-authority electronic data matching for the prevention and detection of fraud. Similar data exchanges are also required for housing benefit matching exercises run by the DWP.

The nature and extent of the allegations will determine the level and type of investigation that is undertaken. Internal Audit will work with management and other relevant agencies to ensure that allegations are properly, fairly and thoroughly investigated and subsequently reported upon. Where appropriate, maximum recoveries of any losses will be made by the Council.

Where the outcome of an investigation indicates misconduct on the part of an employee, the official disciplinary procedure will be invoked. In proven cases of misconduct this may lead to the dismissal of an employee and if appropriate the involvement of the Police.

If appropriate to do so, the Council may consider sanctions against customers, including prosecution, where it has been identified that fraud has been committed against the Council.

Any decision to prosecute can only be made where the relevant Head of Service has consulted with the Council's Legal Services Department.

Council tax

As detailed earlier council tax is deemed to be a high-risk area and there are a number of regulations relevant to this such as ;-

Regulation 3 of the Council Tax (administration and enforcement) Regulations 1992 allows the Local Authority to request information. This is required for them to ensure that Council Tax is being correctly calculated.

Regulation 11 of the Council Tax (administration and enforcement) Regulations 1992 requires a liable person to advise a Local Authority if an exemption is incorrect.

Regulation 12 of the Council Tax (administration and enforcement) Regulations 1992 allows the Local Authority to request information. This is required for them to ensure that an exemption is being correctly calculated

The council may consider the need to impose a financial penalty of £70. The penalty can be imposed for

- failing to notify a change in circumstances
- providing false information

If a further request has to be made for the information already requested then a second, higher, penalty (currently £280.00) may be issued. This higher penalty can be applied each time the request is repeated.

The Assistant Director of Finance and IT will review the requirement to issue financial penalties on an ongoing bases.

National Non Domestic Rates (NNDR)/Business Rates

On 1 April 2013 a new system of business rates retention began in England. Before April 2013 all business rate income collected by councils formed a single, national pot, which was then distributed by government in the form of formula grant. Through the Local Government Finance Act 2012, and regulations that followed, the government gave local authorities the power to keep up to half of business rate income and transfer half of it centrally, to central government.

As previously mentioned, during periods of national emergency, guidance is expected to be issued by relevant bodies given the increased risk of fraud and corruption during such times. The Council will need to consider and put in place as soon possible the necessary arrangements that may be set out within the associated guidance. This will include record keeping, reporting and anti-fraud / assurance work.

Publication of Anti- Fraud and Corruption Activities of the Council

The Council will at least annually report on the anti-fraud and corruption work that it has undertaken during the year along with publicising this Strategy.

This aims to set out the Council's intentions in terms of any identified fraud and corruption committed against it, along with acting as a deterrent to those considering such actions against the Council.

The Council's processes aim to be resilient to the threats of fraud and corruption and are designed to deter and detect such actions if committed against the Council.

Resources Invested in Counter Fraud and Corruption

Given the Council's commitment to counter fraud and corruption as set out within this Strategy the following resources are deployed which are proportionate to the level of assessed risk:

Dedicated Fraud Team
As highlighted earlier in this Strategy, the Council has established a dedicated team whose focus is to provide a comprehensive anti-fraud service within the Council, who are also available to provide support to all departments. The Council has committed an on-going annual revenue budget in excess of £170k to support the work of this dedicated team.

Training
The Council recognises the importance of training and the response of employees throughout the Council in ensuring that its fraud and corruption strategy remains a continuing success.

In this respect the Council encourages training and regular development for all employees and Members. Training is conducted online and face to face where appropriate.

Copies of the council's policies and procedures supporting any training carried out are available online to all employees.

The Fraud and Risk team continue to provide Fraud Prevention and Awareness training across the whole Authority ensuring all staff/Members are aware of their responsibilities. This training will be reviewed and adapted as new detection measures are identified and changes to the Councils fraud risk levels are determined.

Effective investigation of fraud and corruption requires staff that are properly trained and regularly updated in all aspects of investigative work. Provision will be made for this, and the training of Internal Audit staff will be geared towards achievement of that objective. Fraud Investigation Staff are now required to be professionally trained in all aspects of Corporate Fraud. General staff training will also incorporate appropriate references to the need for staff to be alert and vigilant in their day-to-day activities.

Internal Audit Days
The Internal Audit team include within their annual plan, fraud related work such as the assessment of fraud prevention controls and therefore in effect, a number of audit days are included within their overall annual work programme.
During periods of prolonged national or local emergency, additional resources may need to be identified to respond to an increase in fraud risks or to deliver key actions set out in

associated guidance. Such arrangements will need to be considered by a Senior Officer at Assistant Director level or above and will need to balance the direct response to the emergency with the maintenance and operation of existing controls and governance arrangements to ensure the Council is not unreasonably exposed to increased risks.

Summary

A sophisticated network of systems and procedures is in place to assist with the prevention and detection of fraud and corruption. The Council is determined that these arrangements will be kept up to date, with regard to future developments in preventative and detection techniques, to limit fraudulent or corrupt activity that it may suffer. The strategy also acknowledges and addresses the potential increase in fraud risks during prolonged periods of national or local emergency. To help achieve this objective the Council maintains a continuous review of all associated arrangements through its Management Team, Procurement and Financial Procedure Rules, Officer and Member Codes of Conduct and internal and external audit arrangements.

Financial Procedure Rules require all Heads of Department to keep their departmental procedures under continuous review, reporting any newly identified risks referring proposed changes in procedures to the Section 151 Officer.

This strategy and its effectiveness will be monitored by Internal Audit, as part of their ongoing activities and any issues that arise will be reported to the Council's Section 151 Officer, Management and the Audit Committee as appropriate.

Performance against this Strategy and its effectiveness will be included as part of the annual review process which will be reported to Management Team and the Audit Committee accordingly.

In addition, where actions have been identified to contribute to the performance and effectiveness of this Strategy, these will be included as an Appendix and included as part of the annual review process. Appendix A sets out the current actions identified as part of developing this Strategy.

The Internal Audit Manager will continue to monitor and review the contents of the Anti-Fraud and Corruption Strategy to ensure it is working effectively and opportunities for preventing and detecting corrupt activity are maximised.

