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Tendring District Council

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AGENDA

AUDIT COMMITTEE

DATE:	**Thursday, 25 June 2026**
TIME:	**10.30 am**
VENUE:	**Committee Room, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE**

MEMBERSHIP:

Councillor Sudra (Chairman)
Councillor Steady (Vice-Chairman)
Councillor Fairley
Councillor Keteca
Councillor Morrison
Councillor Placey
Councillor Platt

Chief Executive
Ian Davidson

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DATE OF PUBLICATION: Wednesday, 17 June 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 - 24)

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

3 Declarations of Interest

Resources and Services

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 External Auditors - A.1 - Plan and Strategy 2025/26 (Pages 25 - 58)

To present for consideration the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026.

6 Report of the Internal Audit Manager - A.2 - Report on Internal Audit (Pages 59 - 82)

To provide a periodic report on the Internal Audit function for the period March 2026 – May 2026 and the Head of Internal Audit Annual Report for 2025/26 as required by the professional standards.

7 Report of the Corporate Director (Finance & IT) - A.3 - Corporate Approach to Risk Management Including the Current Risk Register (Pages 83 - 150)

To present for consideration a proposed revised approach to the Council's Corporate Risk Register as part of its wider assurance framework, along with providing a timely update against the existing Risk Register.

8 Report of the Assistant Director (Corporate Policy & Support) - A.4 - Annual Letter to the Council from the Local Government and Social Care Ombudsman (Pages 151 - 158)

To provide the Committee with the most recent annual letter to the Council from the Local Government and Social Care Ombudsman (LGSCO). The letter relates to complaints processed by the LGSCO in the financial year 2025/26. The submission of the annual letter builds on the established practice of reporting to this Committee and, thereby, extends awareness of such complaints and the opportunity (more generally) for learning by the Council from complaints.

9 **Report of the Assistant Director (Finance & IT) - A.5 - Table of Outstanding Issues (Pages 159 - 218)**

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, 24 September 2026.

Information for Visitors

FIRE EVACUATION PROCEDURE

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MINUTES OF THE MEETING OF THE AUDIT COMMITTEE, HELD ON THURSDAY, 26TH MARCH, 2026 AT 10.30 AM IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15 1SE

Present:	Councillors Steady (Vice-Chairman, in the Chair), Fairley, Goldman and Morrison
In Attendance:	Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer), Craig Clawson (Internal Audit Manager), Karen Hayes (Corporate Governance, Performance & Procurement Manager), Katie Koppenaal (Democratic Services Officer) and Bethany Jones (Democratic Services Officer)

25. CHAIR

In the absence of the Chairman of the Committee (Councillor Sudra), the Chair was occupied by the Vice-Chairman (Councillor Steady).

26. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Councillors Keteca and Sudra with no substitutions appointed. Apologies were also received from Councillor Placey, who had appointed Councillor Goldman as her substitute.

It was noted that the External Auditors, Sarah McKeane and Jodie Preston had sent their apologies for absence.

27. MINUTES OF THE LAST MEETING

On behalf of Councillor Sudra, the Corporate Director (Finance & IT) reported that, during the previous meeting of the Committee (Minute 22 referred), Councillor Sudra had asked the External Auditor for their view on the A.2 report in relation to the self-assessment of the Council's Internal Audit function. The External Auditor had confirmed at that time that they would provide a response to the Committee in due course.

It was unanimously **RESOLVED** that the Minutes of the meeting held on Thursday, 19 February 2025 be approved as a correct record and be signed by the Chairman, inclusive of the addition noted above.

28. DECLARATIONS OF INTEREST

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

29. 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.

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

The Internal Audit Manager provided his periodic report on the Internal Audit function for the period January 2026 – February 2026 along with the Internal Audit Strategy and Operational Plan for 2026/27.

It was reported that a total of seven audits had been completed since the previous update in January 2026. Six audits were still in fieldwork, and one audit (Electoral Services) had been deferred due to the upcoming Essex County Council elections in May 2026. Six of the seven audits had received a satisfactory overall opinion of 'Adequate' or 'Substantial' Assurance. The Council Tax audit had received an overall opinion of 'Improvement Required'.

The 2026/27 Operational Plan had been developed using a risk-based approach, informed by the Council's Corporate Objectives and Corporate Risks, horizon scanning from other government bodies, and best value standards issued by the Ministry of Housing, Communities and Local Government (MHCLG). The plan had been shaped through engagement with Corporate/Assistant Directors, Heads of Service and service areas to identify activities that would benefit from independent review, including opportunities for efficiency improvements, enhanced use of technology, or areas that had not been subject to audit for a significant period due to their historically lower risk profile. Local Government Reorganisation (LGR) had been considered and with the now announced Government's 'minded to' decision, audit days had been added to the audit plan specifically for LGR without an accurate understanding, as yet, of how those days would be allocated.

Members were reminded that it had been discussed at the previous meeting of the Committee (Minute 22 referred) as to the merits, risks and consequences in undertaking the five-year external assessment required under the Global Internal Audit Standards given the upcoming Local Government Reorganisation. Further understanding was required before reporting back to the Committee. It was highlighted that additional details would be provided to the June 2026 meeting of the Committee.

It was reported that the Accounts and Audit Regulations 2015 required that "*a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*".

Principle nine of the Global Internal Audit Standards had required the Internal Audit Manager to "*Plan Strategically*" and that therefore they must have implemented the following:-

- *The Chief Audit Executive (CAE) must develop and implement a strategy for the Internal Audit Function to support the strategic objectives and success of the organisation and align with the expectations of the board, senior management and other key stakeholders.*
- *An internal audit strategy is a plan of action designed to chieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function toward the fulfilment of the internal audit mandate.*

- *The CAE must review the internal audit strategy with the board and senior management periodically.*

Questions by Members:	Answers:
It is encouraging to hear that a structured two-year plan is now in place. From our perspective, will there be defined milestones that allow us to monitor progress, particularly regarding the reduction of debt as a percentage? Additionally, could we receive quarterly updates on the recovery plan, including key performance indicators that track the percentage reduction in arrears?	(Craig Clawson) We will bring this matter back through the normal follow-up process, as it has been raised as part of a significant issue. Once a formalised plan is in place, we can determine the preferred frequency of updates. This would be for the Committee to agree with Richard Barrett. (Richard Barrett) As Craig mentioned, we have undertaken extensive internal discussions within the department. From an assurance perspective, the recovery process is phased. When Council Tax bills are issued, the sequence progresses from the initial bill to a first reminder, then a second reminder, followed by a summons and ultimately a liability order. As the process advances, additional recovery options become available. For example, once a liability order is obtained, we can work with HMRC, including the option to recover debt through an attachment on earnings. Following the Covid pandemic, we were left with a substantial volume of unsummoned debt at the reminder stage. One part of the recovery "conveyor belt" had moved forward, resulting in a significant amount of debt already under summons or liability order. This created a backlog within the recovery phase that now needs to be addressed, which is the focus of our current discussions to ensure income is brought in. The financial implications will be reported to Cabinet as part of the Quarterly Financial Reports. Regarding the recovery plan outlined in report A.1, we will not be in a position to confirm its completion until a period of 12 to 18 months has passed. Therefore, it is appropriate for regular updates to be

	provided either through the Internal Audit Manager's report or within the Table of Outstanding Issues report.
In relation to the current debt level of 16% and the intention to reduce it to an "acceptable level," could we receive confirmation in writing of what that acceptable benchmark will be, so that we have clarity on the target being worked toward?	(Craig Clawson) In terms of assessing overall debt levels and attempting to benchmark them against other councils, it is challenging because not all authorities disclose their total debt position. This makes it difficult to establish a reliable comparative benchmark. From our perspective, the key indicator is that the percentage continues to decrease as a result of the work being undertaken. Once all reasonable avenues have been explored, we would expect to see a more pronounced reduction. It is also possible that some portion of the debt may ultimately need to be written off as part of the wider process, although that is not yet clear. There are numerous strands to consider, but as long as the overall debt level is reducing, it demonstrates that the service's efforts are having a positive impact and helping to maintain the debt at a manageable level going forward. (Richard Barrett) To add to that, our in-year debt recovery rate is currently around 97–98%. This relates to new debt generated within the current financial year, which is distinct from the 16% figure referenced earlier, which reflects historic debt from previous years. For benchmarking purposes, the most meaningful comparison is our pre-Covid performance, as that provides a realistic and internally consistent baseline. We will ensure that this information is provided to the Committee so that appropriate assurance can be given.
With regard to resourcing, particularly considering the current vacancy and the pressures associated with LGR, what contingency arrangements are in place to ensure the full delivery of the 400-day plan? Is there a consolidated approach that aligns both internal and external audit resources to support delivery across the programme? We would also	(Craig Clawson) One factor to note is that the apprenticeship within the department is nearing completion. Once that concludes, we will begin the recruitment process for the vacant post, which will strengthen our resourcing position and support full delivery of the plan by ensuring the team is fully staffed. In addition, we have access to

welcome clarity on how assurance will be provided that the plan can be delivered in full.	external audit provision, including specialist support, should it be required. We have not needed to draw on this resource in the past year or two, as our internal establishment has remained stable; however, the option remains available if circumstances change. Overall, we have sufficient resilience within the service to deliver the plan, and at this stage I have no concerns regarding our ability to meet the requirements in full.
With regard to the Disabled Facilities Grant and the Housing Repairs and Maintenance work, are you confident that these areas can be fully concluded prior to Local Government Reorganisation? Additionally, are there any procurement-related risks that the Committee should be aware of?	(Craig Clawson) In terms of closing off the audits that are currently outstanding, I am confident that they will be completed well in advance of LGR. Regarding Housing Repairs and Maintenance, it is such a large and complex area that the audit scope evolves each year, meaning we may not examine the same elements annually. It is therefore possible that issues may arise before LGR, but this will depend on the specific areas reviewed. We will continue to work closely with the service to ensure that everything is in the best possible position as we approach that period.

At this point in the meeting, Councillor Fairley requested the Committee to note that, although the external five-year assessment and its deferral had been discussed at the previous meeting, it remained a matter of concern. She asked that it be formally recorded that the Committee continued to have reservations regarding the potential for external criticism arising from the deferral, as well as any limitations this may impose on the Council in the period leading up to LGR.

Questions:	Answers:
In relation to the Internal Audit Strategy, do you consider the current coverage of emerging LGR-related risks—particularly those affecting shared services, data migration, and transitional governance—to be sufficient? Would it be appropriate to establish a dedicated LGR workstream within the strategy, and could you provide further detail on how this is being approached?	(Craig Clawson) At this stage, as the scope of our involvement is still developing, we have allocated audit days without yet defining the specific areas they will cover. Once this aligns with the requirements of LGR, we will report back to the Committee with details of the work to be undertaken. When our role is fully confirmed, we will prepare and present a dedicated work programme. (Richard Barrett) The point raised earlier regarding housing repairs is

	equally relevant to LGR. It is essential that we have our “house in order” before entering the new Unitary Council, ensuring that key outstanding issues are resolved in advance. In relation to the Annual Governance Statement, we have discussed the need for a separate risk register to provide a coherent structure and place us in a strong position. We must also consider the objectives we are working towards for 1 April 2028, based on current timescales. Significant work is required over the coming months, and the Committee will play an important role in ensuring these targets are achieved. (Craig Clawson) There is also an audit within the plan relating to service plans, through which each department is required to set out its objectives for the next few years in preparation for LGR. This review will provide insight into those planned outcomes and assess whether departments are on track to achieve them.
The plan references a review of Artificial Intelligence (AI)-related risks. Could you clarify which systems and processes this currently applies to, and outline how the Audit Team is equipped to assess and test AI within those areas?	(Craig Clawson) I am not certain that we—or indeed anyone—are fully equipped at this stage to comprehensively test AI. However, we are approaching this area through a consultative review, considering several key aspects. Information governance is a primary focus, including questions around what types of data can or should be input into AI systems and whether appropriate policies are in place to ensure responsible use. We are also exploring where AI may offer the greatest benefit across different service areas. I will shortly be attending an event specifically examining how AI can support Internal Audit functions and enhance service delivery. From an assurance perspective, the pace of development in this field is extremely rapid, and we are working to ensure that our cyber security and information management arrangements remain robust. While AI presents significant

	opportunities, it also introduces new risks, and we are actively working to understand and manage those.

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

(a) notes the periodic update and the action tracking report and requests that services capture, as part of the service planning process, the timely resolution of outstanding Internal Audit / Governance matters ahead of 1 April 2028; and

(b) approves the proposed Internal Audit Strategy and Operational Plan for the 2026/27 financial year.

31. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.2 - TABLE OF OUTSTANDING ISSUES

Members were aware that a Table of Outstanding Issues was maintained and reported to each meeting of the Committee. This approach enabled the Committee to effectively monitor progress on issues and items that form part of its governance responsibilities.

It was reported that, given the relatively short period of time since the last update had been presented to the Committee on 19 February 2026, there had been no major updates against the general items, the Annual Governance Statement or External Audit recommendations that had usually been set out within the associated appendices. Therefore, those appendices had not been repeated within this report (A.2). However, work remained ongoing against all outstanding actions with timely information set out in the A.2 report where necessary.

In terms of the Annual Governance Statement Actions that had been regularly reported to the Committee, there were no required changes emerging from the recent external audit process, with the various activities having remained unchanged. Existing actions had therefore remained in progress with no major issues to raise at that time, with the usual and more detailed update planned to be presented to the Committee at its meeting that was currently programmed for June 2026.

The Committee heard that the review of the effectiveness of the Audit Committee was a key action included within the current Annual Governance Statement Action Plan and as planned, a review had been undertaken that had included both Officers and Members of the Committee, with the latest facilitated session held with Members on 5 March 2026.

The outcome of that work was currently being reviewed / collated and it was planned to present a summary of the outcomes along with an associated action plan to the June 2026 meeting of the Committee.

It was reported that similarly, the risk management review was also a key action included within the current Annual Governance Statement Plan.

Associated activities that had been undertaken to date, involving both Officers and Members had included:

1) Training had been provided in terms of the Role of the Audit Committee that had been delivered by an external specialist trainer in January 2025.
2) More targeting training had been delivered by an external specialist trainer in January 2026 based on challenging and revieing the Council's current Corporate Risk Framework, register and approach.
3) Following on from 2) above, a facilitated session had been held with Members on 5 March 2026 to review and consider potential changes to the Council's approach.

It was highlighted that the training outlined in point 2) had covered a number of key areas including:

- Benefits and characteristics of effective risk management
- Audit Committee and other Members role in risk management
- Risk registers
- Appetite and tolerance
- Assurance and challenge
- Re-framing risk management

It was further reported that the session had also identified the characteristics of effective risk management along with a high-level view of what an assurance risk framework should ideally include, which was summarised as follows:

Financial Management	Legislative Compliance
Workforce Management / HR	Decision Making
Information Systems Management	Health & Safety
Information Governance and Compliance	Business Continuity and ER
Performance Management and Data	Ethical Standards and Conduct Management
Procurement and Contract Management	Equalities and Inclusion
Project and Programme Management	Risk Mgt / Gov. Assurance
Partnership and Collaboration Governance	Compliance with IA, Ext Audit and Inspections etc.

All of the above elements had been reviewed and considered at the facilitated session held on 5 March 2026 within the following context:

Key Background / Issue	Current Position / Comments
What do we do already?	*We already have in place and actively apply:* A Code of Corporate Governance An Annual Governance Statement and Review Performance Management Reporting Corporate Risk Register and Framework Departmental Risk Registers

	Other risk / governance reviews and activities Internal and External Audit Inspection and Reviews. (*In terms of External Audit, they concluded that the Council had effective risk management arrangements in place and there were no significant overall governance weaknesses identified within their recent VFM review)*
Out risk appetite	Treat, tolerate not terminate
Assurance frameworks v risk frameworks	They ask different questions and capture different things e.g. *RISK – Strategic risks are those risks that could materially affect a local council's ability to function effectively, achieve its statutory duties and strategic objectives, or maintain financial sustainability, governance, and public confidence.* *ASSURANCE - What arrangements do we rely on to ensure success, delivery, performance and compliance.* *Risks concentrate on things going wrong / failures, where assurance focuses on a positive approach of what needs to be in place etc. to ensure / provide assurance across the issues identified within the earlier table above.* *Using financial sustainability as an example:* ***RISK APPROACH** - There is a risk that the Council does not have sufficient funding or resources to deliver its priorities, leading to service failure and financial instability.* ***ASSURANCE APPROACH** - The Council has effective financial management, medium-term financial planning, budget monitoring and governance arrangements in place to ensure it can deliver its priorities and remain financially sustainable within*

	available resources ***What Management / Members would therefore need to seek assurance on would include:*** • *MTFS exists, is up to date, and is stress-tested* • *Budget monitoring is timely and acted upon* • *Reserves strategy is clear and aligned to risk appetite* • *Statutory officer oversight (s151) is effective*
What do other Local Authorities do and what is promoted by relevant organisations within the risk management and assurance sectors?	Evidence suggests that many authorities take a traditional approach adopting the same as the Council in terms of identifying key risks, scoring them and how the Council is responding with inherent and residual risks highlighted. It is also fair to say that this approach aligns with many aspects of advice / guidance from sector experts. However, it is noted that a limited number of Council's are adopting a comprehensive Assurance Framework and 'translating' a number of their existing risks alongside other assurance elements into a fully revised assurance focused approach.

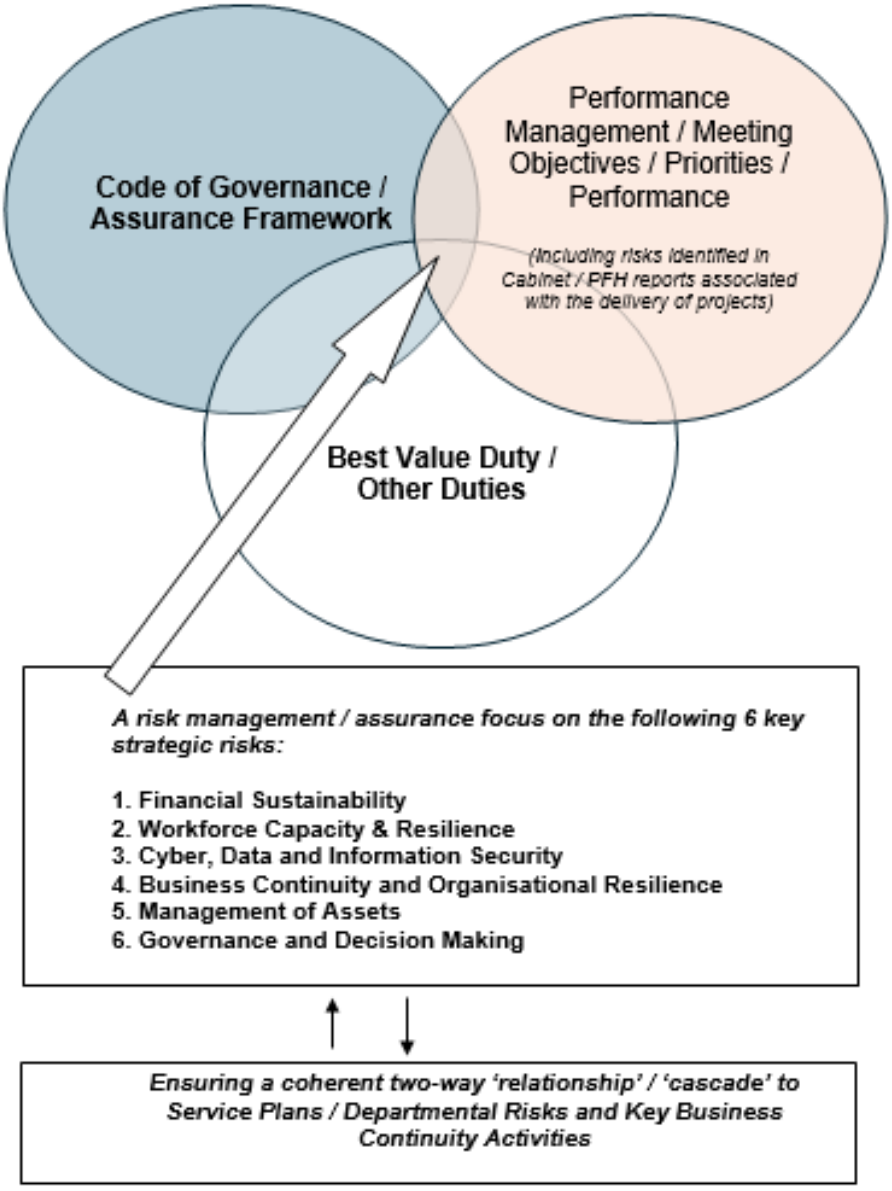
it was reported that, in taking the review forward and reflecting on the challenge raised during the training session held in January 2026, a number of key issues were being considered, together with the wider context for developing the Council's future approach.

- It was noted that the Council already had several important components in place, although there were opportunities to bring these together in a more coherent and accessible framework.
- Members were advised that there were timely opportunities to adopt a stronger assurance-based approach, potentially through a hybrid model. This could also serve as a useful framework in the context of establishing the new Unitary Council, recognising that governance disciplines such as assurance and risk management significantly influence organisational culture, including that of the successor authority.
- The Committee was encouraged to reflect on the distinction between strategic risks and those more appropriately captured at a corporate or departmental level. In doing so, reference was made to the high-level definition of a strategic risk as one where failure would materially impair the organisation's ability to function or deliver its purpose.

- It was acknowledged that there remained value in retaining a form of risk scoring, although this might be more effectively delivered through a traffic-light system rather than a numerical model.
- The importance of balancing capacity, resources and overall effectiveness was emphasised, including the need for engagement from both Officers and Members. Any revised approach should complement existing processes rather than introduce unnecessary additional layers of work or bureaucracy.

Taking these factors into account, the initial outcomes from the facilitated session held with Members on 5 March 2026 had highlighted several key elements to be taken forward, with the aim of achieving a balanced and effective governance framework.

The Committee noted that the following chart, that had been included within the report (A.2) illustrated the proposed underlying structure and approach for further development:



It was highlighted that Officers intended to develop the approach further, with the aim of presenting the proposed revised assurance and risk management framework to the Committee at its next meeting in June. It was noted that this work might include additional facilitated sessions with Officers and Members during the interim period to support timely implementation and ensure the revised approach was embedded as early as possible in 2026/27.