References

Whistleblowing Policy - https://www.tedtdc.co.uk/child-pages/whistleblowing-policy
Officer Code of Conduct - Officer Code of Conduct (Guidance Note)
Staff Handbook - https://www.tedtdc.co.uk/child-pages/staff-handbook
Constitution Members Code of Conduct - https://www.tedtdc.co.uk/child-pages/constitution-part-six-codes-and-protocols

Appendix A

Anti-Fraud and Corruption Strategy Action Plan – 2026-2028

Action	Responsible Officer	Update
Review the consideration of fraud risks as part of the Council's general risk management arrangements. Explore the establishment of a separate Fraud and Corruption risk register for inclusion in future revisions to the Fraud and Corruption Strategy.	Internal Audit Manager	A separate Fraud Risk Register has been collated for the Audit Committee to review and adopt. Updates to be provided by the Internal Audit Manager on fraud work completed and the impact on the Council as part of the regular periodic reporting arrangements for future Audit Committee meetings.
Evaluate the harm that different fraud risks can cause in the context of Council objectives and service users.	Internal Audit Manager	
Review the Council's Procurement Rules to ensure that the anti-fraud and corruption requirements placed upon contractors and those providing services to the Council are robust enough	Internal Audit Manager	Ongoing work on this item especially in light of the changes to the Procurement Act
General anti-fraud and corruption training to be provided to officers along with raising awareness of the Strategy within the Council and the commitments and expectations contained within it.	Internal Audit Manager	Fraud training is provided to all new staff and members as part of the induction process. Expectations of how staff should conduct themselves form part of this training and this is receiving positive feedback and engagement.

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Tendring District Council Fraud Risk Register

No.	Internal/ External	Area	Inherent Risk	Impact	Mitigation Actions
1	External	Housing Benefit / Council Tax Reduction	A claimant makes a claim based on information known to be inaccurate or fails to inform the council about a change in circumstance that would reduce the award.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating • and correcting issues and liaising with police • Potential court costs which have an impact on council budget • Adverse effect on council budget	• Pre-payment verification and risk-based review of new claims and changes of circumstances • Overpayment recovery with sanctions/penalties where appropriate • Staff training on fraud indicators and customer challenge techniques
2	External	Council Tax Discounts	A claimant claims a discount when more than one person lives in the household, falsely claims to be a student or claims a property is empty and unfurnished.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and any litigation action that may follow • Potential court costs which have an impact on council budget • Adverse effect on council budget	• Evidence requests for student status and exemptions; automated expiry dates • Household composition data-matching (electoral roll, NFI, internal systems) • Targeted comms campaigns and tip-off channels • Prompt withdrawal of discounts and back-billing where fraud is established • Referrals to established in-house fraud and compliance team
3	External & Internal	Cyber Fraud	The use of technology specifically is used to take advantage of system weaknesses for gain. This could include ransomware / malware attacks, hacking or use of council systems to test stolen account details ("checker fraud"). Staff / clients could fall victim to scams and frauds, including: executive impersonation, advanced fee and funds transfer. It could also include "cyber-enabled" frauds (i.e. use of the internet to commit fraud).	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and any litigation action that may follow • Adverse effect on council budget • Potential loss of service affecting different areas across the council • Potential data protection/GDPR breaches	• Multi-factor authentication and privileged access management • Security awareness and phishing simulation programme • Patch management, EDR/AV, email security and DMARC • Regular vulnerability scanning and penetration testing • Incident response plan with playbooks; backup/restore testing; tabletop exercises • Supplier due diligence and cyber clauses in contracts

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
5	External & Internal	Procurement Fraud	There are activities including price-fixing, bid-rigging and cover pricing, to maximise profit margins or share out contracts. In addition this risk also overlaps with bribery and corruption internal risks. There is a risk that claims are made to defraud the council by claiming payment for goods / services not provided; delivering goods / services of substandard quality; overpricing or duplicate invoicing.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues • Sub-standard work delivery • Potential costs arising from any necessary litigation • Lack of public confidence • Detrimental effect on staff morale	• Segregation of duties (requisitioning/approving/receipting) • Supplier due diligence (financial standing, beneficial ownership, sanctions, conflicts) • Contract management KPIs and verification of delivery/quality before payment • Spend analytics to detect duplicates/splits • Declaration and management of conflicts; gifts & hospitality register • Post-award audits
6	External	National Non-Domestic Rates	A business makes a claim for rate relief based on false information, e.g.. stating that a property is no longer in use; not declaring the location of a business or falsely claiming relief, e.g. by claiming to be occupied by a charity or intermittent use	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues • Potential court costs which have impact on council budget • Adverse effect on council budget	• Site visits and photographic evidence for occupancy/usage • Cross-checks with Companies House/Charity Commission and internal intel • Review cycles for Small Business Rate Relief and empty reliefs • Backdated billing and recovery; referral for prosecution where appropriate
7	Internal	Internal Fraud by Officers and Members	Officers or Members may abuse their position for private gain or misuse council assets for personal gain, including: computer hardware and software; plant, machinery and equipment and intellectual property. Theft of cash or portable items belonging to the Council, employees or Members. Receipt of financial or other rewards as an inducement to perform their duties improperly or seek to influence a decision-maker. There is also a risk of failing to declare an interest in a company or organisation.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and liaising with police and lawyers • Potential court costs which have impact on council budget • Adverse effect on council budget • Lack of public confidence	• Code of Conduct and Member/Officer protocols with annual attestations • Mandatory declarations of interest and secondary employment; CRB/DBS where applicable • Asset registers and access controls; stock/cash spot checks • Whistleblowing channels and anti-bribery training • Segregation of duties

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
9	External	Election fraud	There is voter registration fraud; impersonation (at polling stations); phishing and hacking, denial of service and ransomware (particularly at the time of an election).	• Reputational damage to the council • Lack of public confidence • GDPR/Data Protection Breach	• Voter ID and secure polling station procedures • Access controls and network hardening of election systems • Change control and audit trail for electoral register updates
10	Internal	Cash handling	Theft or false accounting occurs with officers responsible for handling cash, either as income or expenditure (e.g. petty cash). This could include accounting for cash (and other income), security and banking.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and liaising with police and lawyers • Potential court costs which have impact on council budget • Adverse effect on council budget • Lack of public confidence	• Daily reconciliations • Secure safes, dual custody and CCTV where proportionate • Prompt banking and segregation of receipting/recording duties • Cashless alternatives to reduce cash on premises

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
11	External & Internal	Organised Crime / Money Laundering	Council systems are used to launder money or there is abuse of council services and they are used by organised crime gangs. Also there is a risk that council properties are used for illegal activities.	• Financial loss to the council • Reputational damage to the council • Lack of public confidence • The council inadvertently or otherwise becomes involved in money laundering or terrorist financing • Loss in working time in investigating and correcting issues and liaising with police and lawyers • Potential court costs which have impact on council budget • Adverse effect on council budget	• Compliance with AML regs: CDD/EDD and PEP/sanctions screening where applicable • Suspicious Activity Reporting (internal escalation to MLRO) • Property inspections and tenancy audits; joint ops with Police • Staff AML awareness and record-keeping controls
13	External	Insurance Fraud	Bogus claims are made with serial claimants across authorities. Also organised "crash for cash" or "slip and trip" frauds and any insurance claim that is proved to be false, made against the organisation or the organisations insurers.	• Financial loss to the council • Reputational damage to the council • Increased insurance premiums • Any claim will ultimately have to be paid for from Council resources. • The cost of processing unsuccessful claims is a drain on staff time and diverts resources from front line services • Loss in working time in investigating and correcting issues • Adverse effect on council budget	• Early claims triage and evidence capture (CCTV, photos, witness statements) • Use of fraud indicators and referral to loss adjusters/SIU • Data sharing with insurers/IFB; trend analysis • Inspection logs

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
15	Internal	Payments to Suppliers	There is misuse of council credit cards, creation of bogus suppliers / invoices. Offences include fraud by abuse of position, false accounting and corruption.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and any litigation action that may follow • Lack of public confidence • Adverse effect on council budget	• Supplier masterfile controls (new supplier validation, bank detail verification, change controls) • Card usage policy, limits, MCC blocks and monthly reconciliations • Duplicate invoice detection • Post-payment sampling and data analytics
16	Internal	Employment/Payroll	There are submissions of claims for duties not carried out; inflation of expenses claims; claiming sick pay when fit to work and failing to work contracted hours. Also the creation of ghost employees and generating payments and false overtime claims. Offences include fraud by false representation, failure to disclose information and false accounting.	• Financial loss to the council • Reputational damage to the council • Loss in working time in investigating and correcting issues and any litigation action that may follow • Lack of public confidence • Staff morale	• Joiners/leavers controls with HR–Payroll reconciliation • Manager approval and audit trail for overtime/expenses; mileage reasonableness checks • Periodic payroll data analytics (bank/account duplicates, zero activity, outliers) • Return-to-work interviews and sickness trend monitoring

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
17	External	Grants	Grant payments are obtained from the Council under false pretenses or that grants are claimed from different sources for the same purpose or that the recipient fails to deliver outputs stated in the grant conditions. In addition, there is a risk of bogus companies or individuals making a claim perpetrating to be someone else. This also overlaps with the internal risk of corruption. There is additional risk where there is a requirement to process and pay grants at speed where sufficient checks may not be completed	• Financial loss to the council • Reputational damage to the council • Lack of public confidence • Failure to support genuine need • Loss in working time in investigating and correcting issues • Adverse effect on council budget	• Pre-award due diligence (identity, eligibility, bank verification) • Clear grant conditions and evidence requirements; staged payments • Post-award monitoring (outputs/outcomes) and clawback clauses • Counter-fraud spot checks and data-matching
18	External	Licensing	There is an abuse of a license (e.g. assigning to someone else) or claiming benefits / council tax reduction while working or having no right to work in this country. There are also links to organised crime. There is also a risk of a fraudulent application for a taxi license where an applicant does not declare a relevant fact or fails to declare a change posing a potential risk to the public	• Loss of revenue for the council • Reputational damage to the council • Lack of public confidence • Staff morale • Loss in working time in investigating and correcting issues • Adverse effect on council budget	• Right-to-work/DBS checks and ongoing suitability monitoring • Evidence verification and declarations of changes in circumstances • Compliance/spot visits and enforcement actions • Information sharing with DWP/Police where appropriate
19	Internal	Recruitment	Applicants submit bogus qualifications or references or have no right to work or fail to disclose income for benefit purposes. There is also a risk of offences which could include fraud by false representation or failure to disclose information.	• Reputational damage to the council • Lack of public confidence • Staff morale • Loss in working time in investigating and correcting issues	• Qualification and reference verification (direct to awarding bodies where risk dictates) • Right-to-work checks; identity verification and document fraud training • Panel-based recruitment with documented scoring and conflict declarations • Probationary period objectives and monitoring

No.	Internal/	Area	Inherent Risk	Impact	Mitigation Actions
20	Internal	False Applications	There is a risk that the council is supplied with false documentation in support of applications/registrations in respect of services provided e.g. applications for housing and planning applications	• Reputational damage to the council • Lack of public confidence • Loss in working time in investigating and correcting issues • Failure to support genuine need	• Document verification tools and anti-counterfeit checks • Cross-checking with internal/external databases (LLPG, electoral roll, Experian/NFI where lawful) • Fraud awareness for frontline teams and clear referral routes • Random audits and post-decision assurance checks

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QAIP Action Plan 2026-27

Domain	Principle	Standards	Issue	Action Item	Status
Domain II - Ethics and Professionalism	Principle 1: Demonstrates Integrity	1.1, 1.2	The internal audit function lacks a structured and consistently applied ethics framework. There is no recent, documented ethics training, nor any mechanism to ensure auditors understand ethical expectations. Evidence of professional courage, escalation of ethical concerns, and processes for reporting unethical behaviour is insufficient or absent. There is also no annual requirement for auditors to formally acknowledge adherence to the Code of Ethics.	Develop and deliver a periodic ethics training programme aligned to organisational policies and the Global Internal Audit Standards. Create a formal process and documented workflow for reporting unethical behaviour, including escalation routes, response timelines, and record keeping requirements.	
Domain II - Ethics and Professionalism	Principle 2: Maintain Objectivity	2.2	There is no robust or repeatable process for identifying, documenting, and mitigating actual or perceived impairments to objectivity. Supervision and engagement planning documents do not consistently evidence objectivity assessments. Training relating to conflict-of-interest management is not conducted regularly. Furthermore, there is insufficient reporting to senior management and the board on objectivity-related risks.	Introduce periodic objectivity and conflict-of-interest training for all auditors. Enhance planning and supervision templates to include mandatory objectivity checks. Document and escalate all impairments using a standard process, and provide periodic reporting to senior management and the board on independence and objectivity risks, including trends and mitigation actions.	
Domain II - Ethics and Professionalism	Principle 3: Demonstrate Competency	3.1, 3.2	The internal audit function does not maintain comprehensive records of Continuing Professional Development (CPD). There is no structured competency framework used to assess auditor capability against role expectations. Training and development plans are informal or undocumented, and performance reviews do not reliably demonstrate the link between required competencies and the auditor's actual proficiency.	Implement an audit-wide CPD tracking system to record learning hours, certifications, and skills development activities. Develop a formal competency framework aligned to role profiles and the Standards, and embed it into annual performance assessments. Introduce a structured annual training plan addressing technical, behavioural, and specialist areas.	