It was acknowledged that the Committee had not received a full risk register report since January 2025, although interim updates had been provided in September 2025 where necessary. Officers emphasised the importance of assuring the Committee that a range of underlying risk-management activities continued to operate effectively within existing governance arrangements. Those activities were also being supplemented by additional work, including:

- The review of departmental risks as part of the Directorate and Service Planning process, supported by Management Team reinforcing the importance of risk management at both operational and corporate levels.
- The monthly reporting of associated risks to the Regeneration and Capital Delivery Board.
- The establishment of the Senior Officer Project Board in the previous year, as referenced in the Annual Governance Statement.

Within this context, Officers confirmed that there were no major issues requiring the Committee's attention at the present time. However, it was considered important to highlight the four current residual risks rated as 'red', as follows:

Risk	**Status / Comments / Update**
RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management	The network infrastructure hardware was replaced during 2025 and has a realistic end-of-life longevity of 5-7 years (2030 – 2032). The Cloud Infrastructure provides significantly enhanced resilience / recovery capabilities in terms of hardware failure. Remote working capabilities provides key business continuity and service delivery options if / when key office locations are unavailable. Cyber-security arrangements include 24/7 network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a 3rd party – all facilitating both reactive and pro-active response. The greatest cyber-security protection is afforded by the Council's adoption of managed-device only access to services with zero-trust real-time monitoring of devices for vulnerabilities. Cyber-security is robust but it is recognised that any breach could be significant in terms of service loss and / or data theft.

RISK 2a - Coastal Defence	Associated risks continue to be mitigated via conducting annual inspections of coast protection structures and responding swiftly to public reporting of minor faults. An annual maintenance programme for the coastal frontage is set each year, supported by associated surveys as necessary, with an appropriate budget to cover the works (one-off funding of £2m was set aside to support such works). Each year sections of the sea defences are also improved as part of a rolling programme of special maintenance schemes funded from an on-going revenue budget.
RISK 5A - Financial Strategy	A robust and sustainable two -year financial plan was agreed by Full Council in February 2026. This included 'cash-backed' investment and responses to a number of financial challenges along with setting out an in-principle / notional approach to meeting obligations to a new Unitary Council from as early as 1 April 2028.
RISK 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking.	As Data Controller, the Council has a legislative duty to evidence and ensure that information is managed / protected in compliance with legislation and protected against unauthorised or unlawful processing and against accidental loss / destruction / damage through using appropriate security. The Council achieves this and mitigates risk of data-breach by: mandatory Data Protection and Cyber Security training, working collaboratively with other local authorities sharing best practices and aligning policies and procedures and ensure consistent governance, improving information governance systems, maintaining a Records of Processing Activities [ROPA], improvements to Security Incident Reporting systems, improving information governance guidance for staff through improved intranet pages, having robust data sharing agreements where partner organisations are

	managing data on behalf of the Council. All of the above, together with robust cyber-security, mitigate this risk, as far as reasonably possible, to the organisation.

It was noted that, where possible, the Committee was normally presented with the External Auditor's Audit Plan and Strategy for the forthcoming year. Following discussions with the External Auditor, it was now proposed that this be brought to the Committee's June meeting. Officers confirmed that there were no significant implications arising from this revised timetable, as the Committee would still receive the plan of the more detailed work and subsequent report to be presented later in the year.

In relation to Local Audit Reform, it was noted that there were no major updates at the present time. As reported to the Committee at its previous meeting, the Government continued to progress the steps required to establish the Local Audit Office as part of implementing the English Devolution and Empowerment Bill. Further updates would be provided to the Committee later in the year as necessary.

It was reported that the Authority had not undertaken any RIPA activity during the period under review, and it was recognised that such activity was rarely required

In respect of Whistleblowing, the Committee was required to be informed of activity under the Whistleblowing Policy as part of the monitoring arrangements in place since the policy's adoption in July 2023. It was reported that there had been no such notifications since the Committee's last meeting.

Questions by Members:	Answers:
In relation to the red-rated risks, could you provide further detail on how frequently these risks are reassessed? Additionally, are there any publicly available metrics that demonstrate how these risks are being managed over time? For instance, in the case of cyber incidents, is there data indicating how many attempted attacks have been detected or prevented?	(Richard Barrett) Yes. We undertake a formal cyber assessment that provides an evidence-based view of our current position. Ongoing monitoring is built into our regular Management Team meetings, where any emerging issues are escalated as needed. We also report to Senior Managers on a six-monthly cycle. Decisions about what can be shared publicly are carefully balanced, as some information could create risk if disclosed too widely. However, sharing relevant statistics with Members internally should not present a problem, provided we remain mindful that this data should not enter the public domain. I will source the relevant statistics and arrange for them to be shared, potentially through an informal session if

	that is the most appropriate route.
In the review of the February 2026 minutes—specifically item 23, the *Building Safety Inspection Review*, which I have previously emailed about—it occurred to me that although the BSR issues were successfully closed in January, there may be value in confirming that the new control arrangements are fully embedded and operating effectively. Could the Committee consider scheduling a building control compliance review for later in 2026/27, covering areas such as site-change controls, the operations manual, outsourced plan checking, and the consultee reporting process? Additionally, in relation to the BSR, was any of this learning shared across other service areas—for example, environmental health or the waste and recycling contract—and is there further insight to be gained from that?	(Richard Barrett) We can incorporate this into the recommendations, ensuring that the Committee receives further updates on the Building Control Inspection and on how learning from the process is being shared across the Council.

It was unanimously **RESOLVED** that:

(a) the updates set out within the report (A.2) be noted;

(b) following the Building Safety Inspection Review outcomes and actions reported to the meeting of the Audit Committee held on 19 February 2026, the Committee requests that a further update be provided during 2026/27, including whether there have been any opportunities to share any associated learning elsewhere within the Council ;and

(c) the Committee requests Officers to further develop the revised approach to the Assurance and Risk Management Framework, as set out within the report (A.2), with the aim of presenting an updated position for consideration / adoption to the next meeting of the Committee in June 2026.

32. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.3 - AUDIT COMMITTEE WORK PROGRAMME 2026/27

The Committee was presented with its draft work programme covering the period April 2026 to March 2027 which continued to reflect the significant element of regulatory / statutory activity required, along with other associated work, which fell within the responsibilities of the Audit Committee.

It was reported that the Audit Committee had a wide-ranging area of responsibility with statutory and regulatory functions making up a significant element of its work. The

meetings of the Committee were scheduled around a quarterly basis subject to the work required of the Committee to support those statutory and regulatory timescales and deadlines. The Audit Committee's work programme had therefore needed to take account of various demands whilst balancing a number of activities within the planned number of meetings scheduled for the year.

In addition to its statutory and regulatory duties, including consideration of the Statement of Accounts, Corporate Governance and Risk Management, the Committee was also required to review and scrutinise:

- The work and performance of the Internal Audit function
- The outcomes arising from the work of the Council's External Auditor; and
- Progress against audit recommendations and other matters identified by the Committee.

Appendix A to the report (A.3) set out the proposed items as 'core' and 'supplementary', with supplementary items being presented to the Committee as necessary and at appropriate points during the year.

It was noted that other matters, beyond those listed, might need to be brought before the Committee during the year. Given the ongoing statutory and regulatory workload and the range of activities already undertaken, any additional items would need to be considered against the proposed work programme and scheduled appropriately or included in future programmes following consultation with the Chairman of the Committee.

Questions by Members:	Answers:
As we progress through the LGR transition, would it be possible to schedule a dedicated session focused on the LGR framework and our assurance framework readiness?	(Karen Hayes) Yes, we can include that as a supplementary item. If it becomes clear that a separate informal session would be beneficial, we can revisit the need for one and schedule it accordingly.

It was unanimously

RESOLVED that the Audit Committee Work Programme for 2026/27 be approved.

33. EXCLUSION OF PRESS AND PUBLIC

It was moved by Councillor Steady, seconded by Councillor Morrison and;

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of Agenda Item 9 on grounds that it involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A, as amended, of the Act.

34. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - B.1 - RISK BASED VERIFICATION POLICY

RESOLVED that, following the annual review for 2026, the Risk Based Verification Policy, as set out in Appendix A to report B.1, be approved.

The meeting was declared closed at 11.15 am

Chairman

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AUDIT COMMITTE

25 JUNE 2026

REPORT OF DIRECTOR FINANCE & IT

A.1 EXTERNAL AUDITOR'S DRAFT AUDIT PLAN AND STRATEGY FOR THE YEAR ENDING 31 MARCH 2026

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To present for consideration the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026.

EXECUTIVE SUMMARY
• The External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026 is attached, which sets out their planned audit work in respect of informing their opinion on the 2025/26 Financial Statements and the Council's use of resources. • As highlighted within their report, the plan forms an important element of their audit cycle / timetable along with its associated communication with the Council. Their approach continues to recognise the importance of fostering effective communication throughout the audit process with those charged with governance. • The plan is set against a number of key elements, which include materiality and risk along with considering other important issues such as the rebuilding assurance approach and associated risks that remains an on-going matter and 'builds' on previous discussions with the Committee.

RECOMMENDATION(S)
That the Audit Committee considers and notes the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026.

REASON(S) FOR THE RECOMMENDATION(S)
To enable the Committee to consider and confirm their acknowledgment of the External Auditor's Draft Report.

ALTERNATIVE OPTIONS CONSIDERED
Not applicable as the report forms part of the External Auditor's formal reporting responsibilities.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Delivery against priorities, service improvement, best value responsibilities and governance arrangements are improved through external challenge such as from external audit

inspections and reviews.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

The Council is required to ensure there are adequate internal audit / internal control arrangements in place.

The Accounts and Audit Regulations 2015 set out a number of requirements relating to the preparation and publication of the Statement of Accounts along with associated public inspection periods.

The above is complemented by guidance issued by organisations such as the National Audit Office and the Financial Reporting Council as necessary, which are considered during the preparation of financial reports.

The PSAA is specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (Appointing Person) Regulations 2015. For audits of the accounts from 2023/24, the PSAA appointed KPMG as the Council's auditor under the 'opt-in' process that this Council has previously agreed. The current appointing period covers a five year period commencing 2023/24.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Page 22 of the attached sets out a table of the proposed fees payable, with the statutory audit element totalling **£182k,** which can be met from within existing budgets**.** However, as also highlighted within **Page 22** of the attached**,** additional fees are expected to become payable, which will be reviewed as part of the fee variation process in place with the PSAA and alongside the budget and financial performance reports during the year as necessary.

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 associated work of the External Auditor is set out within the attached, with outcomes planned to be presented at a future meeting of the Committee.
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

This report forms an important element of the annual work programme and reporting requirements of the External Auditor.

ASSOCIATED RISKS AND MITIGATION

Not supporting and responding practically and timely to External Audit activity may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

OUTCOME OF CONSULTATION AND ENGAGEMENT

Not Applicable

EQUALITIES
Not directly applicable.
SOCIAL VALUE CONSIDERATIONS
Not directly applicable.
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050
Not directly applicable.
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 directly applicable.
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

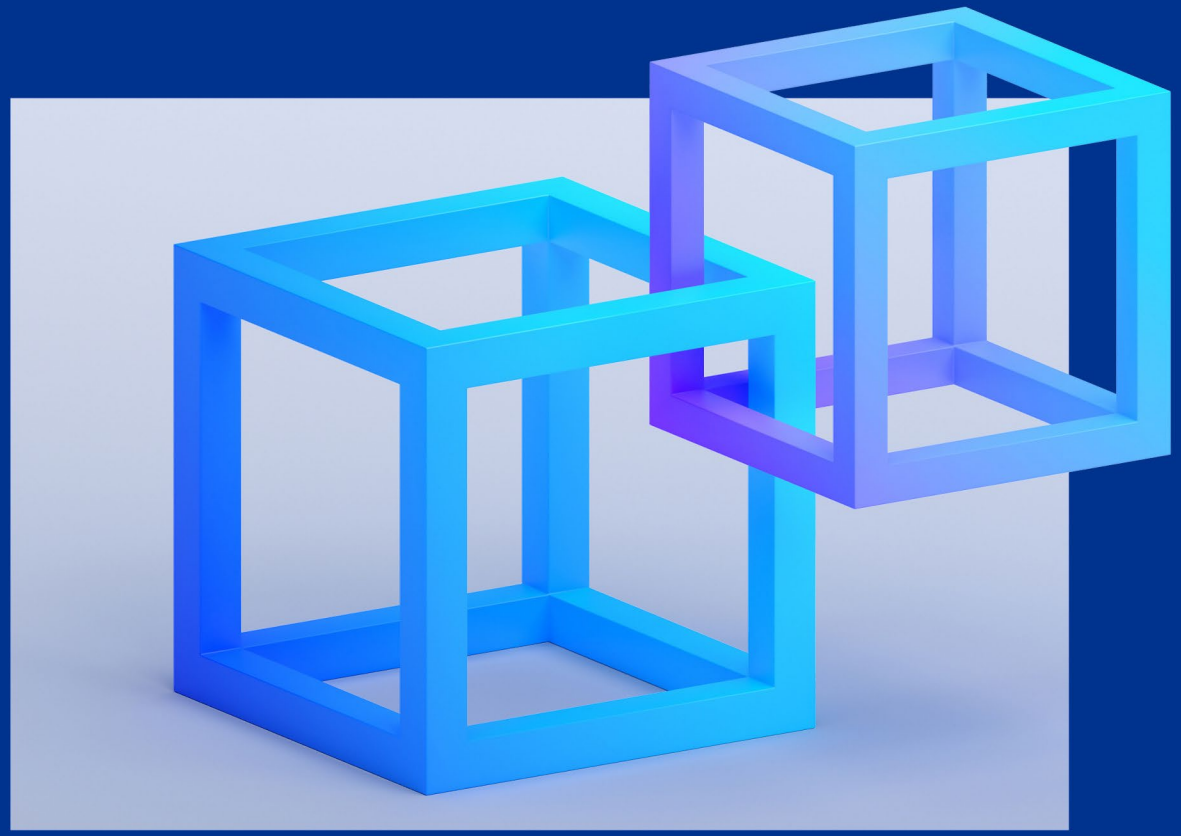
BACKGROUND AND THE EXTERNAL AUDITOR'S DRAFT AUDIT PLAN AND STRATEGY FOR THE YEAR ENDING 31 MARCH 2026.
Shortly after the end of each financial year the Council prepares in accordance with proper practices a Statement of Accounts as statutorily required, which is then subject to external audit before final publication. The current publication deadline for the unaudited accounts for 2025/26 is the end of June 2026. The Audit Plan and Strategy issued by the External Auditor highlights at a summary level, aspects of the work they plan on undertaking and why, areas of focus including where risks are likely to be greater and the background to their required value for money activities. The outcome of the External Auditor's work will be set out in separate reports that will be presented to the Audit Committee at a future meeting, within the proposed timescales associated with the 'backstop' date for the 2025/26 accounts, i.e. 31 January 2027.
PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
Reference Report from the Audit Committee – Appointment of External Auditor for a Five Year Period Commencing 2023/24 – Item A.3 Full Council 15 February 2022
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
Appendix A – External Audit Draft Plan and Strategy for the Year Ending 31 March 2026

REPORT CONTACT OFFICER(S)	
Name	Richard Barrett
Job Title	Corporate Director Finance & IT
Email/Telephone	rbarrett@tendringdc.gov.uk 01255 686521

KPMG

Tendring District Council



DRAFT -Report to the Audit Committee

External Audit plan and strategy for the year ending 31 March 2026

—

25 June 2026

Introduction

To the Audit Committee of Tendring District Council

We are pleased to have the opportunity to meet with you on 25 June 2026 to discuss our audit of the financial statements of Tendring District Council, as at and for the year ending 31 March 2026.

This report provides the Audit Committee with an opportunity to review our planned audit approach and scope for the 2025/26 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and is carried out in compliance with the NAO's 2024 Code of Audit Practice, auditing standards and other professional requirements.

This report outlines our risk assessment and planned audit approach. Our planning activities are still ongoing and we will communicate any significant changes to the planned audit approach subsequently.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

The engagement team

Sarah McKean, is the engagement director on the audit. She has more than 10 years of industry experience.

Sarah shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Jodie Preston with 8 years of experience.

Yours sincerely,

Sarah McKean

Director, KPMG LLP

25 June 2026

Restrictions on distribution

This report is intended solely for the information of those charged with governance of Tendring District Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when :

- An audit is executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well-planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Sarah McKean (Sarah.McKean@kpmg.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process Complaints.

Rebuilding assurance

Background

The Government introduced measures to resolve the legacy local government financial reporting and audit backlog. In 2024, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory back stop date of 28 February 2025 and 27 February 2026 for the 2023/24 and 2024/25 audits, respectively.

Guidance has been developed to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to Local Audit Rest and Recovery Implementation Guidance (LARRIGs) that were published in 2024 by the NAO. Further guidance has now been published by the NAO LARRIG 06 - Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g reserves balances where a disclaimer has been previously issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

For the Council this had the impact of a disclaimer of opinion issued by your predecessor auditor for 2 financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 26 February 2025 to comply with the statutory backstop date as reported to your previously. For the 2024/25 audit we issued a disclaimed opinion on 25 February 2026.

The 2025/26 audit

As part of the 2025/26 audit we are in the process of completing by 31 July 2026 our rebuilding assurance risk assessment which includes :

- Inquiries, with regards to changes to the Council during the disclaimed period.
- Considering the disclaimed period and associated reporting including the statement of accounts, Annual Government Statements, findings from the disclaimed period audits and any findings from the section 151 officer in their assessment that the financial statements present a true and fair view.
- Reconciling the planned movement in reserves from budget setting, in year monitoring and outrun reports and documenting our understanding if planned usage and changes in reserves over the disclaimed period.
- Considering the processes over capital additions/disposals and HRA classification.
- A balance sheet financial statement caption by caption assessment of the movement over the disclaimed period overlayed with findings from other risk assessment procedures to determine the appropriate testing strategy to remove the risk of material misstatement in line with the LARRIGs.

We are in the process of completing this risk assessment and will report separately once we complete the risk assessment. We have also included an appendix (page 21) for those areas where we could not obtain sufficient and appropriate audit evidence during the 2024/25 audit, outlining the key areas for improvement and next steps to facilitate a full audit for next year.

Fees

We note our fees for this work are expected to be in region of £63,000-£75,000

We note our fees are subject to fee assumptions on page 22. We also note our fees will be subject to the PSAA fee variation process and PSAA approval. MHCLG has announced grant funding to support this work.

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the Council's financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of expenditure which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as stability of legislation, lack of shareholders and debt arrangements when determining materiality for the financial statements as a whole.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality £1.84m / 75% of materiality driven by our expectations of normal level of undetected or uncorrected misstatements in the period. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons

We will report misstatements to the audit committee including:

- Corrected and uncorrected audit misstatements above £0.123m.
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually and in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Entity Materiality

Materiality for the financial statements as a whole	**£2.46m** (2025: £1.94m 2% of Expenditure)
Procedures designed to detect individual errors at this level	**£1.84m** (2025: £1.45m 75% of materiality)
Misstatements reported to the audit committee	**£0.123m** (2025: £0.097m)

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

We will maintain communication led by the engagement partner and manager throughout the audit. We set out below the form, timing and general content of our planned communications:

- Kick-off meeting with management in April 2026 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas
- Audit committee meeting in June 2026 where we present our final audit plan
- Status meetings with management regularly where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues
- Closing meeting with management in November 2026 where we discuss the auditor's report and any outstanding deliverables
- Final audit committee meeting where we communicate audit misstatements and significant control deficiencies
- Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

Others	Extent of planned involvement or use of work
Internal Audit	We will perform inquiries with the internal audit team and review the minutes of internal audit meetings to understand if there are any specific risks identified as part of the routine internal audit process. However, we do not intend to use the work of internal auditors, therefore we will not perform any detailed risk assessment procedures.
KPMG Pensions Centre of Excellence	KPMG's internal actuarial specialists will perform an assessment of the year end Pensions valuation
KPMG IRM (IT Specialists)	KPMG's IT Audit Team will assist the engagement team in documenting an understanding of the IT environment and to document ISA315r considerations.

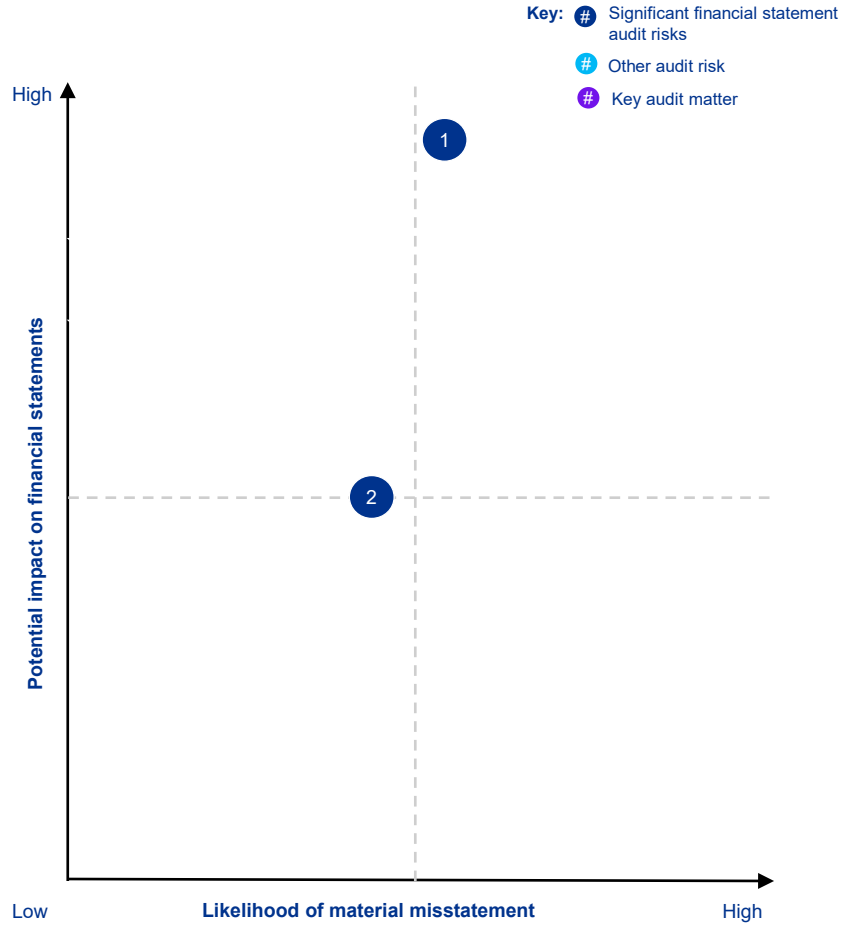
Significant risks, Higher assessed risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the industry and the wider economic environment in which Tendring District Council operates.

We also use our regular meetings with senior management to update our understanding and take input from and internal audit reports.