Domain	Principle	Standards	Issue	Action Item	Status
Domain II - Ethics and Professionalism	Principle 5: Maintain Confidentiality	5.1	There is insufficient documentation showing that auditors understand and apply organisational confidentiality and information-handling requirements. Confidentiality training is not provided on a recurring basis. There is also a lack of performance review evidence reflecting how well auditors safeguard sensitive information. Storage, transmission, and disposal procedures for confidential data are not consistently documented or evidenced.	Deliver mandatory confidentiality and data-handling training for internal audit staff. Require auditors to sign annual acknowledgements confirming understanding of confidentiality policies and expectations.	
Domain III - Governing the Internal Audit Function Principles 6-9 are essential principles	Principle 8: Overseen by the Board	8.1, 8.2, 8.4	The audit committee is not receiving consistent, timely, or detailed reporting on key areas such as impairments. An External Quality Assessment (EQA) has not been conducted, leaving the function without an independent view of conformance to the Standards and reducing transparency with the board on maturity and improvement needs.	Enhance communication with the board by producing structured reports on impairments, risks, and resource sufficiency. Commission an External Quality Assessment conducted by a qualified assessor (CIA required). Prepare an action plan for improvement opportunities identified during the EQA and report progress routinely to the board.	
Domain IV - Managing the Internal Audit Function	Principle 12: Enhance Quality	12.1	There is no Internal Quality Assessment (IQA) framework in place, and the internal audit activity does not demonstrate ongoing monitoring or periodic self-assessments. Templates, review checklists, and quality documentation are either missing or not consistently used. Results of any informal quality checks are not reported to senior management or the board, and there is no tracking of improvement actions linked to quality observations. This creates risk that quality issues persist and that the function lacks alignment with the Standards.	Design and implement a comprehensive IQA methodology covering ongoing monitoring, periodic self-assessment, and documentation of review results. Report IQA findings and improvement plans annually to senior management and the board. Maintain a quality improvement log to track completion of corrective actions and ensure continuous enhancement of audit quality.	

Domain	Principle & Standards
Domain I — Purpose of Internal Auditing	Statement of Purpose – No Principles to evidence against
Domain II — Ethics & Professionalism	**Principle 1 — Demonstrate Integrity** Standards: 1.1 Honesty and Professional Courage; 1.2 Organisation's Ethical Expectations; 1.3 Legal and Ethical Behaviour
	Principle 2 — Maintain Objectivity Standards: 2.1 Individual Objectivity; 2.2 Safeguarding Objectivity; 2.3 Disclosing Impairments to Objectivity
	Principle 3 — Demonstrate Competency Standards: 3.1 Competency; 3.2 Continuing Professional Development
	Principle 4 — Exercise Due Professional Care Standards: 4.1 Conformance with the Standards; 4.2 Due Professional Care; 4.3 Professional Scepticism
	Principle 5 — Maintain Confidentiality Standards: 5.1 Use of Information; 5.2 Protection of Information
Domain III — Governing the Internal Audit Function	**Principle 6 — Authorised by the Board** Standards: 6.1 Internal Audit Mandate; 6.2 Internal Audit Charter; 6.3 Board & Senior Management Support
	Principle 7 — Positioned Independently Standards: 7.1 Organisational Independence; 7.2 CAE Qualifications
	Principle 8 — Overseen by the Board Standards: 8.1 Board Interaction; 8.2 Resources; 8.3 Quality; 8.4 External Quality Assessment
Domain IV — Managing the Internal Audit Function	**Principle 9 — Plan Strategically** Standards: 9.1 Understanding Governance, Risk & Control; 9.2 Internal Audit Strategy; 9.3 Methodologies; 9.4 Internal Audit Plan; 9.5 Coordination & Reliance
	Principle 10 — Manage Resources Standards: 10.1 Financial Resource Management; 10.2 Human Resource Management; 10.3 Technological Resources
	Principle 11 — Communicate Effectively Standards: 11.1 Building Relationships & Communication; 11.2 Effective Communication; 11.3 Communicating Results; 11.4 Errors & Omissions; 11.5 Communicating Acceptance of Risks
	Principle 12 — Enhance Quality Standards: 12.1 Internal Quality Assessment; 12.2 Performance Measurement; 12.3 Oversee & Improve Engagement Performance
Domain V — Performing Internal Audit Services	**Principle 13 — Plan Engagements Effectively** Standards: 13.1 Engagement Communication; 13.2 Engagement Risk Assessment; 13.3 Engagement Objectives & Scope; 13.4 Evaluation Criteria; 13.5 Engagement Resources; 13.6 Work Programme
	Principle 14 — Conduct Engagement Work Standards: 14.1 Gathering Information; 14.2 Analyses and Potential Findings; 14.3 Evaluation of Findings; 14.4 Recommendations & Action Plans; 14.5 Engagement Conclusions; 14.6 Engagement Documentation
	Principle 15 — Communicate Engagement Results & Monitor Action Plans Standards: 15.1 Final Engagement Communication; 15.2 Implementation of Actions

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AUDIT COMMITTEE

19 FEBRUARY 2026

REPORT OF HEAD OF PLANNING AND BUILDING CONTROL

A.3 AUDIT COMMITTEE – Building Safety Regulator Inspection Review - outcomes and actions

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
Report on the recent Building Safety Regulator (BSR) audit of the Council's Building Control function, requested by Richard Barrett and Karen Hayes

EXECUTIVE SUMMARY
• The first ever BSR review has been completed and Tendring has no outstanding matters to address.

RECOMMENDATION(S)
It is recommended that the Committee: **1) Notes the progress/success and takes no action.**

REASON(S) FOR THE RECOMMENDATION(S)
There are no actions to undertake.

ALTERNATIVE OPTIONS CONSIDERED
There are no alternative options associated with this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.
LEGAL REQUIREMENTS (including legislation & constitutional powers)
The BSR Audit is a statutory requirement and failure to met would result in severe financial penalties and special measures.
FINANCE AND OTHER RESOURCE IMPLICATIONS
Finance and other resources There are no financial implications except for the fee of the BSR that has not been presented at the time of writing.
USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	N/a
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

None – all steps achieved. The next Audit will be in the next five years, but this is likely to be after LGR.