Due to the current levels of uncertainty there is an increased likelihood of significant risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. Where such items are identified we will amend our audit approach accordingly and communicate this to the Audit Committee.

Significant risks	
1.	Valuation of land and buildings
2.	Valuation of post retirement benefit obligation
3.	Management override of Controls* *pervasive



Value for money

We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and will include a commentary on our view of the appropriateness of the Council's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness.

Audit risks and our audit approach

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value

Significant audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

- A quinquennial revaluation, supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.

The Authority has adopted a quinquennial revaluation, supplemented by annual indexation in intervening years. In 2025/26, the Council will provide updated floor area measurements to their valuer for the revaluation of specific assets. Further, in 2026/27, the Council will instruct a full revaluation all assets as year one of its quinquennial revaluation programme. Land and buildings are valued either at existing use value (EUV) or for specialised assets at Depreciated Replacement cost (DRC) which includes assumptions made by the Valuer for relevant build costs, obsolescence and professional fees costs. There is therefore the risk for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer. We consider the significant audit risk to be over the floor area data of other land and buildings (DRC), particularly as these have not been sufficiently maintained by the Council in the past. We raised a high priority recommendation in the previous year in relation to this.

Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of Wilks Head and Eve, the valuers used in developing the valuation of the Council's properties at 31 March 2026;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

2 Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The actuary will take account of the results of the new Triennial Valuation as at 31 March 2025 for accounting at 31 March 2026. This means re-basing their estimate models to allow for actual experience since 2022, which could result in corrections to the defined benefit obligation and asset valuations this year. It also updates the contributions payable, which could have an impact on the assessment of the asset ceiling applying to the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

Planned response

We will perform the following procedures:

- Understand the processes the Council have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the [Council]'s disclosures in light of the updated information and change of contributions following the completion of the funding valuation, and assess the sensitivity of the deficit or surplus to the assumptions made;
- Where applicable, assess the level of surplus that should be recognised by the entity; and
- Assess the impact of a new triennial valuation model and/or any special events, where applicable.

Audit risks and our audit approach (cont.)

3 Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Planned response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the normal course of business, or are otherwise unusual.
- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- Identify journal entries and other adjustments with characteristics that indicate that they may be inappropriate or unauthorised and therefore may have been used to manipulate the financial statements (which we refer to as 'high-risk journals and other adjustments'), and perform procedures to test the appropriateness of these entries and adjustments.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach

Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting from the manipulation of expenditure recognition is required to be considered. Having considered the risk factors relevant to the Council and the nature of expenditure within the Council, we have determined that a significant risk relating to expenditure recognition is not required.

Specifically, the financial position of the Council, is not indicative of a position that would provide an incentive to manipulate expenditure recognition and the nature of expenditure has not identified any specific risk factors.

Audit risks and our audit approach

Revenue – Rebuttal of Significant Risk

Professional standards require us to presume, unless rebutted, that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

Description of Income	Nature of Income	Rationale for Rebuttal
Council tax	This is the income received from local residents paid in accordance with an annual bill based on the banding of the property concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of properties in the area and the fixed price that is approved annually based on a band D property: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Business rates	Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of businesses in the area and the fixed amount that is approved annually: it is highly unlikely for this balance to be subject to fraudulent financial manipulation.
Fees and charges	Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually.	The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. We do not deem there to be any incentive or opportunity to manipulate the income.
Grant income	Predictable income receipted primarily from central government, including for housing benefits.	Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. There is limited incentive or opportunity to manipulate these figures.

Mandatory communications - additional reporting

Going concern

We will assess the risk relating to management's judgement on the use (or otherwise) of the going concern basis and the adequacy of related disclosures, including any possible material uncertainty. Under NAO guidance, including Practice Note 10 - A local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganization) do not negate the presumption of going concern. However, financial sustainability is a core area of focus for our Value for Money responsibilities.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:

Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily	We have identified issues that we may need to report	Work is completed at a later stage of our audit so we have nothing to report
		

We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

Type	Status	Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date.
Provide a statement to the NAO on your consolidation schedule		This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. Work to be completed at a later stage.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

Mandatory communications

Type	Statements
Management's responsibilities (and, where appropriate, those charged with governance)	Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error. Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.
Auditor's responsibilities	Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Auditor's responsibilities – Fraud	This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit.
Auditor's responsibilities – Other information	Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information.
Independence	Our independence confirmation at page 23 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement partner and audit staff.

KPMG

Tendring District Council

Value for money

Our approach

Year ended 31 March 2026

June 2026

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

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.

Value for money

Approach we take to completing our work to form and report our conclusion:

Process

Understanding the Council's arrangements

- Financial statements planning
- Internal reports, e.g. IA
- Mgmt. Inquiries
- External reports, e.g. regulators
- Assessment of key processes
- Annual report

Evaluation of Council's value for money arrangements

- Targeted follow up of identified value for money significant risks
- Continual update of risk assessment

Value for money conclusion and reporting

- Conclusion whether significant weaknesses exist

Outputs

Risk assessment to Audit Committee

Our risk assessment will provide a summary of the procedures undertaken and our findings against each of the three value for money domains. This will conclude on whether we have identified any significant risks that the Council does not have appropriate arrangements in place to achieve VFM.

Value for money assessment

We will report by exception as to whether we have identified any significant weaknesses in arrangements.

Public commentary

Our draft public commentary will be prepared for the Audit Committee alongside our annual report on the accounts.

Public commentary

The commentary is required to be published alongside the annual report.

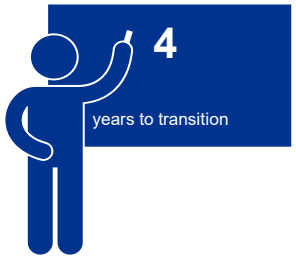
Appendix

Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit director and firm.

	Sarah McKean is the director responsible for our audit. They will lead our audit work, attend the Audit Committee and be responsible for the opinions that we issue.		Jodie Close is the manager responsible for our audit. They will co-ordinate our audit work, attend the Audit Committee and ensure we are co-ordinated across our accounts and VFM work.		Susan Mutesi is the in-charge responsible for our audit for the first year. They will be responsible for our on-site fieldwork. She will complete work on more complex section of the audit.

To comply with professional standard we need to ensure that you appropriately rotate your external audit partner. There are no other members of your team which we will need to consider this requirement for:



This will be director's second year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

DRAFT

Alternative/optional format slides (shopping cart)

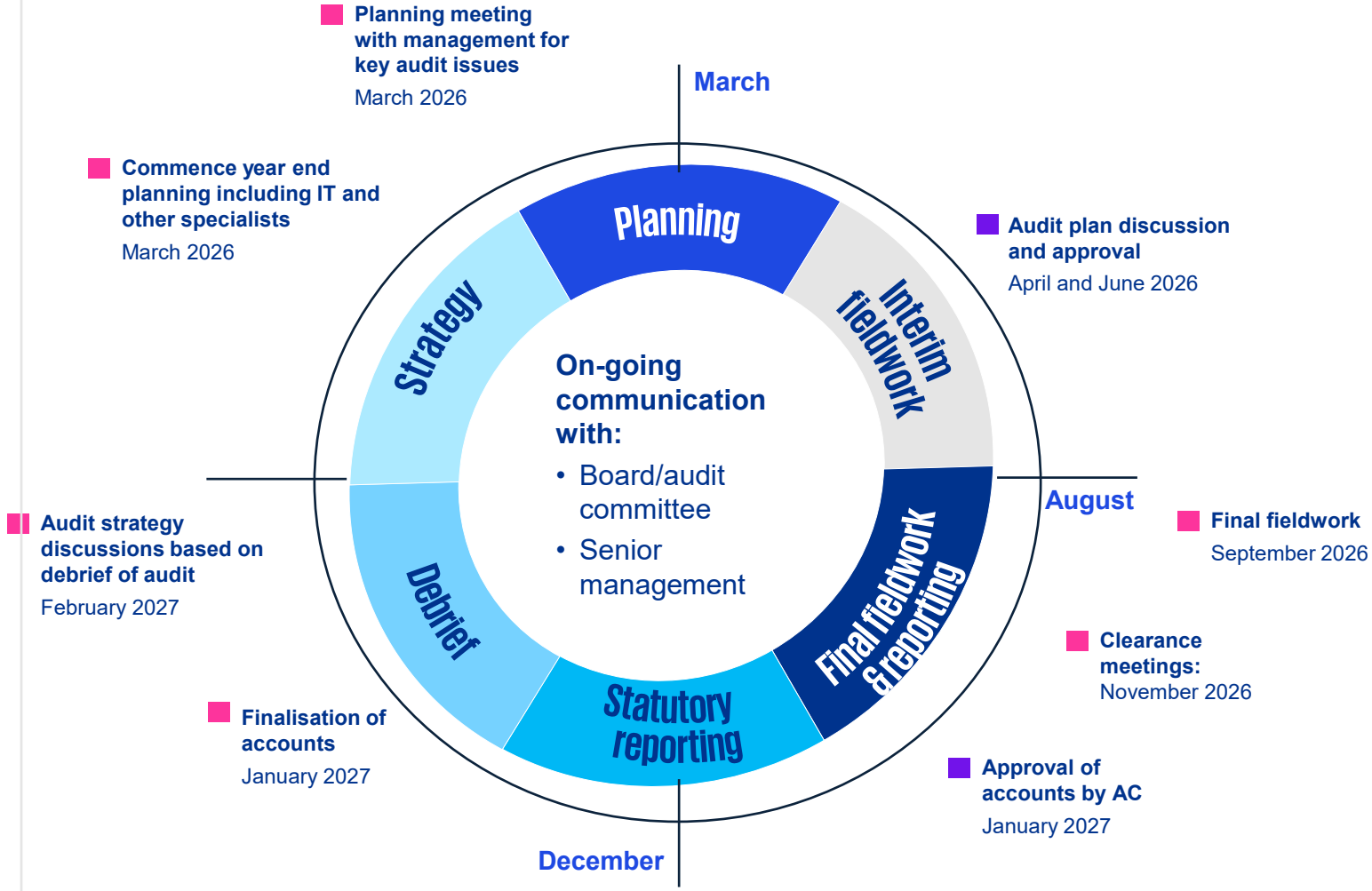
Audit cycle & timetable

Our schedule 2026

Key:
- Timing of AC communications
- Key events

We have worked with management to generate our understanding of the processes and controls in place at the Council in it's preparation of the Statement of Accounts.

We have agreed with management an audit cycle and timetable that reflects our aim to sign our audit report by January 2027, ahead of the backstop date.



Planning meeting with management for key audit issues
March 2026

Commence year end planning including IT and other specialists
March 2026

Audit plan discussion and approval
April and June 2026

Audit strategy discussions based on debrief of audit
February 2027

Final fieldwork
September 2026

Clearance meetings:
November 2026

Finalisation of accounts
January 2027

Approval of accounts by AC
January 2027

Rebuilding assurance: Risk assessments results

LARRIG 06 sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024, specifically its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in LARRIG 05.

Specifically we have completed the following risk assessment procedures:

- Entity and process level risk assessment procedures;
- Review of Statements of Accounts from disclaimed years;
- Review of predecessor's auditors file, where necessary;
- An assessment of the revenue budget setting and monitoring, including reserves, and capital during the disclaimed period; and
- Inquiries, with regards to changes to the Council during the disclaimed period.

The risk assessment has identified risks of material misstatement we need to complete procedures to address the risk of material misstatement. The table below identified the risks of material misstatements, the procedures to address the risks and the likely audit year we will complete the work.

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we have planned the procedures *
1	Property, plant and equipment	• Sample test additions to FAR in the disclaimed period • Sample test the disposals to FAR in the disclaimed period • Sample test movements in the Asset Categories to ensure the classification is fairly stated	2025-26
2	Short and long term creditors (Disabled Facilities Grant)	• Sample test Disabled Facilities Grant opening balances in full (including disclaimed years) back to supporting evidence	2025-26

* This is subject to the Council providing the required information in a timely manner.

Rebuilding assurance - issues from the 2024/25 audit

In the table below we add additional commentary for those areas where we could not obtain sufficient and appropriate audit evidence during the 2024/25 audit, outlining the key areas for improvement and next steps to facilitate a full audit for next year.

#	Item of account	Key drivers of lack of assurance	Recommended next steps
1	Valuation of other land and buildings	The Council do not hold sufficient data on the floor areas of their other land and buildings asset portfolio including up to date floor plans. This has meant we were unable to obtain sufficient audit evidence over the other land and buildings balance.	We recommended that the Council undertake a full review of their asset portfolio and ensure up to date data is held on all asset floor areas.

Fees

Audit fee

The audit fees for the year ended 31 March 2026 are set out below:

	2025/26 (£'000)	*2024/25 (£'000)*
Scale fees as set by PSAA	182	*177*
Agreed PY fee variations***	-	*10.8*
Agreed current year fee variations **	TBC	-
Build back fee variation *	63-75	
TOTAL	**TBC**	*187.8*

* See page 3 for more information on rebuilding assurance

** We note we are expecting fee variations for the following areas in 2025/26 and will advise of the level as work progresses:

*** Fee variations subject to PSAA approval process

- LGPS Triennial valuation (we will be in a position to provide an estimate once this has been considered further.

Fee variations are subject to PSAA approval.

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The entity's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The entity's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.
- There are no VFM significant risks

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit and Risk Committee members

Assessment of our objectivity and independence as auditor of Tendring District Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity except for those detailed below where additional safeguards are in place.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out on the table overleaf.

Confirmation of Independence

Disclosure	Description of scope of services	Principal threats to Independence	Safeguards Applied	Basis of fee	Value of Services Delivered in the year ended 31 March 2026 £	Value of Services Committed but not yet delivered £m
1	Council's Pooling of Housing Capital Receipts Return	Management Self interest	• Standard language on non-assumption of management responsibilities is included in our engagement letter. • The level of fee is not considered to cause a significant self-interest threat	Fixed	5,000	0

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0.03: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2025/26
	£'000
Scale fees	182
Other Assurance Services	5
Total Fees	**187**

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

Sarah McKean

KPMG LLP

DRAFT

How we will Collaborate with KPMG Clara collaboration (KCc)

We have successfully deployed KPMG Clara collaboration for Tendring District Council, bringing online collaboration features to the audit. The initial implementation has been successful, and we will continue to deploy additional features over the coming years.

What is KPMG Clara for Tendring District Council?

- Your gateway into the audit - a dynamic, tailored homepage with real time alerts
- Prepared by management ("PBM") functionality, providing an intuitive user interface for Tendring District Council to securely provide KPMG with the required information and to track the status of KPMG's requests.

Additional features to be deployed through the course of the audit:

- A dedicated and user-friendly space to easily share and collaborate on documents
- Access to the results of our digital audit procedures, through interactive data visualisation and dashboards.

What have we achieved so far?

- KCc approved for use by Tendring District Council
- Access for Tendring District Councilusers setup through single sign-on
- Use of PBM functionality for the audit in prior years and the current year

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

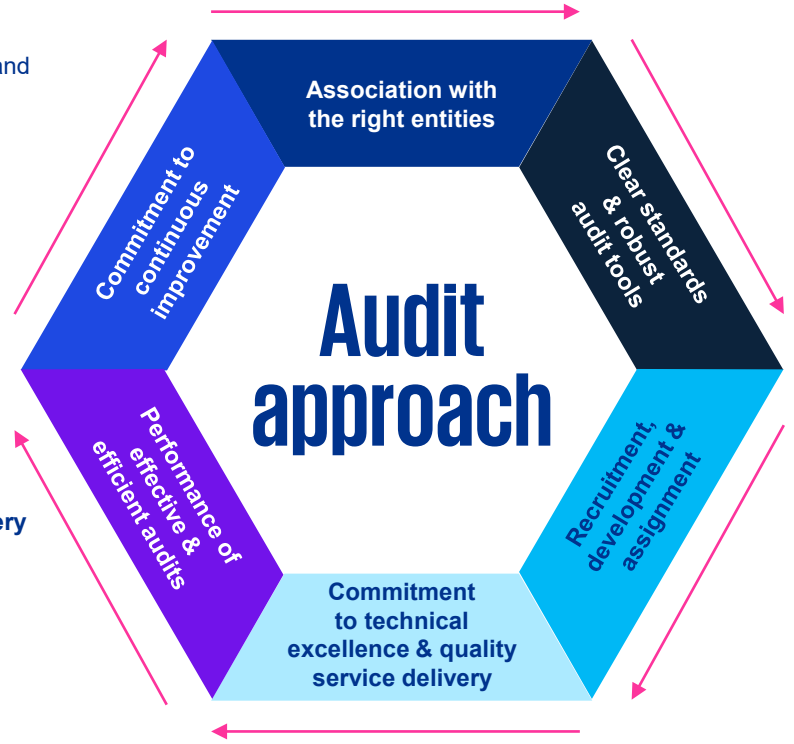
To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

Commitment to continuous improvement
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

Performance of effective & efficient audits
- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

Commitment to technical excellence & quality service delivery
- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights

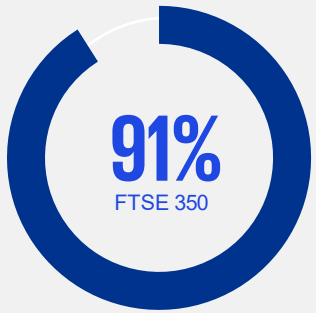


Association with the right entities
- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

Clear standards & robust audit tools
- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

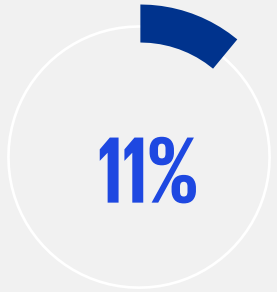
Recruitment, development & assignment of appropriately qualified personnel
- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

2025 AQR results



Percentage of our audits rated ‘good’ or ‘limited improvements required’ by AQR.

KPMG audits rated ‘good’ or ‘limited improvements required’ by QAD.



Proportion of AQR scope audit engagements reviewed.

The FRC published reports on the findings of AQR and QAD 2023/24 inspection of KPMG and the other tier 1 firms (which largely covered years ending between August 2023 and March 2024) on 15 July 2025

Key findings	Our response	Good practice identified
Estimates “Improve the quality and consistency of the audit of estimates in the valuation of investments and provisions.”	A targeted programme to support engagements which have estimates with certain characteristics has been initiated. Alongside this, we continue to invest in our training and culture programmes to reinforce the behaviours expected, including consistent application of a critical thinking mindset and the extent of evidence expected.	At an engagement level areas of good practices were identified including: • Risk assessment and planning including bribery & corruption, climate and provisions; • Audit of provisions; • Audit of impairment • Use of specialists; • Group audit oversight; and • Stand-back assessment. Good practices were identified in various areas at the firm level including identification of SOQM deficiencies, component auditors compliance with the ethical standards, the continued roll out of the Ethics Programme and the development and use of new technology.
Consolidation and other journals “Improve the quality of the audit of consolidation and other journals.”	Enhanced guidance and continuation of a centrally led process designed to challenge the journals approach at an engagement level, together with additional targeted training are helping us to reduce the recurrence of findings in this area.	

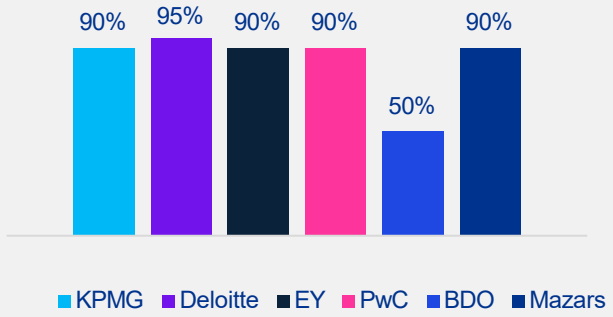
The Audit Quality Review (AQR) team of the Financial Reporting Council (FRC) undertakes independent inspections of the overall quality of the audit work of those UK audit firms that audit listed and other major public interest entities. The AQR inspections involve a number of file reviews at each firm visited. The result of these file reviews are summarised into three main categories as follows:

- Good or limited improvements required;
- Improvements required;
- Significant improvements required

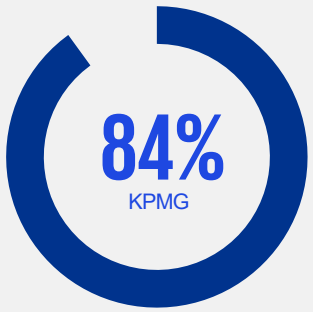
2025 AQR results (cont.)

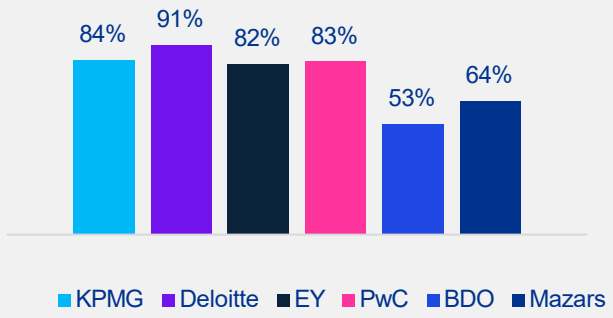
Percentage of all audits reviewed graded Good/Limited improvements required.

2024/25



3-year average

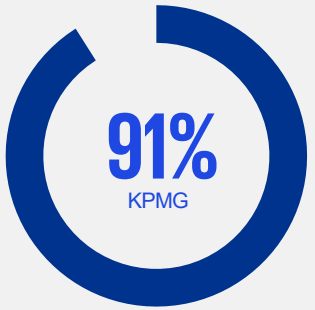


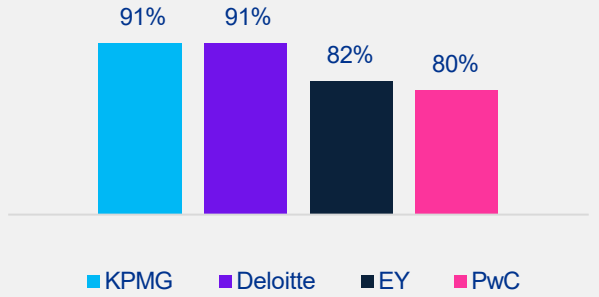


Percentage of all FTSE 350 audits reviewed graded Good/Limited improvements required.