ASSOCIATED RISKS AND MITIGATION

None – all requirements dealt with.

OUTCOME OF CONSULTATION AND ENGAGEMENT

There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.

EQUALITIES

There are no direct implications associated with this report.

SOCIAL VALUE CONSIDERATIONS

There are no direct implications associated with this report.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

None – However, improvements gained during the process could be applied to other Councils when aligned.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

There are no direct implications associated within this report.

OTHER RELEVANT IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below:

Crime and Disorder	Not applicable
Health Inequalities	Not applicable
Subsidy Control (the requirements of the	Not applicable

Subsidy Control Act 2022 and the related Statutory Guidance)	
Area or Ward affected	All Wards could be affected
ANY OTHER RELEVANT INFORMATION	
None	

PART 3 – SUPPORTING INFORMATION

BACKGROUND

In December 2024 Tendring District council was advised that the BSR would be undertaking an audit of Tendring's building control services. This would be their first audit following their creation as BSR and Tendring would be one of many authorities being reviewed. Tendring District Council must operate in accord with the Building Act and Operational Standards Rules (OSRs), which set out the minimum performance standards expected. All authorities will be subject to ongoing monitoring and at least one inspection over a five year period.

The inspection of services was carried out via on line interviews and requests of information on the processes, including samples of work. This mainly occurred during April, May and June 2025.

The official BSR Letter of Contravention was received on the 29th October 2025. This detailed their findings and recommendations for action and is summarised below.

- Policies, procedures, and processes were not fully documented. There was no documented approach for allocating work based on building types and Registered Building Inspector (RBI) registration. Lack of documented procedures for supervising RBIs working outside their registration class and for statutory consultations. Gaps in arrangements for monitoring and managing building control projects, including scheduling and delivery of inspections. No documented criteria for prioritising, timing, or reviewing caseloads. 1,291 open projects with outstanding completion certificates and no follow-up.

- Insufficient resourcing, including a lack of comprehensive assessment of RBI resource requirements. No effective controls for ensuring RBIs act within their competence and registration. Gaps in record-keeping for statutory consultations. Unclear governance and oversight, particularly regarding terms of engagement and outsourced service providers (e.g., Babergh Mid Suffolk District Council). No assurance that outsourced providers comply with OSRs and legal requirements.

- Unawareness of the duty to inform statutory consultees of decisions and reasons for accepting or declining recommendations.

To resolve these points the letter instructs **Tendring to implement an operational manual, resource the building control function adequately, improve record-keeping and controls for statutory consultations and ensure all statutory requirements are met, strengthen governance regarding outsourced services**.

The wording used in the BSR's Contravention is unhelpful as with a more detailed

examination what is found is that one single issue often, minor issue, may overlap several BSR standards.

The issues highlighted reflect the following three points:-

- **Procedure documentation.**

  While Building Control has followed the correct processes, not all were formally documented, and certain requirements were only clarified by the BSR during the audit.

  In some cases, there was an assumption that elements were already covered under LABC requirements adopted, or that they were sufficiently defined through existing practice. It was only through audit discussions that the BSR provided further interpretation of the OSRs, and/or wanted areas explicitly expressed that were not highlighted previously.

  For example, the handling of open cases: legally, there is no defined mechanism legal to close a case where a builder ceases work for any reason. We correctly kept these cases open in line with legislation, even when the sites became inactive. However, the BSR considered this approach unsatisfactory as a matter of general governance without further explanation. We have now introduced our own criteria for closure, seeking assurance from the BSR that this is acceptable and does not present a risk. While we consider our criteria to be logical, it will be different from other authorities who will have created their own.

  Definitions and criteria developed during this process have been shared with other authorities, and in turn, they have shared their interpretations, despite the continued lack of formal guidance from the BSR.

- **Outsourcing to partners and oversight.**

  Building control does outsource certain functions, such as plan checking and some inspection support, to partner authorities and rely on their expertise and judgement. As our partner is another local authority and an active LABC member, we expected compliance with all building regulations and BSR requirements.

  However, the BSR deemed this insufficient. As a result, we have now introduced additional checks to strengthen oversight of outsourced work when returned.

- **Consultee reporting.**

  Under the BSR's new OSRs, all consultee responses must be recorded, along with the officer's decision to accept or reject the advice. While we consistently recorded consultee responses, we did not document the officer's acceptance or rejection of the response.

  It is important to note that since the introduction of the new regulations, we have never disagreed with a consultee response. For example, if the Fire Service identifies a fire risk, we have no grounds to challenge that advice.

  Going forward, we will explicitly record whether the consultee advice is accepted or

declined, and the rationale, on the case file. This represents a minor but necessary process change.

At no point has Tendring's building control team acted outside of the Building Regulations, or the Act, all matters raised have been a matter of judgement in respect of BSR expectations only.

Action

The position of BSR and their recommendations have been reviewed and accepted. The operation manual that was already being developed this year has been updated to include all the judgements of the BSR as well as a need sign off form for our partners to fill in when doing any plan check work for us as necessary. The building control team are now increasing the number of plans checks in house for domestic work to reduce reliance on outsourcing (but with Grade 2b + inspectors this can't be avoided entirely).

The result being Building Control has all policies procedures and processes document and signposted as necessary. There is a new "hibernation" approach to inactive cases (because legally these can not be closed) that has reduced the open case load down to around only five hundred cases that covers a three-year period. Changes to the service's partnership working resolve the points raised, and all consultee responses are recorded as a specific task for the file.

In conclusion, our new governance manual and responses to the points raised have been issued to the Building Safety Regulator (BSR), and on 12th January 2026 the BSR confirmed

> *"Thank you for confirming the actions you have taken to address the non-compliance with the Operational Standards Rules identified during the inspection and confirmed within the letter of contravention dated 29.10.25.* ***We confirm that no further information is required and this matter is now concluded."***

The matters raised during the audit are considered resolved. Some adjustments were necessary due to aspects of the BSR requirements that only became clear at the time of the audit.

Afterword

Although not explicitly mentioned in the audit letter, the process highlighted the significant progress made by the service leadership team despite limited resources. In just three years, the team has grown from a single support team member to a team comprising three support officers, two Grade 2A Inspectors, and one apprentice. The market share now consistently exceeds 70% month after month, the inspectors conduct more than 60 site inspections each week, and have successfully reinstated in-house plan checking.