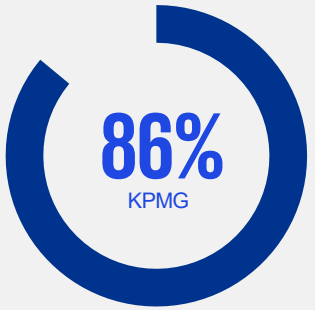
Not disclosed for BDO and Mazars

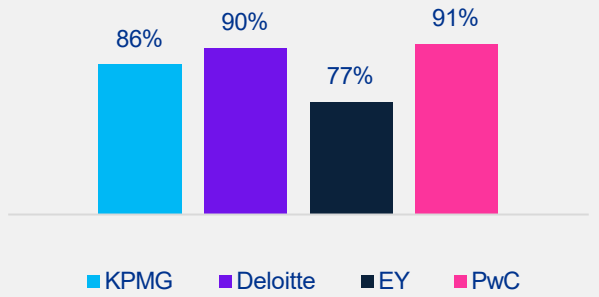
2024/25





3-year average





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AUDIT COMMITTEE

25 JUNE 2026

REPORT OF INTERNAL AUDIT MANAGER

A.2 REPORT ON INTERNAL AUDIT – MARCH 2026 - MAY 2026 AND THE HEAD OF INTERNAL AUDIT ANNUAL REPORT

(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 March 2026 – May 2026 and the Head of Internal Audit Annual Report for 2025/26 as required by the professional standards.

EXECUTIVE SUMMARY

This report is split into three sections with a summary as follows:

1) Internal Audit Plan Progress 2025/26

- A satisfactory level of work has been carried out on the 2025/26 Internal Audit Plan in order for the Internal Audit Manager to provide an opinion in the Annual Head of Internal Audit Report for the 2025/26 financial year.
- Eight audits have been completed since the previous update to the Audit Committee in March 2026. All of which received a satisfactory opinion of adequate or substantial assurance.

2) Head of Internal Audit Annual Report

- The Head of Internal Audit Annual Report concludes that an **unqualified** opinion of **Adequate Assurance** is provided.
- Work carried out throughout the year by the Audit Committee, Senior Management and the Internal Audit Team has continued to be delivered in accordance with the principles of the Global Internal Audit Standards; however, full conformance cannot currently be confirmed until the required External Quality Assessment has been completed.
- **One audit** from a total of **25 completed** received a less than satisfactory opinion of 'Improvement Required'.
- The Internal Audit Team are currently non-compliant with the Global Internal Audit Standards as they are due an External Quality Assessment (EQA) as previously discussed. A self-assessment for 2025/26 was completed and previously reported to the committee. Quotes have now been retrieved for the EQA with the expectation to complete early 2027.

3) Internal Audit Plan Progress 2026/27

- Four audits within the 2026/27 Internal Audit Plan are currently in fieldwork.

RECOMMENDATION(S)

Audit Committee members are requested to note the reports and consider whether a satisfactory level of assurance has been provided regarding the following;

- **The annual opinion statement within this report**
- **The completion of audit work against the 2025/26 Internal Audit Plan and progress against the 2026/27 Internal Audit Plan; and**
- **Any significant audit findings provided**

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 25th June 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 RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

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 2050

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 Accounts and Audit Regulations 2015 (England) state that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance". In respect of the Internal Audit Plan the Global Internal Audit Standards require the Chief Audit Executive (Head of Internal Audit) to: - • Establish a risk based Internal Audit Plan, at least annually, to determine the priorities of the Internal Audit function, consistent with the Council's goals. • Has in place a mechanism to review and adjust the plan, as necessary, in response to changes to the Council's business, risks, operations, programmes, systems and controls. • Produces a plan that takes into account the need to produce an annual Internal Audit opinion. • Considers the input of senior management and the Audit Committee in producing the plan. • Assesses the Internal Audit resource requirements. *The term chief audit executive is used to ensure consistency with the GIAS, although the term is rarely used in local government. Each authority should be clear which individual fulfils these responsibilities, regardless of actual job title. In practice the chief audit executive may delegate appropriate responsibilities to other qualified professionals in the internal audit function but retains ultimate accountability.*
PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
N/A
INTERNAL AUDIT PROGRESS 2025/26
A satisfactory level of work has been completed against the 2025/26 Internal Audit Plan to enable the Internal Audit Manager to provide the annual Head of Internal Audit opinion for the financial year. The plan has continued to be delivered on a risk-based and flexible basis, with work prioritised to reflect the Council's key risks, changes in service priorities and available resources.

Since the previous update to the Audit Committee, eight audits have been completed. All eight received a satisfactory level of assurance, being either Adequate or Substantial Assurance. This provides positive assurance that appropriate governance, risk management and internal control arrangements are generally operating effectively across the areas reviewed. The audits completed this period are;

- Payroll
- Housing Regulations Implementation Plan
- Health and Safety
- Housing Repairs and Maintenance
- Use of AI
- Procurement
- Planning Policy
- IT Governance

Work has continued across the 2025/26 plan, including core assurance reviews, consultancy support, follow-up work and advice on internal control, risk management and governance arrangements. The Internal Audit Team has also continued to monitor outstanding agreed actions and work with services to confirm that improvements are implemented in a timely and proportionate way.

The Internal Audit Manager continues to oversee the Internal Audit, Counter-Fraud and Compliance functions, with GDPR responsibilities also sitting within the wider remit. Work undertaken across these areas contributes to the overall assurance picture, although any audit work requiring independent review of those areas will be considered carefully to preserve the independence and objectivity of the Internal Audit function.

Quality Assurance – The Internal Audit function continues to issue satisfaction surveys following completed audit reviews. Feedback is monitored as part of the Quality Assurance and Improvement Programme and no matters have been identified that would materially affect the annual opinion for 2025/26.

Resourcing

Internal Audit continues to operate within the approved staffing establishment, with access to a third-party provider for specialist audit days where required. Recruitment and retention remain key risks to delivery and are kept under regular review. The Audit Committee and Senior Management will continue to be advised of any resourcing issues that may impact delivery of the Internal Audit Plan or the ability to provide the annual opinion.

Outcomes of Internal Audit Work
The Global Internal Audit Standards require the Internal Audit Manager to report to the Audit Committee on significant risk exposures, control issues and the results of internal audit work. The audits completed during the year, together with wider assurance activity and follow-up work, have been considered when forming the annual opinion.

Assurance	Colour	Number this Period	Total for 2025/26 Plan	
Substantial		3	13	
Adequate		5	11	
Improvement Required		0	1	
Significant Improvement Required		0	0	
No Opinion Required		0	1	

For the purpose of the colour coding approach, both 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' or 'Significant Improvement Required' opinion and requiring reporting to Committee are:

- No significant issues were identified during this period.

Management Response to Internal Audit Findings – Processes remain in place to track agreed management actions arising from Internal Audit reports and to seek assurance that appropriate corrective action has been taken. Follow-up work is undertaken where appropriate, with significant or long overdue actions reported to the Audit Committee.

The number of high severity issues outstanding was as follows:

Status	Number	Comments
Overdue more than 3 months	1	
Overdue less than 3 months	0	
Not yet due	1	

Update on previous significant issues reported

Previous significant issues and long-term actions are included within the action tracking report appended to this report. Progress will continue to be monitored and reported to the Audit Committee as part of the established follow-up arrangements.

ANNUAL AUDIT REPORT OF INTERNAL AUDIT MANAGER

Introduction and Purpose of the Annual Report

The Council is required by the Accounts and Audit Regulations 2015 to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Global Internal Audit Standards (GIAS).

CIPFA has developed the Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit.

The Code is designed to work alongside new Global Internal Audit Standards (GIAS) and replaces the organisational responsibilities set out in the Statement on the role of the head of internal audit (CIPFA, 2019). It is aimed at those responsible for ensuring effective governance arrangements for internal audit:

- The body or individual charged with governance – this includes the police and crime commissioner and chief constable (corporations sole) in policing or full body of the authority.
- The audit committee, the primary committee that may hold some delegated responsibilities towards internal audit.
- Senior management of the authority, including the statutory officers, head of paid service, monitoring officer and section 151/section 95 officer that hold responsibilities for governance.

It applies to all authorities applying Global Internal Audit Standards in the UK Public Sector and that are within the scope of the statutory regulations on internal audit.

The GIAS state that a professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The role of the Head of Internal Audit (Internal Audit Manager), in accordance with the GIAS, is to provide an opinion based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's governance, risk management, and control processes.

All guidance from the Chartered Institute of Public Finance and Accountancy is also considered in line with the Accounts and Audit Regulations and the GIAS when delivering a Head of Internal Audit annual opinion.

As set out in the Global Internal Audit Standards (GIAS) there is a requirement that the Chief Audit Executive must provide an annual report to the Audit Committee, timed to support the Annual Governance Statement. This must include:

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment);
- A summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies); and
- A statement on conformance with the GIAS and the results of the internal audit Quality Assurance and Improvement Programme.

The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council must ensure that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

To ensure a robust framework for managing risk and accountability, the Council employs a 'Three Lines of Defence' assurance model, structured as follows:

Senior Management and Departmental Leadership: The first line of defence lies with operational management, which holds direct responsibility for identifying, assessing, and mitigating risks within their areas of control.

Internal Governance: Acting as the second line of defence, internal governance includes oversight activities from various control departments such as Statutory Officers, Corporate Oversight Functions, IT Security, Data Protection, and Quality Control. This layer supports operational management by implementing effective risk practices and ensuring reliable risk-related communication flows across the organisation.

Internal Audit: As the third line of defence, the internal audit function, mandated under the Accounts and Audit Regulations 2015, provides an independent evaluation of the Council's risk management, governance, and control processes. This ensures compliance with established public sector auditing standards and guidance.

Requirement for an Overall Assurance Conclusion

The Global Internal Audit Standards require the Chief Audit Executive (Head of Internal Audit) to communicate the results of internal audit services to the board and senior management. In the Council's governance structure, the Audit Committee fulfils the relevant board role for oversight of Internal Audit.

Where an organisation-wide conclusion is provided, the Standards require the conclusion to reflect professional judgement and to be supported by relevant, reliable and sufficient information.

Criteria Used as the Basis for the Annual Opinion

The annual opinion has been formed by assessing the Council's governance, risk management and internal control arrangements against the following criteria:

- the Accounts and Audit Regulations 2015;
- the Global Internal Audit Standards in the UK Public Sector;
- the Council's Constitution, policies, procedures and established governance framework;
- the Internal Audit Charter, Internal Audit Strategy and risk-based Internal Audit Plan;
- the Council's strategic objectives, corporate risks and Annual Governance Statement process;
- the Council's arrangements for financial management, compliance, safeguarding of assets, information governance and ethical conduct; and

- Internal Audit's assurance framework, including the Council's assurance ratings, audit methodology, reporting arrangements and action tracking process.

Scope and Period Covered by the Opinion

The opinion covers the period 1 April 2025 to 31 March 2026. It relates to the Council's overall framework of governance, risk management and internal control during that period.

The opinion is based on internal audit work completed during the year, the outcomes of follow-up work, wider assurance activity, and relevant information available at the time this report was prepared. It does not provide assurance over every system, service, risk or control within the Council and should therefore be considered alongside other sources of assurance available to the Audit Committee and senior management.

Summary of Information Supporting the Opinion

A satisfactory level of work has been completed against the 2025/26 Internal Audit Plan to support the annual opinion. The plan was delivered on a risk-based and flexible basis and was kept under review to ensure that resources were directed to areas where assurance, advice or insight would provide the greatest value.

The work undertaken included reviews of key financial systems, governance arrangements, operational service areas, IT-related controls, follow-up activity, consultancy support, counter-fraud and compliance activity, and advice on internal control, risk management and governance matters.

During 2025/26, the assurance outcomes reported for the year show that 13 reviews received Substantial Assurance, 11 received Adequate Assurance, two received Improvement Required and none received Significant Improvement Required. This demonstrates that, across the majority of areas reviewed, governance, risk management and internal control arrangements were generally operating effectively and within acceptable tolerances.

Themes, Significant Issues and Follow-Up

The results of audit work have been considered collectively to identify significant themes, root causes or systemic issues. The work completed during the year has not identified any extensive or systemic control failure that would require a qualified annual opinion. However, individual areas for improvement have been identified and reported through audit reports during the year.

Where weaknesses were identified, management actions were agreed with responsible officers. Progress against agreed actions is monitored through the established action tracking process. The status of actions is reported to the Audit Committee, and significant or long overdue actions are escalated where appropriate.

Where management does not progress agreed actions in accordance with expected timescales, Internal Audit obtains an explanation and considers whether the remaining risk may exceed the Council's tolerance. Where necessary, such matters are escalated to senior management and the Audit Committee in line with the Standards.

The main themes from the work completed for 2025/26 are;

- Core finance, governance and statutory processing controls are generally strong.
- The principal material risks this year identified from audit activity is debt recovery, lack of capacity and backlog management.
- Many “Adequate” opinions are being driven by monitoring and system-maturity issues, not wholesale control failure.
- Documentation, policy upkeep, formal sign-off and central records remain recurring governance themes.

Positive improvement stories should be recognised as well as weaknesses. Huge improvements have been made across the Council which is reflected in the fact that only one area received and ‘Improvement Required’ opinion. Direction of travel with internal control has improved or been maintained broadly and services have engaged and embraced improvement actions generally.

Reliance on Other Assurance Providers

In forming the annual opinion, Internal Audit has considered relevant assurance from other sources where appropriate. This includes management assurance, corporate risk reporting, the Annual Governance Statement process, external audit activity, counter-fraud and compliance work, information governance activity and other relevant internal control information available during the year.

Reliance has only been placed on such sources where the information was considered relevant to the annual opinion and where it was reasonable to do so. The Internal Audit Manager remains responsible for the annual opinion provided in this report.

Governance, Risk Management and Internal Control

The Council’s governance, risk management and internal control arrangements have been considered through the delivery of the Internal Audit Plan and wider assurance activity. Overall, the Council continues to operate a generally sound system of governance, risk management and internal control. There remains an appropriate framework for decision-making, management oversight, risk reporting and accountability, supported by the work of the Audit Committee, senior management and statutory officers.

The work completed during the year has not identified any extensive or systemic control failure that would require a qualified annual opinion. However, individual areas for improvement have been identified and reported during the year.

The Council continues to face a challenging operating environment, including financial pressures, changing service demands, increased expectations around governance and transparency, technological change, and the future implications of devolution and Local Government Reorganisation. These issues reinforce the need for a flexible, risk-based and forward-looking Internal Audit approach.

Independence, Objectivity and Safeguards

The Internal Audit function has continued to operate independently and objectively during 2025/26. The Internal Audit Manager has direct access to senior management and the Audit Committee, and Internal Audit activity is reported periodically to support effective oversight.

The Internal Audit Manager also has responsibility for Counter-Fraud, Compliance and Information Governance. These areas provide useful assurance and intelligence on the Council's wider control environment. Where audit work is required in areas for which the Internal Audit Manager has operational responsibility, appropriate safeguards will be applied to preserve independence and objectivity, including the use of external or independent review arrangements where necessary.

No matters have been identified during 2025/26 that have materially impaired the independence or objectivity of the annual opinion.

Resources, Competency and Delivery

Internal Audit operated within the approved staffing establishment during the year, with access to specialist third-party support where required. The resources available were sufficient to allow the Internal Audit Manager to provide an annual opinion for 2025/26.

The Internal Audit function continues to consider the knowledge, skills and experience required to deliver the plan, including the use of specialist support where necessary. Professional development, supervision, review of audit work and quality assurance arrangements are used to support the competence, consistency and reliability of audit work.

Recruitment and retention remain key risks to the continued delivery of the Internal Audit Plan and will continue to be monitored and reported to the Audit Committee where they may affect delivery or assurance coverage.

Quality Assurance and Conformance with the Global Internal Audit Standards

The Internal Audit function maintains a Quality Assurance and Improvement Programme to support continuous improvement and to assess conformance with the Global Internal Audit Standards. This includes ongoing supervision of audit work, review of completed assignments, monitoring of performance, feedback from audit clients, and periodic reporting to the Audit Committee.

Internal Audit work has continued to be delivered in accordance with the principles of the Global Internal Audit Standards. A self-assessment against the Standards has been completed and previously reported to the Audit Committee. However, full conformance cannot currently be confirmed because an External Quality Assessment is due. Quotes have now been obtained, with the expectation that the External Quality Assessment will be completed in early 2027.

This represents a known non-conformance with the Standards in respect of the requirement for external quality assessment. The matter has been disclosed to the Audit Committee and will continue to be reported until resolved. It does not affect the ability of the Internal Audit Manager to provide an annual opinion for 2025/26, as the opinion is based on the audit work completed, the assurance available and the professional judgement of the Internal Audit Manager.

Limitations to the Annual Opinion

There were no scope or resource limitations that prevented the Internal Audit Manager from providing an annual opinion for 2025/26. The opinion is based on the work completed during the year and the wider assurance information available at the time of reporting. Although the Elections audit was deferred and not completed in year this was not significant enough to impact the overall assurance opinion.

As with all internal audit opinions, assurance is reasonable and not absolute. Internal Audit has not reviewed every risk, system or control within the Council and cannot guarantee that all weaknesses, fraud or irregularity have been identified. Responsibility for designing, operating and maintaining effective governance, risk management and internal control arrangements remains with management.

The Head of Internal Audit Annual Opinion 2025/26

Based on the work completed during 2025/26, the assurances obtained from wider assurance activity, the results of follow-up work, ongoing engagement with senior management and the Audit Committee, it is the opinion of the Internal Audit Manager that the Council has maintained a generally sound framework of governance, risk management and internal control during the year.

No significant or systemic control weaknesses have been identified that would require qualification of the annual opinion. Areas requiring improvement have been reported during the year and are subject to agreed management actions and follow-up monitoring.

After considering all of the above, an overall unqualified opinion of **'Adequate Assurance'** is provided for the 2025/26 financial year.

This opinion should be considered alongside the wider Annual Governance Statement process. It provides one source of assurance to support the Council's statutory assessment of the effectiveness of its governance arrangements, but it does not remove the responsibility of management to maintain effective controls, manage risks and ensure continuous improvement.

The above report will also inform the Council's Annual Governance Statement as part of its statutory governance responsibilities.

INTERNAL AUDIT PROGRESS 2026/27

At this early stage of the financial year, none of the audits from the 2026/27 Internal Audit Plan have yet been finalised. Four audits are currently progressing through the fieldwork phase.

The Internal Audit Team have been monitoring outstanding actions and working hard to ensure that services work with us to confirm that agreed actions are completed in a timely manner.

Work has begun in areas such as Housing Rents, Waste and Recycling, Seafront Management and Risk Management.

There are no significant issues or particular areas of concern to report at this time.

APPENDICES
Appendix A – Internal Audit Progress Report 2025/26 *Appendix B – Action Tracking Report* *Appendix C - 2026-27 Internal Audit Plan Progress Report*

REPORT CONTACT OFFICER(S)	
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Tendring District Council Internal Audit			
2025/26 Internal Audit Plan Progress Report			
Audit Title	**Status June 2026**	**Audit Scope Summary**	**Audit Opinion**
Key Systems / Key Financial Risk Areas			
Procurement	**Complete**	**To review the Councils compliance with procurement rules for works or services of value which require a tender exercise**	**Substantial Assurance**
Housing Benefits	Complete	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	Substantial Assurance
National Non Domestic Rates	Complete	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	Substantial Assurance
Main Accounting System Budgetary Control	Complete	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	Substantial Assurance
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	Complete	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.	Improvement Required

Payroll	**Complete**	**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.**	**Adequate Assurance**
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	Complete	To review the internal controls and processes relating to the Councils Accounts Receivable system and provide assurance that all processes are managed appropriately.	Substantial Assurance
Accounts Payable	Complete	To review the internal controls and processes relating to the Councils Accounts Payable system and provide assurance that all processes are managed appropriately.	Adequate Assurance
Health and Safety	**Complete**	**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.**	**Adequate Assurance**
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 (Relates to previous year)
Planning Policy & Local Plan	**Complete**	**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.**	**Substantial Assurance**

Electoral Services	Deferred	To review processes and procedures in place regarding the electoral process. The scope will particularly review the processes proposed for the upcoming Elections.	Deferred
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	**Complete**	**To support the service in implementing any new requirements from the bill and to help reinforce any processes that should already be in place**	**Adequate Assurance**
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	N/A	To provide support and advice during all projects / initiatives related to the Levelling Up Fund.	Consultative
Housing Repairs and Maintenance (Follow Up)	**Complete**	**To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works**	**Adequate Assurance**

Financial Resilience and Sustainability	N/A	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	**Complete**	**PSIAS expectation that this will be covered each year**	**Substantial Assurance**
Cyber Security	Complete	IT continues to be one of the biggest risk areas to all organisations. Governance arrangements and project delivery to be within scope	Substantial Assurance
Use of Artificial Intelligence	**Complete**	**To review corporate policies on the use of AI in the workplace and assess the risks the Council may face as the technology improves.**	**Adequate Assurance**

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. In the long term, a full tender process for the Housing Responsive Repairs contract to be carried out , 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.
Council Tax	Lack of Recovery Action	Day to day management of short term recovery activities is undertaken effectively, however, the level of debt at the enforcement stage remains high and continues to rise year on year. Analysis shows that Council Tax arrears equated to 16.2% of the total collectable Council Tax balance at the end of 2024/25. Debt referred to enforcement agents has increased substantially, rising from £1.7 million in August 2022 to £13 million by November 2025. This now represents approximately 64% of all outstanding Council Tax liability. A further 10% of the outstanding liability relates to cases that have been returned by enforcement agents, indicating a significant backlog within the enforcement process.	A two year plan is to be developed to tackle the increase in overall Council Tax debt. The debt is made up of historic debts from the covid pandemic, some incorrect data records, reduction in capacity within the team and lower collection rates from the bailiffs. The plan will include a review of the bailiff service, increased capacity within the recovery team and support from the Compliance Team to review some of the old debts to determine legitimacy e.g. still the relevant tenant / owner. This will help reduce the overall Council Tax debt and ensure that Council Tax liabilities are at an acceptable level during Local Government Re-organisation.	Major	01/09/2026	The service have already started to look at bailiff arrangements and the introduction of text reminders to better support the recovery process. The Revenues Team have been working with the Fraud and Compliance Team, visiting households and offering support where possible.	Internal Audit are satisfied with the work that has progressed so far within the two year action plan. The service are actively taking various steps to support the public in payment of old Council Tax debts accumulated during and after COVID. Support is promoted and provided where possible. The Service have committed to undertake a number of other key activities, which are either underway or planned over the reminder of the year, that include: •increasing capacity within the Recovery Team and Legal Services •exploring further engagement opportunities with households •remaining alert to and exploring new 'tools' that are expected to become available from the HMRC regarding the sharing of date to support debt recovery activities undertaken by Local Authorities.