This progress has been achieved against a backdrop of major changes to building control requirements following the Grenfell Tower tragedy, including the introduction of new grades and procedures. These changes have increased demands on resources, for example, officers are now required to produce public notes at every stage, a task that was not previously part of their role. Thanks to partnership work, Tendring has access to Grade 2B+ officers, but the Council remains vulnerable in a highly competitive market for graded officers. Recent review

of fees and charges confirmed that Tendring currently has more work than our available officer resource can support and any leave entitlement leaves gaps in service that can not be covered. Expensive agency workers are used as necessary.

This context underscores the significance of the audit outcome. Much of the success is due to Jim Gates, our Senior Support Team Leader, who managed the majority of the BSR requirements and prepared the responses that led to such a positive result. The resulting minor points have now been resolved.

Building Control at Tendring is not an established or experienced department compared to many other authorities, yet it has achieved far more than most in a remarkably short time. Looking to the future a solution to have or share higher grade officers to cover all work without outsourcing is the focus, starting with authorities that LGR may bring together.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
Not applicable as this was the first BSR Audit.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
None

REPORT CONTACT OFFICER(S)	
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AUDIT COMMITTEE

19 FEBRUARY 2026

REPORT OF DIRECTOR FINANCE & IT

A.4 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To present to the Committee the progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

EXECUTIVE SUMMARY
• A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress on issues and items that form part of its governance responsibilities. • Updates are set out against general items, the Annual Governance Statement and External Audit recommendations within **Appendix A, B and C respectively.** • To date there are no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate. • Update following the recruitment process of an Independent Person to the Audit Committee.

RECOMMENDATION(S)
It is recommended that the Committee: **a) Notes the progress against the actions set out in Appendices A, B and C;** **b) Recommends the appointment of an Independent Person to the Audit Committee, Mrs Sue Gallone, following a recruitment and interview process for consideration by full Council at its 31 March 2026 meeting.**

REASON(S) FOR THE RECOMMENDATION(S)
To provide a timely update to the Committee along with reassurances that actions previously identified are being addressed accordingly.

ALTERNATIVE OPTIONS CONSIDERED
There are no alternative options associated with this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES	
The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.	
LEGAL REQUIREMENTS (including legislation & constitutional powers)	
The content of this report and appendices addresses a number of statutory/regulatory requirements placed on the Council, which are highlighted as necessary elsewhere within the report.	
FINANCE AND OTHER RESOURCE IMPLICATIONS	
Finance and other resources There are no significant financial implications associated with monitoring of the agreed actions or responses. If additional resources are required then appropriate steps will be taken including any necessary reporting requirements.	
USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The latest general commentary from the Council's External Auditors is set out elsewhere on the agenda.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
MILESTONES AND DELIVERY	
The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.	
ASSOCIATED RISKS AND MITIGATION	
The Table of Outstanding Issues is in itself a response to potential risk exposure with further activity highlighted to address matters raised by the Audit Committee. The report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.	
OUTCOME OF CONSULTATION AND ENGAGEMENT	
There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.	

EQUALITIES
There are no direct implications associated with this report.
SOCIAL VALUE CONSIDERATIONS
There are no direct implications associated with this report.
IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION
This is recognised within the Council's Annual Governance Statement and associated action plan as set out in **Appendix B.**
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050
There are no direct implications associated within this report.
OTHER RELEVANT IMPLICATIONS
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below:

Crime and Disorder	Not applicable
Health Inequalities	Not applicable
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	Not applicable
Area or Ward affected	All Wards could be affected

ANY OTHER RELEVANT INFORMATION
None

PART 3 – SUPPORTING INFORMATION

BACKGROUND

TABLE OF OUTSTANDING ISSUES

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in September 2025.

There are three main ongoing elements to this report as follows:

1) Updates against general items raised by the Committee – **Appendix A**

2) Updates against the 2024/25 Annual Governance Statement Action Plan – **Appendix B**

3) Updates against recommendations made by the External Auditor – **Appendix C**

In terms of item 1 and 3 above, there are no significant issues to raise, with actions remaining in progress or further details set out below.

In respect of the 2024/25 Annual Governance Statement Action Plan, although this remains subject to the Committee's final approval as set out elsewhere in the agenda, for timely and

practical reasons the version currently published at the end of June 2025 alongside the Unaudited Statement of Accounts presents the most up to date position for the Committee's consideration. Similarly to last year, this approach has enabled the actions and associated updates to be considered as early as possible within the Committee's annual work programme. **Appendix B** therefore includes outstanding items from last year's Annual Governance Statement alongside new items for the year. There are no significant issues to highlight at the present time with actions and activities remaining on-going.

Local Audit Reform

Following the more detailed update at the last meeting of the Committee, the Government continue to work through the various associated steps to establish the Local Audit Office, as part of enacting the English Devolution and Empowerment Bill. Further updates will be provided as necessary later in the year.

Recruitment and recommended appointment of an Independent Person to the Audit Committee

At its meeting of 25 June 2025 minute no. 6 RESOLVED that:

c) In respect of the appointment of an Independent Person, the Committee notes that the Council is ahead of many other Councils in taking such best practice steps to support its overall Governance arrangements and that in respect of the Independent Person it:

i) Reconfirms its support to recruit an Independent Person((s) to a maximum number of two), for a term of office until 31 March 2028, to align with the current proposals of Local Government Reorganisation, subject to Full Council approval on appointment;

ii) Agrees the Independent Person Specification, as set out in Appendix D, for the role of the Independent Person; and

iii) Authorises the Corporate Director (Finance & IT), in consultation with the Chairman of the Audit Committee, to agree and undertake the associated recruitment process.

The Interview Panel consisting of Audit Committee Members and Officers, conducted a recruitment process and subsequent interview on 05 February 2026. Following the interview and assessment of the candidate, the Interview Panel concluded, that subject to the Audit Committee's approval, to recommended to full Council, at its meeting of 31 March 2026, the appointment of Mrs Sue Gallone.

RIPA – Regulatory Investigatory Powers Act 2000

To inform the Committee of any activity conducted under RIPA by the Authority – the Authority has not conducted any RIPA activity in the last quarter and it is rare that it will be required to do so.