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Tendring District Council Internal Audit			
2026/27 Internal Audit Plan Progress Report			
Audit Title	**Status June 2026**	**Audit Scope Summary**	**Audit Opinion**
Key Systems / Key Financial Risk Areas			
Procurement	Unallocated	To review the Council's ordering arrangements to ensure purchases are properly authorised, compliant with procurement rules and financial procedures, supported by approved budgets, and subject to controls that prevent retrospective or off-contract spend.	To be confirmed
Housing Benefits	Unallocated	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	Unallocated	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	Unallocated	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	Unallocated	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.	To be confirmed
Council Tax	Unallocated	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	Unallocated	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	Unallocated	A full review of the internal controls and procedures relating to investing Council monies as well as short and long term borrowing	To be confirmed
Accounts Receivable	Unallocated	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	Unallocated	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	Unallocated	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			
Capital Programme	Unallocated	To review the Council's capital programme governance, including project approval, monitoring, budget control, funding arrangements and reporting, to ensure schemes are managed effectively and support corporate priorities.	To be confirmed
Housing Repairs and Maintenance	Unallocated	To assess the internal control environment for reactive and planned housing repairs and maintenance, including works undertaken by the in-house team and external contractors, to ensure repairs are prioritised, monitored and completed appropriately.	To be confirmed
Contract Management	Unallocated	To review the Council's contract management arrangements, including contract registers, monitoring, compliance with procurement requirements, performance management and arrangements for timely retendering, extension or exemption where appropriate.	To be confirmed

Housing Rents	Fieldwork	To review the controls in place for housing rent setting, billing, collection, arrears management and account adjustments, ensuring rent income is accurately recorded, appropriately recovered and managed in line with relevant policies and legislation.	To be confirmed
Depot Operations	Unallocated	To review processes and controls within the Council's depot operations, including asset management, stock control, security, health and safety arrangements, allocation of work and management oversight to ensure operations are effective and appropriately controlled.	To be confirmed
Environmental Services	Unallocated	To review processes and controls within selected areas of Environmental Services, including compliance with relevant legislation, case management, inspection activity, performance monitoring and management oversight.	To be confirmed
Waste and Recycling	Fieldwork	To review the effectiveness of waste and recycling arrangements, including contract management, service monitoring, performance reporting, customer feedback and compliance with relevant service standards and statutory requirements.	To be confirmed
Building Control	Unallocated	To evaluate the effectiveness of Building Control governance, risk management and operational procedures, including application administration, inspection regimes, fee collection and compliance with relevant building control legislation and regulations.	To be confirmed
Housing Regulations Implementation Plan – Follow Up	Unallocated	To follow up progress against the Housing Regulations Implementation Plan, supporting the service in implementing new requirements and reinforcing existing processes to ensure compliance, accountability and effective monitoring.	To be confirmed
Risk Management	Fieldwork	To review the Council's risk management framework, including risk identification, assessment, reporting, escalation and monitoring arrangements, to ensure risks are managed consistently and support informed decision-making.	To be confirmed
Service Planning	Unallocated	To review departmental service planning arrangements to ensure plans are clear, realistic, aligned to corporate priorities, supported by appropriate performance measures and capable of supporting future organisational change.	To be confirmed

Seafront Management	Fieldwork	To review the Council's seafront management arrangements, including governance, asset management, maintenance and health and safety to ensure the seafront is managed effectively and supports wider corporate and community objectives.	To be confirmed
Local Government Re-organisation (LGR)	Unallocated	To provide assurance, advice and support in relation to Local Government Re-organisation, including governance, risk management, decision-making, programme controls and readiness arrangements as further details emerge.	To be confirmed
IT Audit			
Cloud Management	Unallocated	To review cloud management arrangements, including governance, security, access controls, supplier management, cost monitoring, resilience and compliance with relevant policies to ensure cloud services are controlled and appropriately managed.	To be confirmed
IT Governance	Unallocated	To review the Council's IT governance arrangements, including strategic oversight, policies, roles and responsibilities, risk management and performance monitoring, to ensure IT services are effectively managed and aligned to corporate priorities.	To be confirmed
IT Disaster Recovery	Unallocated	To review IT disaster recovery arrangements, including recovery plans, backup processes, testing, roles and responsibilities, communication arrangements and alignment with business continuity requirements.	To be confirmed

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 COMMITTEE

25 JUNE 2026

REPORT OF CORPORATE DIRECTOR FINANCE & IT

A.3 CORPORATE APPROACH TO RISK MANAGEMENT INCLUDING CURRENT RISK REGISTER

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present for consideration a proposed revised approach to the Council's Corporate Risk Register as part of its wider assurance framework, along with providing a timely update against the existing Risk Register.

EXECUTIVE SUMMARY

- Following associated training, facilitated 'workshops', and previous updates presented to the Committee, a revised approach to the Council's Corporate Risk Register has been developed, which is attached as **Appendix C.**

- Although key considerations behind the revised approach proposed are set out in more detail further on in this report, a high level summary is set out as follows:

  - As set out within **Appendix C**, the context of the proposed revised approach is based on it forming a key element of the Council's wider assurance 'framework', with updates aiming to provide a more coherent linkage to other relevant elements and activities that already operate elsewhere within the Council.

  - As highlighted in previous updates, the approach is therefore based on a 'hybrid' style that aims to maintain a more traditional risk register but as part of an assurance / governance 'foundation', which can be reviewed on an on-going basis and therefore further revised and adjusted as necessary as part of its practical implementation and embedding over the short to medium term.

- Although subject to the Committee's consideration of the current position and associated proposals, it is proposed to further develop the revised approach with the aim of finalising the position for presenting to the Committee's meeting in September. Although this is later than planned, it is recognised and acknowledged that such an approach maximises the opportunity for Members and Officers to further contribute to and support this key activity, that in turn will form an important element of the Council's wider assurance 'framework' going forward.

- Notwithstanding the above, it remains important to provide updates to the Committee in terms of the Council's existing Corporate Risk Register. For completeness, the existing register as last reported to the Committee in January 2025, is attached as **Appendix A**.

- It is important to highlight that although the full register has not been presented to the Committee since the date mentioned above, important and relevant updates have been provided to the Committee during 2025/26, with extracts from associated reports set out

within **Appendix B.**

- In terms of the latest position against the current register, a high-level summary is set out in the main section of this report below – there are no major issues to raise at the present time and existing risks will be subject to a 'mapping' exercise as part of developing the revised Risk Register approach to ensure an appropriate level of continuity and assurance to members.

RECOMMENDATION(S)

It is recommended that the Committee:

a) Considers the existing Corporate Risk Register and associated updates set out within this report; and

b) considers the proposed revised approach to the Corporate Risk Register as part of a wider assurance framework and determines its proposals with the aim of presenting a final position to the September meeting of the Committee.

REASON(S) FOR THE RECOMMENDATION(S)

To provide timely updates in terms of the existing Corporate Risk Register along with the development of proposals that aim to strengthen the Council's approach within a wider assurance 'framework'.

ALTERNATIVE OPTIONS CONSIDERED

The option to maintain the Council's existing approach would be the 'default' position, but based on previous discussions and supported by associated training and facilitated sessions, it is acknowledged that a revised approach is both timely and relevant as part of the Council's broader and on-going governance reviews as well as reflecting on a strengthened approach that can potentially form part of the considerations associated with the development of LGR proposals over the next two years.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Risk assessment, monitoring and control forms a central 'tool' for managing the strategic risks that may prevent the Council from effectively managing and achieving a number of important elements of the Council's functions, such as corporate priorities and outcomes. Further associated details are set out later on in this report.

It is also important to acknowledge that the approach and actions set out in this report run alongside / complement the Annual Governance Statement and associated processes.

In addition to the timeliness of the proposed changes highlighted within this report, the proposals are set against the context of the Council's recently adopted two-year plan, that brings together a number of key activities, such as budget setting, priorities and obligations to the new Unitary Council. The proposed risk register approach therefore forms an important element of this wider view.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Although local authorities may not be legally required to maintain a specific "corporate risk register," they are required by legislation and regulation to have effective arrangements for managing risk and maintaining internal control. In practice, a corporate risk register forms part of the Council's wider governance activities that together effectively helps address these requirements. It also supports compliance with the CIPFA/SOLACE governance framework, underpins the Annual Governance Statement, and is expected by internal and external auditors as part of demonstrating robust governance, risk management, and value-for-money arrangements.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

There are no direct implications at this stage but there may be actions and activities that are required to support / address the identified key strategic risks. These will therefore need to be considered on an individual basis as part of the Council's existing financial and budget setting framework as necessary.

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;	These form an important element of the revised approach and the strategic risks that need to be considered and reflected in more detail within the register and framework itself as part of its on-going development.
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 existing Corporate Risk register is reported to the Audit Committee on a 6 monthly basis as set out within its annual work programme. Updates have been reported to the Committee in accordance with this timetable during 2025/26, with the intention to present a finalised revised approach to the Corporate Risk Register to the Audit Committee in September, that can then form the basis of the position going forwards.

ASSOCIATED RISKS AND MITIGATION

These are set out elsewhere within this report as they form an inherent element of the existing and proposed revised approach.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The development of the proposed revised approach has been subject to review with relevant internal stakeholders, which will continue as part of its on-going development.

EQUALITIES

There are currently no direct implications.

SOCIAL VALUE CONSIDERATIONS	
There are currently no direct implications.	
IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION	
Relevant related comments have been provided earlier within the alternative options section above.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
There are currently no direct implications.	
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 AND CURRENT POSITION

In reflecting previous commitments, this report is split into two distinct sections as follows:

1) Sets out the existing Corporate Risk Register along with a timely update as an interim approach to the formal adoption of a revised framework and register as discussed in more detail in the next section; and

2) Building on earlier updates and ongoing development and informal discussions with members of the Committee, a revised approach to corporate risk and assurance management is set out.

SECTION 1 – Existing Corporate Risk Register

For completeness, the full register as last reported to the Committee is set out in **Appendix A**. Although not reported in its entirety again during 2025/26, it did remain subject to on-going review with interim updates presented to the Audit Committee, with the relevant extracts included within **Appendix B.**

This section of the report aims to highlight key changes, movements and areas of focus since the last update and provide the necessary assurances to the Committee.

Headline Summary

	Current Position
Total Number of Risks	23
'Red' Rated Risks (Residual)	4
'Amber' Rated Risks (Residual)	19
New Risks Added	None
Risks Removed	None

Key Changes and Exceptions

Although influencing factors and drivers may have changed since the full Corporate Risk Register was reported to the Committee in January 2025, the primary mitigating responses remain effective with residual risks remaining broadly unchanged and managed within existing controls / arrangements, albeit with revised risk 'owners' where relevant e.g. where previous responsible officers have left the Council.

Notwithstanding the above, some additional commentary is set out as follows against the 4 identified **'RED'** rated risks along with a significant emerging issue that was previously rated as an **'AMBER'** risk:

RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management

As previously set out some key mitigating actions have been implemented which include the following:

- Network infrastructure hardware was replaced during 2025 and has a realistic end-of-life longevity of 5-7 years (2030 – 2032). The Cloud Infrastructure provides significantly enhanced resilience / recovery capabilities in terms of hardware failure.
- Remote working capabilities continue to provide key business continuity and service delivery options if / when key office locations are unavailable.
- Current cyber-security arrangements include 24/7 network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a 3rd party – all facilitating both reactive and pro-active response.
- Strong underlying cyber-security protection is afforded by the Council's adoption of managed-device only access to services with zero-trust real-time monitoring of devices for vulnerabilities.

As part of the annual Public Services Network (PSN) re-certification process the Council arranges for its cyber-defences to be rigorously 'attacked' by specialist external contractors to identify any areas of vulnerability. These are categorised: Critical, High, Medium, Low. This outcome from the latest 'penetration test' report was the best performance achieved to date and is a validation of the Council's robust cyber-security and governance arrangements with no 'Critical' vulnerabilities detected and all 'High' vulnerabilities quickly resolved. These results reflect IT domain cyber-security system improvements whereby Security Information and Event Management (SIEM) tool provide end-to-end (laptop to Microsoft Cloud data centre) visibility of identified vulnerabilities and alerts which the Service work to resolve on an on-going basis. The current PSN certification expires on 16 September 2026, so the whole re-certification process will recommence shortly with updates provided to the Committee later in the year.

The Council received further cyber-security robustness validation on 23 February 2026 when the Council was awarded 'Cyber Essentials' certification. This is a UK government-backed, industry-supported scheme designed to help organisations protect themselves as reasonably as possible against common online security threats. It establishes a baseline of foundational cyber security practices/ standards. Further opportunities to strengthen the Council's arrangements will continue over the remainder of the year.

RISK 2a - Coastal Defence
As previously set out some key mitigating actions have been implemented, which include the following:

- Associated risks continue to be mitigated via conducting annual inspections of coast protection structures and responding swiftly to public reporting of minor faults.
- An annual maintenance programme for the coastal frontage is set each year, supported by associated surveys as necessary, with an appropriate budget to cover the works.
- Each year sections of the sea defences are improved as part of a rolling programme of special maintenance schemes funded from an on-going revenue budget.
- One-off capital funding of **£1.970m** remains available to support associated works.

RISK 5A - Financial Strategy
As previously set out some key mitigating actions have been implemented, which include the following:

- A robust and sustainable two-year financial plan was agreed by Full Council in February 2026.
- The two-year plan included 'cash-backed' investment along with the necessary responses to a number of financial challenges and it also set out an in-principle / notional approach to meeting obligations to a new Unitary Council from as early as 1 April 2028.

RISK 6a - Loss of sensitive and/or personal data through malicious actions, loss, theft and/or hacking.
As previously set out some key mitigating actions have been implemented, which include the following:

- The Council as Data Controller has a legislative duty to evidence and ensure that information is managed / protected in compliance with legislation and protected against unauthorised or unlawful processing and against accidental loss / destruction / damage through using appropriate security and mitigates associated risks by:

  - mandatory Data Protection and Cyber Security training
  - working collaboratively with other local authorities sharing best practices and aligning policies and procedures and ensuring consistent governance
  - improving information governance systems on an on-going basis
  - maintaining a Records of Processing Activities [ROPA]
  - on-going improvements to security incident reporting systems, improving information governance guidance for staff through improved intranet pages, having robust data sharing agreements where partner organisations are managing data on behalf of the Council.

RISK 4a - Loss of Key Staff - Loss of key staff/lack of capacity to deliver core services - not retaining / having access to staff capacity to deliver services and priorities

The last 12 months has seen a significant increase in demand on services, primarily due to external factors. This includes the significant and emerging impact in terms of demands and expectations from external customers (including Freedom of Information Requests, Subject Access Requests and increasingly complex correspondence received that appears to be driven to a large extent by customers' use of AI. These are in addition to delivering key projects and activities alongside BAU, that now also compete against the work associated with LGR. The Council is aware and cognisant of these emerging issues and is already taking steps in response e.g. developing plans relating to capacity / resources that are currently on-going alongside the evolution of the two year financial plan and investment / cost pressure opportunities as well as developing a standalone risk register relating to LGR that covers both risks to the Council and those associated with the successful implementation of a new incoming Unitary Council. Work remains on-going and updates will be reported to future meetings of the Committee either as separate items or via the revised corporate risk approach proposed along with its inclusion in the Annual Governance Statement as necessary.

Although subject to further development / revision as set out within Section 2 below, based on current monitoring and review, the existing Corporate Risk Register continues to reflect a number of principal risks, with mitigation actions in place and operating effectively.

An action plan has also previously been included alongside historic updates to the Corporate Risk Register. Key outstanding actions related to risk management training for relevant Officers across the Council as well as departmental risks and business continuity plans. Given the proposed change to the approach as set out below, this provides a timely opportunity to develop and revisit these actions further during 2026/27 as part of imbedding the new approach proposed.

SECTION 2 – Proposed Approach to Revised Corporate Risk / Assurance Framework

As highlighted within the appendices, a number of actions / activities have been undertaken in terms of further developing a revised approach to Corporate Risk / Assurance Management and Monitoring that was discussed at the Audit Committee's meeting in March 2026. Building on these earlier discussions, proposals have been developed to the extent that a 'guiding framework' has been set out for further consideration. This framework includes a number of key elements to support the Committee / Council in its oversight of key risks and assurances that include:

- Purpose and Scope
- Link to the wider assurance framework
- Risk, Hierarchy and Assurance
- Culture, Roles and Responsibilities and Reporting
- Risk Appetite
- Strategic Risks
- Action Plan *(to capture opportunities and actions as part of an underlying continuous improvement approach)*
- Assurance Mapping

This report and attachments therefore aims to provide the basis for further discussion by the Audit Committee and the development of next steps and inputs that the Members wish to

provide / oversee.

It is worth acknowledging that the above has been developed via the application of relevant guidance made available by both CIPFA and the LGA alongside reviewing the varied approaches taken by other Local Authorities. As set out within **Appendix C**, there is a stronger emphasis on culture along with a 'one-stop' shop style approach that is aimed at providing high level assurance across a number of key elements that in turn should assist the Committee in obtaining a clearer picture in one place as part of the regular updates it considers during the year. The on-going development of the proposed approach will continue to reflect such guidance as necessary.

During the various training sessions and facilitated sessions a number of questions and initial proposals were 'captured' that will be reflected within the on-going development of the approach over the coming weeks as appropriate, with some key items summarised as follows:

- *Effectively communicating the register as broadly as possible across the Council – e.g. Cabinet oversight, O&S considerations, standing item on PFH / Member Briefings and project boards where relevant along with including appropriate references to highlight priorities and in job descriptions etc.*

- *Exploring opportunities to provide a digital platform to manage risks within the Council including dependencies etc.*

- *Linking risk to organisational objectives – how does this sit with overarching context of the key risks relating to the effective functioning of the Council and delivering intended outcomes etc.*

- *Inviting risk 'owners' to Audit Committee meetings on a rolling / regular basis.*

- *Adequately reflect learning from projects and activities - e.g. what could we have changed in our assurance framework.*

- *Recommendations in reports provide clear statement on assurances around risks rather than potentially just descriptive based.*

Although subject to further discussion, and notwithstanding the updates within Section 1 above, it is important to acknowledge that as interim arrangements have remained ongoing for over a year alongside the development of a revised approach, it would now be advantageous for a fully revised approach to be finalised and presented to the September's meeting of the Committee.

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

Associated / relevant comments are set out within the main body of the report above.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Corporate Risk Register as reported to the Audit Committee in January 2025

Appendix B – Corporate Risk Register – Extracts of Interim Updates Presented to the Committee since January 2025

Appendix C – Proposed Approach to Revised Corporate Risk / Assurance Framework

REPORT CONTACT OFFICER(S)	
Name	**Richard Barrett**
Job Title	**Corporate Director – Finance & IT**
Email/Telephone	**rbarrett@tendringdc.gov.uk / 01255 686521**

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Corporate Risk Register January 2025

Tendring District Council

INTRODUCTION

The management of Risk is a key element to any organisation to protect its resources (human & physical), finances and reputation. By undertaking regular, stringent, and structured analysis of the risks faced by the organisation senior managers are able to take strategic decisions to mitigate against such risks whilst still being able to take the necessary decisions for a progressive council.

This document explains the methodology used to analyse and identify the risks which are considered to be of a sufficient level to be monitored corporately. The process of identifying risks is a linear examination at service, departmental and subsequently corporate level. It is only by undertaking a thorough and detailed risk assessment that this can be achieved.

Each risk is assessed for the likelihood of the risk occurring, as well as the potential impact of such an occurrence. The combination of these two factors gives an initial risk rating. Each risk is then 'managed' by the implementation of control measures. It is the re-assessed to give a residual risk rating.

Only risks which would have a significant corporate-level impact upon the ability of the Council to undertake its normal service delivery, finances, safety, or reputation are reported at this level.

DEFINITIONS

Risk: A risk is an event or action which may adversely affect the Council. It can arise from the possibility of not realising opportunities as well as from a threat materialising. Risk management is embedded across the organisation and forms part of each directorate's everyday function. They follow the format '[x...] leading to [y...] resulting in [z].' Please note that as we increase our partnership and multi-agency work, risks become increasingly complex as controls may become out of our direct control.

Inherent risk: This is the level of risk that is present before controls have been applied. Measured by evaluating the impact and probability of the risk to calculate an Inherent Risk Rating.

Residual risk: This is the level of risk remaining after application of controls. The Residual Risk Rating is calculated on the same basis as for inherent risk but factoring in any changes in impact and probability arising from the controls in place to mitigate the inherent risk.

Control: Controls are a key mechanism for managing risk and are put in place to provide reasonable assurance. Examples of controls can include policies and procedures adopted, progression of ongoing actions, or implementation of recommendations resulting from internal audits.

Warning indicators: These are the mechanisms or issues that will highlight that the risk is not being mitigated by the controls identified, or to the extent expected. These can be internal or external to the organisation.

RISK RATING CATEGORIES

High Risks (Rating of 15-25)

- Risks at this level will be considered to be above the Council's risk tolerance level. These risks require immediate attention and, as a high priority, a plan needs to be put together to provide sufficient mitigation resulting in a lower rating for the residual risk, wherever possible.
- Management Team should regularly review any risks in the Corporate Risk Register where the mitigated level remains above the risk tolerance level.

- Where a risk in a Departmental Risk Register scores at this level, consideration will be given to any corporate impact, and whether there is a need for the risk to be considered in the Corporate Risk Register.

12 **Medium Risks (Rating of 6-12)**

- Controls should be put in place to mitigate the risk, wherever possible, especially where the risk is close to the risk tolerance level or is increasing over time. However, where the options for mitigation would not provide value for money, the risk may be tolerated.

4 **Low Risks (Rating of 1-5)**

- No action required to mitigate these risks.

Risk colour	Risk Headings	
	Failure to deliver key services	Pages 7-10
	Failure to deliver key projects	Pages 11-16
	Reputational Damage	Pages 17-20
	Ineffective workforce management and planning	Pages 21-22
	Failure to deliver a balanced and sustainable budget	Page 23
	Ineffective management of information	Pages 24-25
	Failure to adopt a sound Local Plan	Page 26
	Failure of income streams to meet Councils Financial requirements and obligations to other bodies	Page 27 -28
	Failure in emergency and business continuity planning	Pages 29 - 30

Failure to deliver key services (page 60 of 230)

RISK 1a - Failure to effectively manage assets - failure to achieve value or benefit from property transactions.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	9	**3**	**3**	Unchanged ⟺	**4 LOW**	January 2025
September 22	9	Sizable	Sizable			
July 23	9					
April 24	9					
January 25	9					

Current Action Status/ Control Strategy	Asset Strategy and associated delivery plan and ensuring an effective and flexible property dealing policy adopted by full council in May 2017 new office practice documents completed. Review of the Asset Management Plan is due, and review of the action plan needs to be considered in relation to the priorities of the administration.
Responsible Officer - Andy White	
Responsible Cabinet member(s) – Finance and Governance PFH	
Scrutiny Committee(s) – Resources and Services	

Failure to deliver key services

RISK 1b – Catastrophic IT network failure

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	10	**2**	**5**	Unchanged ⟷	**5 LOW**	January 2025
September 22	10	Moderate	Critical			
July 23	10					
April 24	10					
January 25	10					

Current Action Status/ Control Strategy

Physical Infrastructure Controls. Our infrastructure hardware is now 7-9 years old and reaching end-of-life. Cabinet agreed the budget to replace end-of-life hardware which will be replaced during 1st quarter 2025 creating an affordable level of resilience and redundancy within our office locations.

Cloud Infrastructure Controls – provides significantly enhanced resilience/ recovery capabilities. Additionally, our remote working capabilities provides key business continuity options. Work is ongoing to replace 'legacy' systems with the goal of becoming 'Cloud Only' for business continuity/ resilience reasons.

Monitoring & Response Controls - real-time enhanced 24/7 Network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a 3rd party give us 'real time' network performance visibility and allows us to react swiftly and pro-actively to issues. Artificial Intelligence will increasingly play a part in monitoring and response.

Residual Risk - Catastrophic IT network failure risk is now likely to result from:

1) National UK or regional network data infrastructure failure(s) UK or regional power issue(s).
2) A successful cyber-attack targeting our physical or Cloud network infrastructure.

Responsible Officer - John Higgins

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services

CORPORATE RISK REGISTER – JANUARY 2025

Failure to deliver key services

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RISK 1c - Ineffective communication / management of information - Failure to adopt implement and foster effective communication and information systems with an adverse impact on the ability to deliver services or relationship with key stakeholders.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	15	**3**	**5**		**10** **Medium**	January 2025
September 22	15	Sizable	Critical			
July 23	15					
April 24	15					
January 25	15					

Current Action Status/ Control Strategy	Tendring District Council has robust Information Governance policies and practices based upon shared Essex-wide 'best practice' Information Governance policies. We undertake quarterly information governance monitoring through our Information Governance Policy Unit (strategic) and the Information Security Management Group (operational). Our processes are annually audited to ensure they remain fit for purpose. As the Data Controller, the Council has a legislative duty to evidence and ensure that official council information is managed in full compliance with legislation, namely that data is stored: lawfully, fairly and transparently, adequate and relevant and limited to what is necessary, accurate and where necessary kept up to date, kept for no longer than is necessary in a form which permits identification of data subjects, ensuring 'integrity and confidentiality' protecting against unauthorised or unlawful processing and against accidental loss/ destruction/ damage through using appropriate security. The Council still periodically experiences information breaches requiring investigation/ resolution. These are predominantly due to human error which is remediated through training and process review/ tightening.

Responsible Officer - John Higgins - Senior Information Risk Officer (SIRO) Charlene Haynes – Data Protection Officer (DPO)

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services Committee

Failure to deliver key services

RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management - Failure to adopt, implement and deliver effective Cyber Security protective arrangements leading to a catastrophic or significant IT cyber security breach or loss of personal, sensitive, or vulnerable persons' data or inability to provide IT services and applications supporting Council services (or significant operational difficulties arising from).

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	4	5	Unchanged ⟺	15 HIGH	January 2025
September 22	20	Major	Critical			
July 23	20					
April 24	20					
January 25	20					

Current Action Status/ Control Strategy

Tendring District Council has robust cyber-security including physical devices (Firewalls), network segregation, protective software applications to protect the Council from the daily occurrences of external Cyber-attack. Cyber-security is an essential part of our induction training. In addition, Council-wide awareness campaigns are also ongoing.

With State-sponsored cyber-attacks growing exponentially in both volume and complexity the Council must consider that it is not IF but WHEN a successful cyber-attack is made and we continue to plan, train and exercise accordingly.

Having recently implemented an increased 'immutable backup' frequency regime we have data restoration capabilities from locked-down safe sources. That said, in a restoration scenario we will lose any recent made data changes so an element of recovery will still be necessary but should also be reduced.

We will continue to move towards a Zero trust Network Architecture (ZTNA) as a direction of travel over the next twelve months. ZTNA means that in addition to monitoring infrastructure hardware for security vulnerabilities, every user device connecting to services is routinely checked for access rights and vulnerabilities (in the background).

Responsible Officer - John Higgins

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services Committee

Failure to deliver key projects

RISK 2a - Coastal Defence - The Council has a coastline of 60km and maintains the sea defence structures along 18.5km of this frontage. These defences protect the towns of Harwich, Dovercourt, and Walton on the Naze, Frinton on Sea, Holland on Sea, Clacton and Brightlingsea. The cliffs are prone to stability issues because of steep slopes in many areas, historical structures, and past shortage of funds for maintenance. Unforeseen expenditure may be required on sea defences, which if left to deteriorate could cause catastrophic cliff failure and impact safety of residents/visitors nearby. The East Coast of the UK is vulnerable to a phenomenon called a North Sea Tidal Surge.

Assessment date	**Inherent risk score**	**Present inherent risk score breakdown**		**Direction of risk**	**Residual Risk rating**	**Review date**
		Probability	**Impact**			
March 22	15	**3**	**5**	Unchanged	15	January 2025
		Sizable	Critical			
September 22	15					
June 23	15					
April 24	15				High	
January 25	15					

Current Action Status/ Control Strategy	Conducting annual inspections of coast protection structures and responding swiftly to public reporting of minor faults. An annual maintenance programme for the coastal frontage is set each year with an appropriate budget to cover the works. Each year sections of the sea defences are improved as part of a rolling programme of special maintenance schemes funded from the Council's Revenue Budgets. Works undertaken range from day-to-day maintenance of promenades and seawalls to schemes costing millions of pounds. Larger capital schemes attracting grant in aid are produced to comply with Defra guidelines and their High-Level Targets for coast protection. At present there are identified areas of current cliff instability where funding to conduct necessary major projects would need to be identified.
Responsible Officer: *Andy White*	
Responsible Cabinet member(s) - *Portfolio Holder for Environmental Services.*	
Scrutiny Committee(s) - Resources and Services	

Failure to deliver key projects SOTA 2022

RISK 2b - Community Leadership Projects - Potential for impact to the reputation of the Council and impact on Communities, through failure to deliver key projects with partners.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
September 22	12	3	4	Unchanged ⟺	8 MEDIUM	September 2024
March 2022	12	Sizable	Major			
July 23	12					
April 24	12					
January 25	12					

Current Action Status/ Control Strategy

Clearly defined Terms of Reference agreed between partners & TDC. Action plans agreed as appropriate for each project and reviewed on a regular basis.

Action plan delivery (regular monitoring and feedback to Community Leadership Committee, Portfolio Holder, and external partners

Community Asset Mapping has taken place with the Northeast Essex Alliance, this provides a useful tool to identify where to focus resources to strengthen and build more resilient communities. The reputational, financial risk of engaging in partnership relationships (e.g. NEEB, Joint Use Agreements) is addressed through robust agreements, to ensure risk to the Council is minimised.

The Council is now working within the new health structure and has representatives that attend the Integrated Care Partnership Board and the Alliance Board, following the termination of CCGs in July 2022.

A post project review is due to be presented to Cabinet in 2025 in line with agreed actions within the Annual Governance Statement.

Responsible Officer – Lee Heley

Responsible Cabinet member(s) - Partnerships PFH
Scrutiny Committee(s) - Community Leadership

Failure to deliver key projects

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RISK 2c - Building Council Homes - Continuing uncertainty over Business plan capacity due to lack of clarity from the government.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
September 22	8	2	4	Unchanged ⟺	4 LOW	September 2024
March 2022	8	Moderate	Major			
July 23	8					
April 24	8					
January 25	8					

Current Action Status/ Control Strategy	Government has removed the HRA borrowing cap, but prudential borrowing rules still apply. Modelling has been undertaken within the business plan and we are comfortable that 200 new homes could be built over the next 8 – 10 years dependent upon build costs and land availability. The Government has signalled a potential continuation and extension of the PRP RTB pilot but has given no firm commitment as to how it will be funded. This is a concern as it could signal a revival of the forced sale of high value assets policy, which had been suspended. This would have a significant and detrimental impact on our business plan and capacity to build.
Responsible Officer – D Williams	
Responsible Cabinet member(s) - Housing PFH	
Scrutiny Committee(s) – Resources and Services	

Failure to deliver key projects

RISK 2d - Ineffective delivery of Transforming Tendring project - Failure to provide effective change management and the coordination of corporate resources with an adverse impact on organisational focus and delivery.

Assessment date	**Inherent risk score**	**Present inherent risk score breakdown**		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
September 22	15	**1**	2	Unchanged ⟷	2 LOW	September 2024
March 2022	15	Minor	Moderate			
July 23	15					
April 24	2					
January 25	2					

Current Action Status/ Control Strategy	Completion of physical works relating to this project are now completed, therefore the inherent risk and residual risk have been reduced to reflect this. Resources used for this project are now concentrating on council property repairs and maintenance activities.
Responsible Officer – Andy White	
Responsible Cabinet member(s) – Corporate Finance and Governance PFH	
Scrutiny Committee(s) – Resources and Services	

Failure to deliver key projects

RISK 2e - Essex Family / Family Solutions - A TDC appointed Family Support Worker working within Tendring Family Solutions Team. Risks of the project include potential breaches of data protection, Council reputation and professional liability (working with vulnerable families)

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
September 22	8	**2**	**4**	Unchanged 	**8 MEDIUM**	January 2025
March 2022	8	Moderate	Major			
July 23	8					
April 24	8					
January 25	8					

Current Action Status/ Control Strategy	Matrix management arrangements in place between TDC and ECC with clear workload management. The TDC FSW will be subject to the same control environment as other team members within Family Solutions. TDC has increased management capacity to oversee the FSW position. *The Clacton based post is now on the Council establishment which reduces the risk to families. An Additional Family Solutions post based in Harwich and working peripatetically more widely across the district is being funded for 21 months using partnership funding to help address health inequalities.*
Responsible Officer – Lee Heley	
Responsible Cabinet member(s) - Partnership PFH	
Scrutiny Committee(s) - Community Leadership	

Failure to deliver key projects

RISK 2f - Garden Communities - The project fails to come to fruition due to land control, planning or political issues.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
September 22	12	4	3	Unchanged	1 LOW	January 2025
March 2022	12	Major	Sizeable			
July 23	12					
April 24	12					
January 25	12					

Current Action Status/ Control Strategy

Garden Community formally allocated for development in the jointly adopted Local Plan for North Essex following independent examination by a government-appointed Planning Inspector. Planning permission granted by Essex County Council for A120/A133 link road – a key piece of infrastructure that will unlock land for development. Housing Infrastructure Funding (HIF) in place to deliver the link road and a Rapid Transit System (RTS); however, a review of costs mean that developer funding will be required to complete the link road.

The lead developer has control over most of the land and is keen to collaborate positively with the Council to deliver the development following a 'planning-led' process rather than through a Development Corporation approach. Memorandum of Understanding in place with the lead developers Latimer to fund completion of the link road.
Joint Committee has been formed between Tendring, Colchester and Essex to ensure a coordinated approach to decision making with an initial focus on agreeing a planning framework and looking forward to the determination of planning applications.

A development plan document has been created through partnership between Tendring, Colchester and Essex to set out more detailed framework for the layout and delivery of the proposed garden community. This has already been the subject of public consultation and has been examined by the government appointed planning inspector. The inspectors final report is expected in early 2025 and a favourable outcome will allow the plan to be formally adopted by Tendring and Colchester as the local planning authorities.

A dedicated planning team has been formed between Tendring, Colchester and Essex to resource the planning process going forward including the determination of planning applications (the first of which is expected in mid 2025). We are currently recruiting to new positions within that team.

Responsible Officer: Gary Guiver

Responsible Cabinet member(s) – Pllanning and Housing Portfolio Holder

Reputational damage

RISK 3a - Member Conduct - The Localism Act 2011 places a statutory duty upon Councils to promote and maintain high standards of conduct amongst its own Elected Members and any co-opted Members. Upheld Code of Conduct complaints risk damaging the Council's reputation adverse implications on its ethical governance arrangements, together with an increase in Council resources to assess and investigate complaints.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	**3**	**4**	Unchanged	**4**	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	12				**LOW**	

Current Action Status/ Control Strategy	*Regular reports to Standards Committee and discussions with Group Leaders and providing advice on request either to Councillors on an individual basis, or to groups on the Code of Conduct requirements. Damage to the District Council's reputation can be minimised both by the seeking of advice at an early stage, and then following that advice.* *There has been an increase in complaints requiring investigation at district level and dealing with declarations of interests, a matter was reported to the Standards Committee for a hearing in May 2024. The outcome could have had impact on the Council's reputation, due to the source of the complaint from a national body. The sanctions imposed by the Standards Committee have not been fully complied with, which is causing an ongoing risk to the Council's reputation.* *Town Council matters which essentially have at their heart a need for relationship building and despite differences agreeing to work together for the good of the Town area remain a concern. Training was organised by the District Council for Town and Parish Councillors too following the elections, but further sessions have been delivered throughout 2024, to raise awareness of their obligations and to prevent complaints being received. Consequently, reducing the level of District Council resources being diverted to responding to the same, which are time consuming and costly.*
Responsible Officer:	Management Team (Lisa Hastings, Monitoring Officer)
Responsible Cabinet member(s) - Code of Conduct matters are reported to the Standards Committee, as a Non-Executive function.	

Reputational damage

RISK 3b - Failure to comply with legislative requirements - Risk of judicial reviews court claims for damages or injunctions being sought against the Council, causing delay in service delivery and financial loss to defend actions.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	16	**4**	**4**	Unchanged ⟷	**2 LOW**	January 2025
Sept022	16	Major	Major			
July 2023	16					
April 2024	16					
January 2025	16					

Current Action Status/ Control Strategy

Ensuring that communication between the Directors and Service Managers with the Legal Team is kept up to date with regards to resourcing priorities and project planning. *In addition, Directors and /or Service Managers are encouraged to raise with the Legal Team any matters or areas of work that may be causing any concern or might become an issue. Assistant Director* Governance and *Head of* Legal Services to be kept informed of new developments through regular discussions to be held between Services, Management Team, and Cabinet agendas.

Services are also encouraged to keep under review their practices and procedures in accordance with the legislation, specifically that relevant to their areas, including their policies and record keeping, to prevent an increase in Section 5 Reports.

The reason for the change in the direction of risk is due to the probability increasing from low to high as a result of cases including for example housing disrepair, planning challenges and costs appeals.

In addition, it is noted that the Council does not currently fully comply with the accessibility requirements on our website or the intranet. Works are currently underway to update the website, but it is not known whether these changes will meet legislative requirements.

Briefing Notes to Management Team to be prepared by Legal Services, where cases are on the increase or themes emerge.

Responsible Officer - Lisa Hastings

Responsible Cabinet member(s) - Leader and Finance and Governance Portfolio Holder

Scrutiny Committee(s) - Resources and Services

Reputational damage

RISK 3c - Health and Safety - Failure to have effective Health and Safety processes in place exposing public. *members* and staff to increased risk of injury or illness.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	**4**	**5**	Unchanged 	**10** **MEDIUM**	January 2025
September 2022	20	Major	Critical			
July 2023	20					
April 2024	20					
January 2025	20					

Current Action Status/ Control Strategy	Identifying an officer with overall responsibility for ensuring that effective Health and Safety processes in place.. Providing regular Health and Safety updates to Management Team
Responsible Officer: Richard Barrett/Clare Lewis	
Responsible Cabinet member(s) Corporate Finance and Governance PFH / HR and Council Tax Committee	
Scrutiny Committee(s) n/a	

Reputational damage

RISK 3d - Fraud and Corruption - Failure to deliver effective counter fraud activities.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	15	**5**	**3**	Unchanged 	**10 MEDIUM**	January 2025
September 2022	15	Critical	Sizeable			
July 2023	15					
April 2024	15					
January 2025	15					

Current Action Status/ Control Strategy	Established Fraud and Compliance Team undertaking counter fraud role. Internal Audit Team providing advice / recommendations to improve control environment and mitigate exposure to fraud risks. Rules and procedures as laid down in the Constitution. Anti-Fraud and Corruption Strategy reviewed and reported to the Audit Committee annually. Ongoing fraud awareness training being conducted for all TDC employees, associates, and Members. Now part of the council's induction process.
Responsible Officer: - Richard Barrett/Clare Lewis	
Responsible Cabinet member(s) - Corporate Finance and Governance PFH	
Scrutiny Committee(s) - Resources and Services / Audit	

RISK 4a - Loss of Key Staff - Loss of key staff/lack of capacity to deliver core services - not retaining / having access to staff capacity to deliver services and priorities

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	**4**	**4**	Unchanged	**12**	January 2025
September 2022	12	Major	Major			
July 2023	16					
April 2024	16					
January 2025	16				**MEDIUM**	

Current Action Status/ Control Strategy

Additional Risks

Staff Costs and Financial Pressures
Staff costs constitute a significant portion of the Council's general budget. Consequently, any financial pressures may reduce the Council's capacity to maintain staffing levels. In such cases, staffing resources will be prioritised in alignment with the corporate plan and associated priorities.

National Pay Award and Financial Implications
Staff costs are influenced by the National Pay Award. Current financial pressures, such as inflation and minimum wage increases, are compelling the National Employers to consider raising the annual Pay Award, thereby increasing costs for the Council.

Impact of National Employers
While membership in National Employers offers numerous benefits, it limits the Council's ability to influence the Pay Award. National bargaining also poses the risk of localized industrial action. Additionally, National Terms of Employment restrict the Council's flexibility to enhance remuneration packages to attract and retain talent in a competitive job market.

Mitigation

HR Processes and Workforce Strategies

Ineffective workforce management and planning

	The Council has implemented effective HR processes to identify early signs of workforce issues, focusing on skills and maintaining a flexible approach. The "Grow our Own" strategy and Apprentice Sponsorships are in place, along with ongoing development and investment in the 'Career Track' program to upskill existing staff and attract new talent. **Recruitment and Professional Development** LGA and ECC recruitment arms are utilised to advertise specialist roles, ensuring a broader reach of candidates. Secondment opportunities are encouraged both internally and externally (with other authorities) to support service delivery in specialist areas. The Council also participates in cross-Essex professional development programs, such as Essex Leaders, to strengthen leadership within the authority. **Alternative Selection Processes and Flexible Working** Alternative selection processes are being introduced to respond to rapid changes in the job market and streamline hiring. Increased flexible working arrangements, including remote working options, have expanded the candidate pool and geographic reach. **Change Management and Staffing Structures** Ongoing change management efforts aim to ensure capacity is aligned with service demand, including a corporate approach to delivering key services and projects through cross-service collaboration. Revised staffing structures also provide a robust career progression pathway from entry level to senior management. In exceptional circumstances, specialist skills are sourced, for example, via the EELGA Talent Bank. **Workforce Reporting** Bi-annual workforce reporting to the HR & CTAX Committee includes workforce demographics, enabling the identification of trends and mitigation of the risk of losing key skills.
Responsible Officer - Management Team (Katie Wilkins)	
Responsible Cabinet member(s) - HR and Council Tax Committee	
Scrutiny Committee(s) N/A	

Failure to deliver a balanced and sustainable budget.

RISK 5A - Financial Strategy - The impact of achieving a balanced budget in an ever-tightening financial environment on service delivery objectives.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	**4**	**5**	Unchanged	**15**	September 2024
September 2022	20	Major	Critical		**HIGH**	
July 2023	20					
April 2024	20					
January 2025	20					

Current Action Status/ Control Strategy

Long Term Financial Plan updated on an ongoing basis.
• Financial Strategy / Forecast Preparation including identifying and capturing significant risks such as changes to government funding, and the identification of savings which will require some challenging decisions.
• Robust and timely Budget Monitoring Processes.
• Engagement with key stakeholders, members, and senior management as early as possible. Key financial items discussed at dedicated / regular meetings of Management Team
• Responding to and implementing recommendations and advice issued by the Council's External Auditor.

A framework in which to deliver required savings is currently being developed with the aim of capturing key financial information to support the associated decision-making process alongside the corporate plan / priorities process. This will also sit alongside a review of cost pressures across three key strands as set out in the report to full Council of the 13 Feb 2024.

A review of the length of the financial planning cycle is subject to review during 2024/25. However, in the event that the long-term approach is unable to support the delivery of the intended outcomes, then the Council can revert to the more traditional / short term approach to setting the budget.

Responsible Officer: Richard Barrett

Responsible Cabinet member(s) - Finance and Governance PFH

Scrutiny Committee(s) – Resources and Services

Ineffective management of information

RISK 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	**5**	**4**	Unchanged ⟷	**16 HIGH**	January 2025
September 2022	20	Critical	Major			
July 2023	20					
April 2024	20					
January 2025	20					

Current Action Status/ Control Strategy

Multi-firewall network segregation implemented with role-based access to systems necessary for work. Governance procedures/ policies/ responsibilities quarterly reviewed by the Information Governance Policy Unit. All remote working is protectively 'tunnelled' utilising Microsoft VPN technology.

With Councillors adopting identical working practices to Officers - managed-devices and cyber-security posture control council-wide – has achieved step-change in minimising the number of attack vectors' (pathways) that a hacker can use to attack and attempt to exploit vulnerabilities to gain access to networks/ computers/ digital devices/ information/ data. This action has significantly reduced the likelihood of data loss however the increased State-sponsored UK cyber-attacks increases our risk negating this strengthened position.

Procedures are in place to manage agreements where appropriate, where partner organisations are managing data on behalf of the Council. Consultation with the Council's Data Protection Officer should be undertaken prior to agreements being formed. This will ensure risk to the organisation is managed effectively.

Responsible Officer - John Higgins – Senior Information Risk Owner (SIRO)/Charlene Haynes – Council's named Data Protection Officer

Responsible Cabinet member(s) - Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services Committee

Ineffective management of information

RISK 6b - Disconnection from PSN Network - Failure to achieve PSN recertification resulting in disconnection from PSN services, e.g., DWP, IER etc. and urgent alternative arrangements to continue providing statutory service.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	***3***	***4***	Unchanged ⟷	**5 LOW**	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January2025	12					

Current Action Status/ Control Strategy

The Public Services Network (PSN) is a vital connection to central government and the Department of Works and Pensions (DWP) to administer housing benefit etc. This risk constitutes an annual cycle of IT security Health Check using a registered consultant, remediation/ resolution of any security issues identified then completion and submission of compliance documentation to central government national Cyber Security Centre (NCSC) for PSN recertification.