Whistleblowing

To inform the Committee of any activity under the Whistleblowing Policy as part of the monitoring arrangements in line with the adopted policy of July 2023. At its last meeting in Sep 25 the Committee was informed the Authority had received two notifications of

Whistleblowing. The outcome for the two notifications after exploration was no further action and the notifications were closed. There have been no further notifications.
PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
None
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
Appendix A – Table of Outstanding Issues (February 2026) – General **Appendix B** – Table of Outstanding Issues (February 2026) – Update against 2024/25 Annual Governance Statement Actions **Appendix C** – Table of Outstanding Issues (February 2026) – External Audit Recommendations

REPORT CONTACT OFFICER(S)	
Name	**Richard Barrett**
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AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) - GENERAL

Recommendation / Issue	Lead / Service	Progress / Comments	Status – Target Date
Following the consideration of the Anti-Fraud and Corruption Strategy, it was resolved that: The then Head of Democratic Services & Elections be requested to consider including training for Members on anti-fraud and corruption measures as part of the Councillor Development Scheme.	Corporate Director Law & Governance	The development of a Formal Training Programme remains ongoing which will include as necessary: 1. Joint general training with other Essex Authorities 2. Statement of Accounts training 3. The role of Internal Audit Anti-Fraud and Corruption Strategy 4. Corporate Governance and Assurance in a Local Authority setting 5. Role and appointment of External Audit 6. Risk Management The above are subject to external training providers' availability and associated procurement processes	**Training sessions delivered to date:** • **'Your Role on The Audit Committee' – June 2023** • **Fraud training - June 2024** • **'Role of the Audit Committee' delivered by external specialist trainer - January 2025 to All Members' development session** • **Challenge and review of the Council's current Corporate Risk Framework and Register delivered by external specialist trainer - January 2026**

			available to All Members **Further modules will be considered going forward.**
At its meeting in March 2025, the Audit Committee resolved that: Officers be requested to explore opportunities for a 'dashboard' style reporting mechanism for updates on the work of the Project Delivery Unit on major projects that could be submitted to the Audit Committee and Full Council, as appropriate, on a regular basis.	Corporate Director Finance & IT	This is planned to be explored to enable information to be presented to Members during the second half of 2025/26 and onwards.	**Its inclusion alongside the regular financial performance reports is currently being developed with the planned date for presenting to Cabinet being March 2026 as part of the Q3 position 2025/26.**
At its meeting in June 2025, the Audit Committee resolved that: In respect of the appointment of an Independent Person, the Committee notes that the Council is ahead of many other Councils in taking such best practice steps to support its overall Governance arrangements and: that in respect of the Independent Person it: i) reconfirms its support to recruit an Independent Person((s) to a maximum of two), for a term of office until 31 March 2028, to align with the current proposals of Local Government Reorganisation,	Corporate Director Finance & IT	A recruitment process including the necessary adverts and exploring opportunities to maximise interest is currently in progress, with activities planned for Quarter 3 this year. The appointment process will be concluded with a recommendation to Full Council and an induction programme as necessary.	**Please see main body of the report for further details.**

subject to Full Council approval on appointment; ii) agrees the Independent Person Specification, as set out in Appendix D, for the role of the Independent Person; and iii) authorises the Corporate Director (Finance & IT), in consultation with the Chairman of the Audit Committee, to agree and undertake the associated recruitment process.			

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AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

Governance Principle & Issue	Required Action(s)	Update / Additional Comments
Items Carried Forward and Updated from 2024/25 from the table above		
Implementing good practices in transparency, reporting and audit to deliver effective accountability. Ensuring compliance of the Council's governance arrangements through project board reviews. Utilising the Council's systems to implement best practice for drafting, reporting and decision making.	Continuation of the roll out of the functionality of Modern.Gov over a phased approach in 2022/23 – completed areas – training record for Councillors, TDC representatives on outside bodies, E petitions function, automated e mails, submission of final reports for Planning Committee, Cabinet, Council, Committee and Management Team dates published, Environmental Health licensing decisions published, report writing functionality. Performance monitoring within services and decision implementation and project management.	Modern.Gov – the supplier completed the required server upgrade in November 2024. To progress this action requires that the use of (*.bat) file types by the Modern.Gov software and the identification of these file types as a security risk in the Council's IT network be overcome. A potential solution has been identified and will be further considered over the remainder of the year. This remains ongoing and will continue into 2026/27.
Developing the Council's entity, including the capacity of its leadership and the individuals within it.	Departmental Plans within services will continue to be reviewed against the themes and highlight priorities during the year, with particular focus on governance issues, such	A number of Departmental Plans have been completed in Q3 which are subject to review during Q4 alongside the completion of any outstanding plans.

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

Effectively manage the transition to a new Administration following the local elections in May 2023.	as monitoring and implementing decisions, managing risks and budgets. Capacity requirements to be reviewed in light of the new range of competing capital project timescales, resources for projects and existing service provision.	The plans will reflect the impact of Local Government Reorganisation where necessary.
Determining the interventions necessary to optimise the achievement of the intended outcomes. Managing risks and performance through robust internal control and strong public financial management.	• Review of existing Risk Management / Business Continuity arrangements. • Review of the effectiveness of the Audit Committee.	Activities associated with the review of the current Risk Management Framework and Register, that was supported by a recent training session. Building on the back of this training, there is a further facilitated session planned for March 2026, following which further risk management updates will be presented to the Committee at its March 2026 meeting in line with the current work programme.
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. Maintaining an up to date Local Code of Corporate Governance	• Review and update the Local Code of Corporate Governance and key policies and procedure.	Work remains ongoing set against the context of LGR and associated work strands with an update planned to be provided to the Committee later in the year.

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

along with key policies and procedures.		
Implementing good practices in transparency, reporting and audit to deliver effective accountability.	• Awareness and further strengthening of good decision making incorporating the Council's policies and framework. • To continue with arrangements for the implementation of a Senior Officer Project 'Board' that in turn will report directly to the Council's Senior Management Team on a regular basis.	**COMPLETED** - The senior officer project board has been established along with its Terms of Reference being agreed that reflects its key supporting activities that aim to have a focus on embedding robust project management within the culture of the organisation, to provide oversight on financial and non-financial issues, including the review of outcomes and learning from major projects.
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. *(Although this action is expected to cut across all seven of the key governance principles (A to G) set out above)*	• Continue the review of Best Value Guidance, CIPFA Codes/guidance to identify areas of weakness and improvement and develop an action plan (including learning from external reviews, inspections and self-assessments).	Further opportunities to address Best Value responsibilities will continue to be considered during the year, based on a self-assessment style approach and action plan, which once finalised will be reported to the Audit Committee later in the year.
NEW ITEMS FOR 2025/26		
Determining the interventions necessary to optimise the achievement of the intended outcomes.	• Strengthen / embed the work of the Project Delivery Unit.	**COMPLETED** – to date the Council has established the PDU, with skills and capacity reviewed on an ongoing basis to support the delivery of associated projects. Additional