The resource intensive PSN annual certification programme was halted during COVID but re-commenced in early 2023. Our PSN certification was re-certified in April 2024 for the next twelve months so the annual cycle will recommence again in the next quarter.

Both the Public Services network (PSN) itself and the PSN IT Security Health Check regime is nearing the end of its lifecycle BUT is entirely reliant upon DWP timescales. Members should however be aware that the Cyber Assessment Framework (CAF) regime – previously only a requirement applied to critical national infrastructure – has been rolled-out across central government departments and the Department for Levelling Up Housing and Communities (DLUHC) is pressing for a mandatory annual local government CAF regime. The Council's cyber-security position is robust and a new CAF process is not something to be feared as it formalises annual cyber-security review and self-analysis around areas of improvement which is simply good practice. During 2024 the Council's IT team took part in a national pilot of the new local government focussed CAF self-assessment at the request of the Ministry for Housing Community and Local Government (MHCLG) based upon our strong record of cyber-security improvement, knowledge and rigour.

Responsible Officer: John Higgins	Responsible Cabinet member(s) - Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services Committee

Failure to adopt a sound Local Plan

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RISK 7a - Local Plan - Failure progress the review of the Local Plan

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	**3**	**4**	Unchanged ⟺	**8 MEDIUM**	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	12					

Current Action Status/ Control Strategy	*Local plan adopted in January 2022 current residual risk is therefore reduced to a minimal. The risk to the council of not meeting this will increase when the Local plan is reviewed in 2025.* *Local Plan review commenced with agreement of the Planning Policy and Local Plan Committee in December 2023. The review will be focussed on updating the existing Local Plan rather than re-writing it from scratch in line with a series of guiding principles that have been agreed by the Committee.* *The Council is targeting the submission of an updated Local Plan to the Secretary of State before January 2026, before the current local plan reaches its 5th birthday and becomes out of date. Major changes to government planning policy were introduced following the general election which attach greater importance to updating local plans and require Councils to comply with new mandatory house building targets. The mandatory target for Tendring marks a significant increase in the expectation for development which will have to be addressed through the local plan review. Submission to the secretary of state will follow three rounds of public consultation in 2025.* *The greatest risk to the Local Plan process, as it stands, would be the need for difficult and potentially unpopular decisions on the location of future growth and the need for those decisions to be based on appropriate technical evidence. The factors most likely to impact upon the timetable will be the public response to consultation and delays in the completion of any new evidence required to support the review of the Local Plan.*
Responsible Officer: Gary Guiver	
Responsible Cabinet member(s) – Planning and Housing Portfolio Holder	

Failure of income streams to meet Councils financial requirements and obligations to other bodies.

RISK 8a – Failure to collect levels of income required from Council Tax to fund the Council's financial requirements.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	**4**	**5**	Unchanged ⟺	**10 MEDIUM**	January 2025
September 2022	20	Major	Critical			
July 2023	20					
April 2024	20					
January 2025	20					

Current Action Status/ Control Strategy	Regular budget monitoring including reports to Cabinet, which will also set out options to respond to any adverse issues, as necessary.
Responsible Officer: Richard Barrett	
Responsible Cabinet member(s) - Corporate Finance and Governance PFH	
Scrutiny Committee(s) - Resources and Services	

Failure of income streams to meet Councils financial requirements and obligations to deliver services

RISK – 8b - Failure to collect levels of income required from Non-Domestic Rates in order to meet the shares between the Government, Essex County Council, Essex Fire Authority and Tendring District Council.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	20	**4**	**5**	Unchanged ⟺	**10 MEDIUM**	January 2025
September 2022	20	Major	Critical			
July 2023	20					
April 2024	20					
January 2025	20					

Current Action Status/ Control Strategy	Regular budget monitoring including reports to Cabinet, which will also set out options to respond to any adverse issues, as necessary.
Responsible Officer: Richard Barrett	
Responsible Cabinet member(s) - Corporate Finance and Governance PFH	
Scrutiny Committee(s) - Resources and Services	

Failure in emergency and Business Continuity Planning

RISK 9a - Ineffective Emergency Planning - The Council fails to effectively respond to an emergency and the community is adversely affected

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	***3***	4	Unchanged ⟷	**4 LOW**	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	*12*					

Current Action Status/ Control Strategy

To continue to develop and regularly test of various aspects of the Council's Emergency Plan including working with multi-agency partner organisations and parish and town councils. This includes significant planning for and delivery of exercises, *complimented by a range of training to* help maintain the Council's preparedness.

The Council continues to experience a number of events. Systems, structures, and processes are in place to respond to any Emergency Planning event; however, this does require considerable capacity across the Council. *Post COVID, with increased staff working from home, this has made internal staff liaison and recruiting of volunteers for rest centres and District Emergency Response Centre (DERC) difficult, particularly with new employees. This is being resolved by additional training being carried out and doing a campaign with the Councils communications team.*

In a major event Vulnerable Intelligent Persons Emergency Response can be used to identify vulnerable people who may need support. *However, this does not have ECC social care data or NHS health data and so will have limitations on the accuracy of information provided.*

Responsible Officer – Catherine Boyer-Besant

Responsible Cabinet member(s) - Partnerships PFH

Scrutiny Committee(s) - Community Leadership

Failure in emergency and Business Continuity Planning

RISK 9b - Ineffective Business Continuity Planning - The Council fails to effectively respond to an emergency / adverse event with an adverse impact on the delivery of services.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	10	**2**	**4**	Unchanged	**8**	January 2025
September 2022	8	Moderate	Major			
July 2023	8					
April 2024	8					
January 2025	8				**Medium**	

Current Action Status/ Control Strategy

Responsibility for Business Continuity now resides within the Digital Services and Assurance team with the Assurance and Resilience manager continuing to provide support to services to ensure that their plans remain current. A current review of all Business Continuity Plans is underway.

Our new public cloud-based infrastructure provides significantly improved resilience in information storage, applications, and reduced reliance upon office premises through flexible / remote working.

Use of IT to record and support the development of service risk assessments and business continuity impact assessments has now been built and due to be used for business impact assessments going forwards. Specialist certificated training has been carried out for key staff and will be finalised in 24/25 financial year. The Council has plans in place to adopt a new corporate Business Continuity Plan (BCP) which will cascade down the service Business Impact Assessments (BIAs).

Responsible Officer - John Higgins/Clare Lewis

Responsible Cabinet member(s) - Partnerships PFH

Scrutiny Committee(s) - Community Leadership

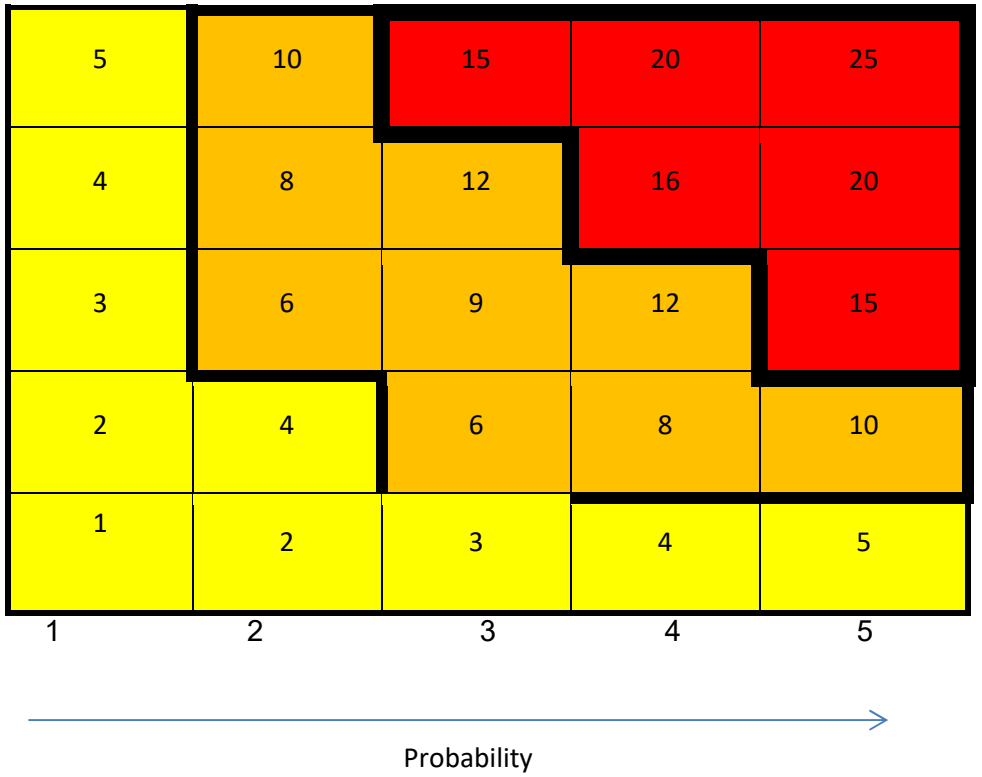
APPENDIX – METHODOLOGY FOR CALCULATING RISK

RISK RATING ELEMENTS - IMPACT

Risk level	Impact				
	Level	**Financial**	**Service Delivery**	**Safety**	**Reputation**
5	**Critical**	Loss of more than £1m	Effective service delivery is unachievable.	Fatality (Single or Multiple)	Reputation damage is severe and widespread i.e., Regulatory body intervention
4	**Major**	Loss above 250K but below £1m	Effective service delivery is severely disrupted in one or more areas	Multiple serious injuries requiring professional medical treatment	Reputation damage occurs with key partners.
3	**Sizeable**	Loss above £25K below £250K	Effective service delivery is disrupted in specific areas of the Council.	Injury to an individual(s) requiring professional medical treatment	Reputation damage is localised and/or relatively minor for the Council as a whole
2	**Moderate**	Loss above £5K below £25K	Delays in effective service delivery	Minor injury - no professional medical treatment	Slight reputation damage
1	**Minor**	Loss of up to £5K	Minor disruption to effective service delivery i.e., Staff in unplanned absence for up to one week	No treatment required	Reputation damage only on personal level

Timescale ---------- Probability	Up to 6 months	To 12 months	To 24 months	To 60 months	60+ months
Over 80%	5	4	3	2	1
65%-80%	4	4	3	2	1
50 – 64%	3	3	3	2	1
30 – 49%	2	2	2	2	1
Under 30%	1	1	1	1	1

RISK RATING ELEMENTS – PROBABILITY



Impact x Probability = Overall Risk Rating

RISK CALCULATION MATRIX

Previous Updates to the Corporate Risk Register Reported to the Committee During 2025/26

- **AUDIT COMMITTEE Meeting - September 2025**

  As included within the Committee's work programme, it was planned on presenting the regular Corporate Risk Update to this meeting of the Committee. However, it is proposed to take a pragmatic approach to accommodate the various existing commitments that form 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 is proposed to organise a 'working' session with members of the Committee outside of the formal programme of meetings, that will aim to encompass a training session alongside the planned review previously discussed. The outcome from the proposed session can therefore be considered formally if necessary at the subsequent scheduled meeting of the Committee in February 2026. Although this presents a slight delay in formally updating the Committee with regard to the Council's current risk register and associated arrangements, it is important to highlight that various underlying risk management activities remain ongoing within existing governance arrangements, which in turn are also currently being 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.

- **AUDIT COMMITTEE Meeting – March 2026**

Risk Management Review

Associated activities undertaken to date, involving both officers and members, has included:

- *Training provided in terms of the Role of the Audit Committee that was delivered by an external specialist trainer in January 2025.*
- *More targeted training delivered by an external specialist trainer in January 2026 based on challenging and reviewing the Council's current Corporate Risk Framework, register and approach.*
- *Following on from 2) above, a facilitated session was held with Members on 5 March 2026 to review and consider potential changes to the Council's approach.*

In terms of the training provided as highlighted in point 2) above, it covered a number of key areas including:

- *Benefits and characteristics of effective risk management*
- *Audit Committee and other members role in risk management*
- *Risk registers*
- *Appetite and tolerance*
- *Assurance and challenge*
- *Re-framing risk management*

The session also identified the characteristics of effective risk management along with a high- level view of what an assurance risk framework should ideally include, which is summarised below:

Financial Management	*Legislative Compliance*
Workforce Management / HR	*Decision Making*
Information Systems Management	*Health & Safety*
Information Governance and Compliance	*Business Continuity and ER*
Performance Management and Data	*Ethical Standards and Conduct Management*
Procurement and Contract Management	*Equalities and Inclusion*
Project and Programme Management	*Risk Mgt / Gov. Assurance*

Partnership and Collaboration Governance	*Compliance with IA, Ext Audit and Inspections etc.*

All of the above elements were reviewed and considered at the facilitated session on 5 March within the following context:

Key Background / Issue	*Current Position / Comments*
What do we do already?	*We already have in place and actively apply:* *A Code of Corporate Governance* *An Annual Governance Statement and Review* *Performance Management Reporting* *Corporate Risk Register and Framework* *Departmental Risk Registers* *Other risk / governance reviews and activities* *Internal and External Audit Inspection and Reviews. (In terms of External Audit, they concluded that the Council had effective risk management arrangements in place and there were no significant overall governance weaknesses identified within their recent VFM review)*
Our risk appetite	*Treat, tolerate not terminate*
Assurance frameworks v risk frameworks	*They ask different questions and capture different things e.g.* *RISK – Strategic risks are those risks that could materially affect a local council's ability to function effectively, achieve its statutory duties and strategic objectives,*

	or maintain financial sustainability, governance, and public confidence. *ASSURANCE - What arrangements do we rely on to ensure success, delivery, performance and compliance.* *Risks concentrate on things going wrong / failures, where assurance focuses on a positive approach of what needs to be in place etc. to ensure / provide assurance across the issues identified within the earlier table above.* *Using financial sustainability as an example:* *RISK APPROACH - There is a risk that the Council does not have sufficient funding or resources to deliver its priorities, leading to service failure and financial instability.* *ASSURANCE APPROACH - The Council has effective financial management, medium-term financial planning, budget monitoring and governance arrangements in place to ensure it can deliver its priorities and remain financially sustainable within available resources* ***What Management / Members would therefore need to seek assurance on would include:*** • *MTFS exists, is up to date, and is stress-tested* • *Budget monitoring is timely and acted upon* • *Reserves strategy is clear and aligned to risk appetite* • *Statutory officer oversight (s151) is effective*
What do other Local Authorities do and what is promoted by relevant organisations within the	*Evidence suggests that many authorities take a traditional approach adopting the same as the Council in terms of*

risk management and assurance sectors?	*identifying key risks, scoring them and how the Council is responding with inherent and residual risks highlighted. It is also fair to say that this approach aligns with many aspects of advice / guidance from sector experts.* *However, it is noted that a limited number of Council's are adopting a comprehensive Assurance Framework and 'translating' a number of their existing risks alongside other assurance elements into a fully revised assurance focused approach.*

In terms of taking the review forward and in light of the challenge proposed via the training session in January 2026, the following sets out the key issues being considered along with the context behind developing the Council's future approach:

- *The Council already has a number of key elements in place but there are opportunities to bring them together in a more coherent and accessible way.*
- *There are timely opportunities to embrace a stronger assurance based approach, albeit in a potentially hybrid way. This could also be considered as a framework that may be especially helpful in terms of promoting such an approach as part of the establishment of a new Unitary Council. It is recognised that key governance matters such as assurance and risk management practices play an important part in influencing the underlying culture of organisations which would equally apply to the successor organisation.*
- *Challenging ourselves in terms of what are strategic risks and what should be captured at a corporate level versus departmental level. With this in mind it is worth revisiting the very high-level definition of a strategic risk as follows:*

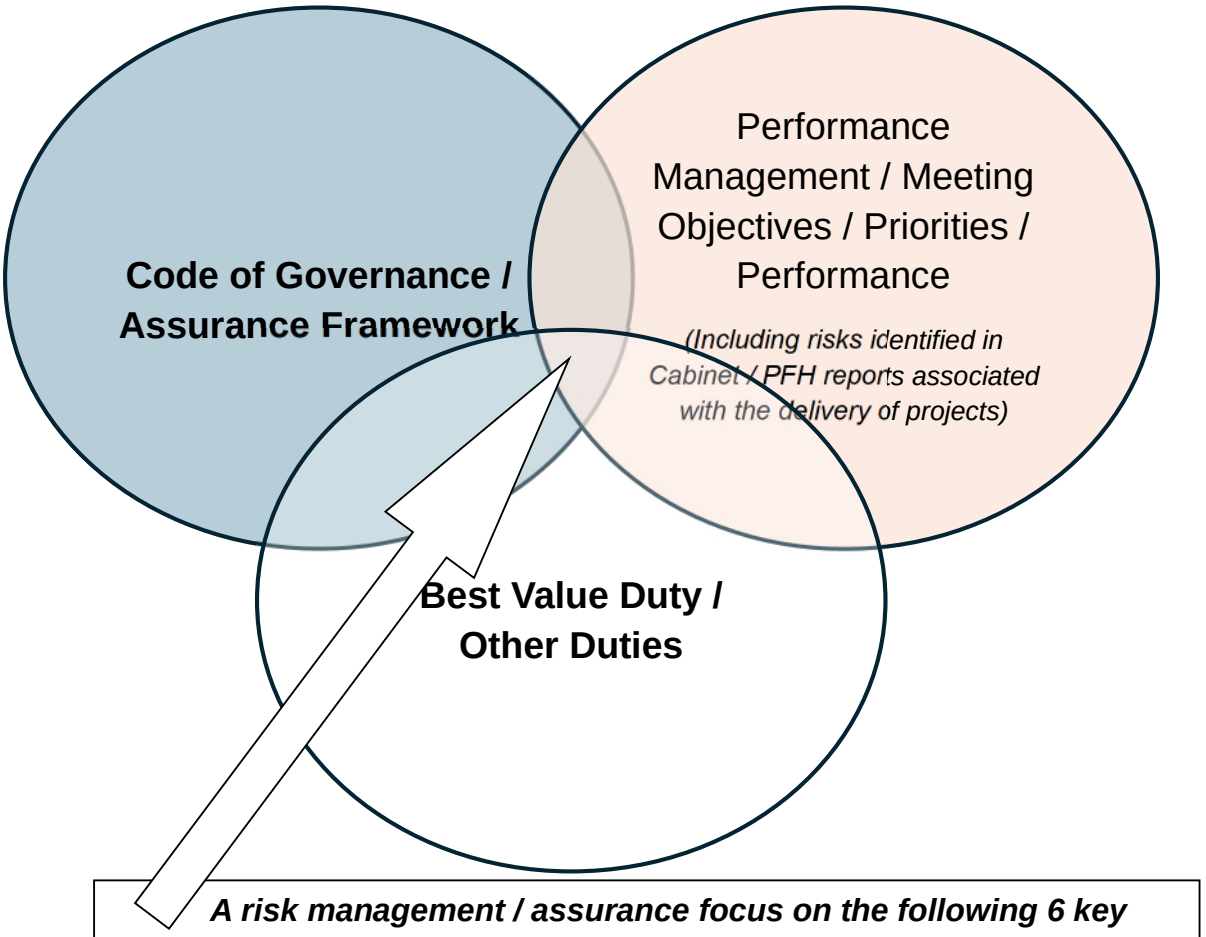
Where failure would materially impair the organisation's ability to function or deliver its purpose

- *There is still a place for maintaining a 'scoring' type approach', albeit it is recognised that this may be based on a 'traffic light' approach rather than a numerical style approach.*

- *There is a need to balance capacity, resources and effectiveness that includes 'buy-in' from Officer and Members and be complementary rather than potentially introducing a disproportionate and new 'layer' of work / bureaucracy.*

Taking all of the above into account, initial outcomes from the facilitated session held with members on the 5 March 2026 has highlighted some key elements to take forward that aim to reasonably balance the various elements of good governance and its effectiveness.

The following chart helpfully sets out the underlying structure / approach being proposed for further development:



A risk management / assurance focus on the following 6 key strategic risks:

1. Financial Sustainability
2. Workforce Capacity & Resilience
3. Cyber, Data and Information Security
4. Business Continuity and Organisational Resilience
5. Management of Assets
6. Governance and Decision Making

Ensuring a coherent two-way 'relationship' / 'cascade' to Service Plans / Departmental Risks and Key Business Continuity Activities

As reflected in the recommendations [above], officers plan to develop the approach further with the aim of presenting the proposed revised assurance and risk management framework to the next meeting of the Committee in June. This may include further facilitated sessions with Officers and Members during the interim period to ensure a timely implementation and embedding of the revised approach as early as possible in 2026/27.