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

Managing risks and performance through robust internal control and strong public financial management	• Successfully take the necessary steps including governance and financial management to deliver the various projects being managed by the PDU balancing risk and reputation of the Council in the short to long term.	governance arrangements are also in place such as the establishment of the Regeneration Capital Delivery Board and Levelling Up Fund & Capital Regeneration Projects Portfolio Holder Working Party.
Determining the interventions necessary to optimise the achievement of the intended outcomes.	Undertake the necessary actions / activities to support the delivery of Local Government Reorganisation including the management of associated risks across 3 broad phases that will include: ***Preparation:*** • Commitment to maintain ongoing service delivery • Build trusts and relationships with other councils • Agree proposals for reorganisation and align to government priorities • Develop project plans and defined timelines and responsibilities, risk	Administrative and governance arrangements to effectively manage the significant strands of work that will need to be undertaken will need to be considered as timely as possible to provide adequate assurance to Members and stakeholders throughout the various processes. The development of the Council's and partners' approach remains ongoing alongside the collation of advice, guidance and learning from external organisations.

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

	registers and project management structures • Review corporate and operational risk registers in light of LGR • Actively engage with the public and stakeholders to build a broad coalition for change ***Implementation:*** • Collate records of the outgoing authority's finances, assets, services, staff, IT & contracts and identify issues and options • Co-operate with incoming authorities to establish joint working groups and a joint secretariat etc and agree an overall project plan • Communicate and consult with the public, staff and key stakeholders	

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

On-going / outstanding items at the end of 2024/25 carried forward into 2025/26

	Operation: • Close down outgoing authorities' accounts and resolve issues on an agreed timetable	

AUDIT COMMITTEE - Table of Outstanding Issues (February 2026) – OUTSTANDING EXTERNAL AUDIT RECOMMENDATIONS

Nos	External Audit Recommendation	Reported	Lead / Service	Initial Management Response Reported to the Committee on 13 February 2025	Progress / Comments / Status
1	Risks around building safety, fire and mould which are current sector issues are not currently captured in the corporate risk register. The Council also do not currently monitor service-line risks alongside the authority-wide risk register. We recommend that the Council ensure that health and safety risks are adequately captured in the risk register and service-line risks are monitored alongside the authority-wide risk register.	Auditors Annual Report for the year ended 31 March 24 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	It is acknowledged that there is always a balance between operational / service risks and those captured within the Corporate Risk Register. The Council's current corporate risk register does capture Health and Safety and the Management of Assets as high level risks, but further consideration will be given to the recommendations made in terms of achieving this overall balance.	Remains under review as part of the activities/training set out in Appendix A.
2	The Council's risk management framework is now 6 years old, we recommend that this is reviewed and updated as required.	Auditors Annual Report for the year ended 31 March 24 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	Although this will be considered as part of the on-going Corporate Risk Management activities and associated reports to the Audit Committee, it is important to highlight that it is broadly subject to review on a six monthly basis as part of the same process.	Remains under review as part of the activities/training set out in Appendix A.
3	Review of valuation of land and buildings: Currently there is not a formalised review of the Council's valuer Wilks Head and Eve output. The Council do not hold sufficient data on the floor areas of their	Year End Report to the Audit Committee for	Corporate Director Finance & IT	The necessary review was undertaken as part of the preparation of the 2024/25 Statement of Accounts that were published at the end of June 2025. Although it has not been possible to resolve the matter in its entirety, plans are in	This work remains on-going as part of the annual Statement of Accounts process.

	other land and buildings asset portfolio including up to date floor plans. We recommend that the Council undertake a full review of their asset portfolio and ensure up to date data is held on all asset floor areas. We also recommend that the Council undertake a formal review of the valuation on an annual basis.	the year ended 31 March 2024 (Audit Committee 13 February 2025)		place to enable this to be implemented on a phased approach over the Statement of Accounts for both 25/26 and 26/27.	Floor area data will be retained to avoid this issue reoccurring in the future.
4	Declarations of interest (DOI): KPMG had requested up to date DOI for each councillor to agree to interests recorded in the Register of interests for related party purposes. The council does not hold an up to date DOI from two councillors due to non-response. We recommend that the Council continue to reiterate the importance of each councillor providing an up to date DOI annually.	Year End Report to the Audit Committee for the year ended 31 March 2024 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	This issue relates to the email sent out to Members at the end of each financial year reminding them to confirm that their DOI's are up to date, that in turn informs the associated reporting within the Statement of Accounts where necessary. It is not necessarily that their DOI's are not up to date but a matter of them confirming that is the case or otherwise at the end of each year. The importance of the required action from Members has been included within the necessary requests at the end of 2024/25.	**COMPLETED** – there are no known outstanding issues from 24/25, with the position remaining subject to the External Auditor's report as set out elsewhere on the agenda.
5	Payroll reconciliation: Differences were noted between the payroll report and general ledger during our testing of the remuneration report, we therefore recommend that the Council perform a reconciliation between the payroll report and general ledger for the purposes of the salary bandings disclosed within the officers' remuneration report to understand any reconciling items.	Year End Report to the Audit Committee for the year ended 31 March 2024 (Audit Committee 13 February 2025)	Corporate Director Finance & IT	It is important to emphasise that a reconciliation of the payroll system and the general ledger is undertaken, with this recommendation therefore referring to a specific reconciliation relating to the officers' remuneration note within the Statement of Accounts as referenced. The recommended action is being addressed via the preparation of the 2024/25 Statement of Accounts.	**COMPLETED** - as part of the 2024/25 Statement of Accounts process with the final position for the year set out elsewhere on the agenda.
6	Management review of actuarial assumptions: We inquired with the audited	Year End Report to the	Corporate Director	Although a review is undertaken as referred to, formal documentation will be produced in	**COMPLETED** - as part of the 2024/25

	entity to understand the pension process. We understood that the Finance Head reviews the assumptions and methodologies used in the calculation of the FRS 102 Report. This is based on their understanding of the pension scheme, the accounting standard and the business process and circumstances. The documentation is not formalised and may consist of email or corresponding and verbal confirmations. However, the audited entity was not able to provide the evidence of performing the control. We recommend that management produce formal documentation of their review of the assumptions and methodologies used in the calculation of the FRS 102 Report.	Audit Committee for the year ended 31 March 2024 (Audit Committee 13 February 2025)	Finance & IT	respect of the preparation of the 2024/25 Statement of Accounts.	Statement of Accounts process with the final position for the year set out elsewhere on the agenda.

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