Notwithstanding the above, it is acknowledged that the Committee have not been presented with a full risk register report since January 2025, albeit updates were provided in September 2025 as necessary. It is therefore important to provide the Committee with the assurance that various underlying risk management activities remain ongoing within existing governance arrangements, which in turn are also currently being complemented by additional activities such as:

- *The review of Departmental risks as part of the Directorate / Service Planning Process along with Management Team 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 last year as highlighted with the AGS.*

Within the context of the above there are no major issues to bring to Audit Committee's attention at the present time. It is however important to highlight the current four 'red' rated residual risk items, as follows:

Risk	***Status / Comments / Update***
RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management	*The network infrastructure hardware was replaced during 2025 and has a realistic end-of-life longevity of 5-7 years (2030 – 2032). The Cloud Infrastructure provides significantly enhanced resilience / recovery capabilities in terms of hardware failure. Remote working capabilities provides key business continuity and service delivery options if / when key office locations are unavailable. Cyber-security arrangements include 24/7 network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a 3rd party – all facilitating both reactive and pro-active response. The greatest cyber-security protection is afforded by*

	the Council's adoption of managed-device only access to services with zero-trust real-time monitoring of devices for vulnerabilities. Cyber-security is robust but it is recognised that any breach could be significant in terms of service loss and / or data theft.
RISK 2a - Coastal Defence	*Associated risks continue to be mitigated via conducting annual inspections of coast protection structures and responding swiftly to public reporting of minor faults. An annual maintenance programme for the coastal frontage is set each year, supported by associated surveys as necessary, with an appropriate budget to cover the works (one-off funding of £2m was set aside to support such works). Each year sections of the sea defences are also improved as part of a rolling programme of special maintenance schemes funded from an ongoing revenue budget.*
RISK 5A - Financial Strategy	*A robust and sustainable two -year financial plan was agreed by Full Council in February 2026. This included 'cash-backed' investment and responses to a number of financial challenges along with setting out an in-principle / notional approach to meeting obligations to a new Unitary Council from as early as 1 April 2028.*
RISK 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking.	*As Data Controller, the Council has a legislative duty to evidence and ensure that information is managed / protected in compliance with legislation and protected against unauthorised or unlawful processing and against accidental loss / destruction / damage through using appropriate security. The Council achieves this and mitigates risk of data-breach by: mandatory Data Protection and Cyber Security training, working*

	collaboratively with other local authorities sharing best practices and aligning policies and procedures and ensure consistent governance, improving information governance systems, maintaining a Records of Processing Activities [ROPA], improvements to Security Incident Reporting systems, improving information governance guidance for staff through improved intranet pages, having robust data sharing agreements where partner organisations are managing data on behalf of the Council. *All of the above, together with robust cyber-security, mitigate this risk, as far as reasonably possible, to the organisation.*

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Proposed Revised Approach to Corporate Risk Management

DRAFT ALTERNATIVE NEW RISK MANAGEMENT FRAMEWORK

1. Purpose and Scope

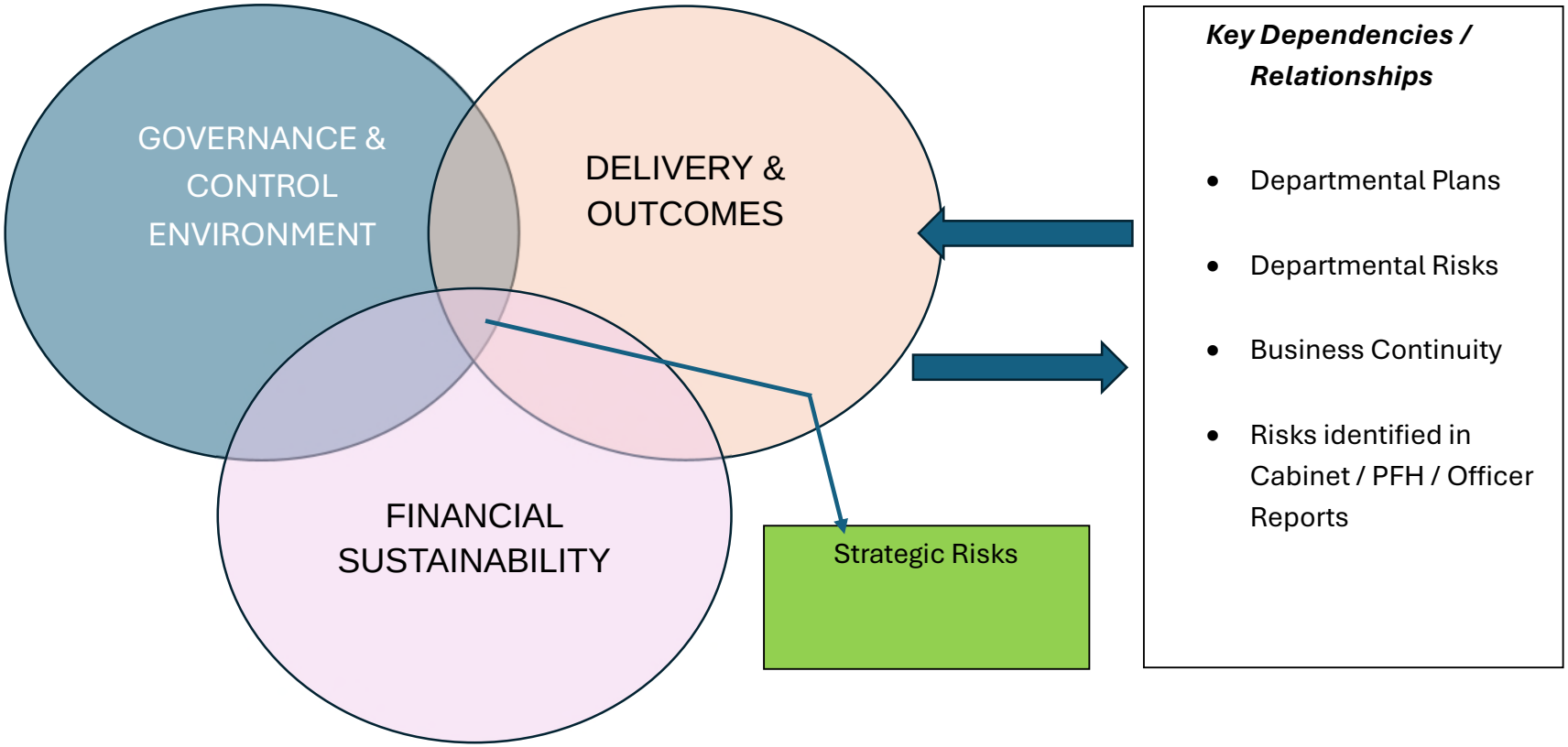
This framework forms a key part of how Tendring District Council identifies, assesses, manages and reports risk in order to support delivery of its priorities, protect its finances and reputation, and provide assurance over governance and control.

2. Link to the Assurance Framework

Although this document has a focus on risk management, this newly adopted approach is designed to provide the Audit Committee with confidence and assurance in one place in terms of the Council's overall governance arrangements being effective and complied with, along with identifying practical actions to provide and maintain that confidence and assurance.

With the above in mind, this document therefore also sets out the key relationships to the Council's wider assurance activities to strengthen the necessary holistic approach to corporate assurance / resilience.

This document forms part of the Council's wider Assurance Framework that aligns risk management, governance, internal control and performance management across a range of key themes, with a high-level illustration below:



Key Definitions:

STRATEGIC RISK – Strategic risks are those risks that could materially affect a local council's ability to function effectively, achieve its statutory duties and strategic objectives, or maintain financial sustainability, governance, and public confidence.

ASSURANCE - What arrangements do we rely on to ensure success, delivery, performance and compliance.

3. Risk Hierarchy and Assurance

Risks are effectively managed by taking a view on the level of assurance that can be provided – in reality that is the confidence that stakeholders have in the Council's risk management processes. It involves evaluating the effectiveness of these processes to ensure they are functioning as intended. Assurance provides internal and external stakeholders with the necessary information to make informed decisions and helps ensure compliance with regulatory requirements.

The Council effectively maintains three tiers of risk "registers":

- Strategic risks *(reflecting the diagram above)*

- Directorate / operational risks

- Project/programme level risks

Risk exposure occurs at all levels within the Council. Therefore the Council's approach to risk is that it must be addressed on an integrated basis with everyone having a role and responsibility for its management. Risks can be effectively managed by evaluating the inherent and residual risks applicable, which are then assessed taking account of the Council's risk tolerance / appetite.

To maintain consistency across the Council in capturing and recording risks at a directorate and operational level, a format will be agreed by [TO BE DETERMINED] and underpinned / supported by a digital approach where possible.

4. Culture, Roles and Responsibilities and Reporting

Role / Group	Key Responsibilities for Risk Management
Audit Committee	Approves the risk management framework and provides oversight of strategic risks. Provides independent assurance on governance, risk and control frameworks.
Chief Executive / Management Team	Fosters an effective risk culture and integration into decision-making.
Monitoring Officer	Oversight of the corporate governance arrangements in respect of legality or maladministration.
Section 151 Officer	Oversight of the administration of financial affairs including the arrangements for financial and management controls and associated risks.
Directors / Heads of Service	Identify and manage strategic and operational risks within their areas of responsibility, own and review risks on the Corporate Risk Register and escalate emerging / significant risks as necessary.
Officer Responsible for Risk Management	Maintaining the Corporate Risk Register / Framework and supports and challenges risk processes.
Officer Project Board / Other Boards	Provides independent oversight of key projects and activities and supports and challenges associated risks.

Internal Audit	Provides independent assurance on effectiveness of risk management.
All Staff	Identify, manage and escalate risks as required within day-to-day activities.

In terms of fostering an effective risk culture, it is acknowledged that it must reflect openness, transparency, welcoming of constructive challenge and promotes collaboration, consultation, and co-operation. There must be an openness to scrutiny and maximising / utilising relevant expertise to inform decision-making.

Risk management and good governance is generally recognised as a key 'investment' to ensure the necessary capabilities and to continually learn from experience with key elements that complement the table above as follows:

- **Leadership commitment**: Leaders at all levels setting the tone and personally demonstrating the importance of the management and assurance of risk with clear accountability, to give greater confidence in decision-making.
- **Clear communication**: Creating 'channels' that enable and encourage conversations and challenge about risks throughout the organisation as well as communicating corporate messages of success and learning from both positive and negative experiences.
- **Employee empowerment**: Encouraging employees to own and therefore manage risks at an operational level, and for all employees to feel able and empowered to speak up where there is a concern that threatens success, delivery, achievement, and good performance.
- **Training, awareness and responsibility**: An embedded and accessible source of information, practical examples and scenarios, and easy to understand guidance to make the 'risk process' real and relatable to everyone's working experience – making the consideration of risk a part of the 'day job' at every level in the organisation and making it a responsibility through job descriptions and performance and development appraisals as necessary.

5. Risk Appetite

The Council is risk aware and takes proportionate / informed risks to deliver its objectives, with zero tolerance for unlawful, unsafe or financially unsustainable activity.

The Council Acknowledges that:

- Risks are uncertainties that matter and may impact on the delivery of the Council's objectives and services. Risk exposure to the Council arises from the functions and activities it undertakes. Risk exposure will also arise as the Council increases its partnership and multiagency work – whilst control of risks in such instances may be outside of the Council's direct control, the risk exposure needs to be taken into account within the risk management process. Risk management is the systematic method of identifying, assessing, prioritising, controlling, monitoring, reviewing and communicating risks associated with any activity, function or process in a way that enables the Council to minimise the threats it is exposed to and to maximise the opportunities for achievement of its objectives. The Council acknowledges that risk management plays a key role in its overall assurance framework, better informs decision making and in assisting in the support and delivery of key objectives, projects and services. It aids in creating an environment that:
    - Maximises opportunities
    - Minimises threats
    - Adds value

- Risk management is an essential element of good governance. CIPFA / Solace in their "Delivering Good Governance in Local Government" guidance identifies as a core principle of good governance that authorities "take informed and transparent decisions which are subject to effective scrutiny and managing risk". Risk management is not about being risk averse, it is about being risk aware. For the Council to make the most of its opportunities and to achieve its objectives, the Council will be exposed to risk. By being risk aware and understanding its risk appetite, the Council will be better able to take advantage of opportunities

and mitigate threats. To secure maximum benefit for Tendring District Council, the risk management framework must be integrated with departmental planning. Risk registers must be regularly reviewed and must be meaningful, consistent and current. This framework is to ensure that the Council has a robust yet proportionate approach to risk management.

6. Strategic Risks

As highlighted earlier, although this Framework is designed to bring together the Council's overall approach to risk management, governance and assurance, it also captures and acts as the Council's Strategic Risk Register and based on the above approach these strategic risks have been identified as follows:

1. Financial Sustainability / Resilience

2. Workforce Capacity & Resilience

3. Cyber, Data and Information Security

4. Business Continuity and Organisational Resilience

5. Management of Assets

6. Governance and Decision Making

An EXAMPLE of a proposed format in terms of capturing, managing and monitoring these risks are set out at the end of this document

7. Action Plan

Proposed Action	Comment
To be developed and to include complementary AGS Actions where relevant	

Assurance Mapping / Strategic Risks

As highlighted within the diagram earlier within this document, the effective management of risk forms part of a wider assurance framework that is supported by a number of key activities including:

- Management controls
- Corporate oversight functions
- Independent audit

This document aims to capture the key relationships to the Council's wider assurance activities to strengthen the necessary holistic approach to corporate assurance / resilience with the key elements / relationships set out below:

Key Elements of Wider Assurance Framework / Mapping

Theme	Assurance Required Against the Following Key Areas	How Obtained / Link to Code of Corporate Governance etc.
GOVERNANCE & CONTROL ENVIRONMENT	Information Systems Management	**TO BE ADDED**
	Information Governance & Compliance	
	Risk Management / Governance Assurance	
	Compliance with IA, EA, Inspections etc.	
	Workforce Management / HR	
	Partnerships and Collaboration Governance	
	Legislative Compliance	
	Ethical Standards and Conduct Management	
DELIVERY & OUTCOMES	Decision Making	
	Performance Management and Data Quality	
	Project and Programme Management	
	Health and Safety	
	Equalities and Inclusion	
FINANCIAL SUSTAINABILITY	Financial Management	
'Mapping' of Risks Previously Included on Corporate Risk Register		
Council House Building	Assurance is obtained via the Regular Performance Reporting and Quarterly Financial Performance Reports presented to Cabinet	
Council Tax Collection	Assurance is obtained via the Quarterly Financial Performance Reports presented to Cabinet	
OTHER ITEMS TO BE ADDED		

Assurance Framework Elements From Table Above– Key Milestones

Key Assurance Element	When / Where last Reported	When / Where Next Reported
Performance Management Framework	**TO BE ADDED**	**TO BE ADDED**
Quarterly Financial Performance Reports		
Code of Corporate Governance		
Internal Audit Plan / Progress		
OTHER ITEMS TO BE ADDED		

PROPOSED NEW Corporate Risk Register Approach

EXAMPLE

1	**Strategic Risk**	Financial Sustainability				**Lead Director / Officer**	Richard Barrett
	Principal Risk and Assurance Requirement					**Lead Member**	F&G PFH
		That the Council maintains a sustainable and resilient financial position.					
	Risk Scores						
		Inherent		**Current**			
	Likelihood	**X**		X			
	Impact	X		X			
	Key Controls		**Assurance gained from**		**Gaps / Proposed Actions**		
	The authority has carried out a credible and transparent financial resilience assessment						
	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.						
	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.						
	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities						

	The authority complies with its statutory obligations in respect of the budget setting process.		
	The budget report includes a statement by the CFO on the robustness of the estimates and the statement on the adequacy of the proposed financial reserves.		
	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.		
	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.		
	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.		
	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.		

	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.		
	MTFS exists, is up to date, and is stress-tested.		
	Budget monitoring is timely and acted upon		
	Reserves strategy is clear and aligned to risk appetite		

Repeat Above Example Approach for the Other 5 Proposed Strategic Risks:

- Workforce Capacity & Resilience
- Cyber, Data and Information Security
- Business Continuity and Organisational Resilience
- Management of Assets
- Governance and Decision Making

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AUDIT COMMITTEE

24 JUNE 2026

REPORT OF ASSISTANT DIRECTOR (CORPORATE POLICY AND SUPPORT)

A.4 ANNUAL LETTER TO THE COUNCIL FROM THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To provide the Committee with the most recent annual letter to the Council from the Local Government and Social Care Ombudsman (LGSCO). The letter relates to complaints processed by the LGSCO in the financial year 2025/26. The submission of the annual letter builds on the established practice of reporting to this Committee and, thereby, extends awareness of such complaints and the opportunity (more generally) for learning by the Council from complaints.

EXECUTIVE SUMMARY
The annual letter from the LGSCO sets out a summary (for the previous financial year) of the numbers of complaints received by the LGSCO concerning the Council, which services they relate to, the decisions reached in the year on complaints made to it and compliance with recommendations from it on upheld complaints. The 2026 letter from the LGSCO (in respect of 2025/26) is set out at Appendix A to this report. The annual letters are sent by the LGSCO to the Chief Executive, the Leader of the Council and the Chairman of this Council's Resources and Services Overview and Scrutiny Committee. A brief summary of the statistics from the Annual Letter, and the upheld complaints identified in the annual letter for the year concerned, is submitted to the Chief Executive's Officer Management Team, as part of developing learning across the various upheld complaints over those years. Where an individual report on a particular complaint to the LGSCO has identified maladministration, the Monitoring Officer is under a duty to report to Cabinet (in respect of executive functions) or Council (in respect of non-executive functions). The annual LGSCO letters have been referenced in reports on individual upheld complaints to Cabinet and Council. The reporting of LGSCO annual letters to this Committee supports the Committee's terms of reference to 'assess external regulatory reports and monitoring any quality improvement programmes where required. Comments are provided to Cabinet as appropriate'. While not covered specifically by the LGSCO annual letter, the Committee will wish to know that the Housing Ombudsman has not made seven recommendations in respect of the Council's Corporate and Housing Complaints Policy adopted with effect from 1 September 2025. Officers are working through those recommendations. It is our belief that the Policy complies with the Housing Ombudsman's Code for complaint handling. However, the recommendations from the Housing Ombudsman would adjust some wording in different sections of the Policy which they consider would help to confirm the full application of the

Code. On this basis, the recommended changes are being actioned.

RECOMMENDATION(S)

It is recommended that the report be received and the contents noted, including the annual letter from the LGSCO for 2025/26.

REASON(S) FOR THE RECOMMENDATION(S)

Under the Local Government Act 1999 Act, local authorities must legally deliver what is termed 'Best Value' – a council must be able to show that it has arrangements to secure continuous improvement in how it carries out its work. On 8 May 2024, the then Government issued updated statutory guidance entitled "Best value standards and intervention: a statutory guide for best value authorities". This identifies as one of the characteristics of a well-functioning Council that it seeks to learn lessons from complaints it receives. The guidance continues and identified that an indicator of potential failure by a Council where complaints systems are not deployed.

The submission of the annual letter from the Local Government and Social Care Ombudsman (LGSCO) to this Committee seeks to ensure that there is that wider understanding of the position concerning complaints made to that Ombudsman; as well as offering an opportunity to look at lessons that can be learned from those complaints.

The Housing Ombudsman expects the role of the Member with Responsibility for Complaints to champion a positive complaint handling culture and build effective relationships with complaints teams, residents, it's audit and risk committees as well wider teams and the Housing Ombudsman Service. The Council has a single Member with Responsibility for Complaints for both LGSCO and Housing Ombudsman complaints and he is fully aware of this report to the Committee. Such provide additional assurance for the consideration of complaints concerning the Council.

ALTERNATIVE OPTIONS CONSIDERED

The alternative of not submitting the annual letter from the LGSCO would not contributed positively to the oversight of the Complaints position by the Council. For this reason it was discounted and this report submitted.

As stated elsewhere, the Letter is provided directly to the Leader of the Council, the Chairman of the Resources and Services Overview and Scrutiny Committee and to the Chief Executive. Management Team then considers the content of the Annual Letter and the Council (and the Ombudsman) will publish the data online.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The consideration of complaints and the lessons learned from those complaints can be said to support the 2024-28 Corporate Plan Theme of 'Pride in our area and services to residents' as well as the overarching commitment to 'Listening to and delivering for our residents and businesses'.

LEGAL REQUIREMENTS (including legislation & constitutional powers)	
The requirements of the Local Government Act 1999 and the related Best Value Statutory Guidance are set out above in the Reasons for Recommendations section.	
FINANCE AND OTHER RESOURCE IMPLICATIONS	
There are no direct financial implications arising from this report.	
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 careful consideration of complaints received, and particularly lessons resulting from external assessment/investigation by the Ombudsman rightly must influence resource allocation to ensure appropriate steps are taken to deliver on agreed recommendations with the Ombudsman.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	It is important that the powers and duties of the Council are delivered in a way that respects the obligations that come with those powers and duties. Learning the lessons from complaints can inform this position and thereby reduce the risk of not complying with those obligations to service users. The proposal also accords with the Audit Committee's terms of reference.
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.	This ethos is central to the Best Value duty of the Council and considering the information available about complaints submitted to the Ombudsman is thereby an important part of complying with that ethos.
MILESTONES AND DELIVERY	
This meeting of the Committee is the first appropriate meeting of the Committee following receipt of the annual letter of the LGSCO and thereby the opportunity to alert it to the position as applied to 2025/26.	
ASSOCIATED RISKS AND MITIGATION	
In respect of this report, as this is in public, there will need to be caution applied to avoid identifying the individual details of complainants. The placing into the public domain of personal data about complainants should dissuade others from seeing to address service concerns and the Council is mindful that placing personal details into the public arena could cause distress to those individuals. As such, officers and Members of the Committee will seek to avoid such disclosure.	
OUTCOME OF CONSULTATION AND ENGAGEMENT	
Ward Councillors have not been consulted on matters affecting individual complaints.	
EQUALITIES	
In line with the Public Sector Equality Duty, the Council has, in the preparation of this given due regard to the need to eliminate discrimination, harassment, victimisation, to advance	

equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race religion or belief, sex, sexual orientation. The proposals in this report do not impact on the protected characteristics.

SOCIAL VALUE CONSIDERATIONS

There are no direct social value considerations arising from this report.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

There are no direct Net Carbon Zero implications arising from 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	There are no direct Crime and Disorder implications arising from this report.
Health Inequalities	There are no direct Health Inequalities implications arising from this report.
Area or Ward affected	All Wards

ANY OTHER RELEVANT INFORMATION

PART 3 – SUPPORTING INFORMATION

BACKGROUND

At Appendix A to this report is the Annual Letters from the LGSCO 2024; which covers the financial year 2025/26. From this letter, and by comparison with the same letters received since 2021, the following comparison has been produced:

Decisions of the Ombudsman in the years concerned:

	2020/2021	2021/2022	2022/23	2023/24	2024/25	2025/26
Complaints Upheld	**0**	**2**	**2**	**4**	**1**	**1**
Satisfactory Remedy provided by the organisation	0	0	0	0	0	0
Not upheld	1	3	1	2	1	0
Not investigated by the Ombudsman	7	12	10	8	6	11
Referred back to the Council as not progressed through its own procedure	6	11	12	13	7	10
TOTAL DETERMINED	14	28	25	27	15	22

Compliance with Ombudsman recommendations	1 (100%)	2 (100%)	2 (100%)	1 (100%)	2 (100%)	2 (100%)

The above figures do not cover complaints against the Council that are within the jurisdiction of the Housing Ombudsman Service.

Some caution needs to be given to the Ombudsman Complaint decision records for 2020/21 as, between March 2020 and June 2020, the Ombudsman temporarily stopped accepting new cases.

For 2025/26, only 1 of the 22 complaints determined was one where fault was found. This was a homelessness case where the family were placed in B&B for two weeks longer than the statutory maximum period. That case pre-dated the opening of the Council's Spendells House Temporary Accommodation facility.

As referenced in the Executive Summary of this report, on 2 June 2026 the Council received an assessment of its Corporate and Housing Complaints Policy from the Housing Ombudsman (adopted in 2025 following consultation internally and with the Housing Ombudsman and the LGSCO services). The Housing Ombudsman has made seven recommendations which will be actioned to clarify the Council's compliance with the Housing Ombudsman's Complaint Handling Code. That Code has statutory status.

The seven recommendations are to review the policy:

- to specifically reference that a complaint will not stop efforts to address a service request.
- to explicitly state that it covers how reports of antisocial behaviour are handled.
- to include text to state that potential insurance claims are not excluded from the complaints policy and provide discretion concerning such claims.
- to identify that while requests for information can legitimately be excluded from the application of the policy, how those requests are handled are permitted.
- to clarify further that while complaints about legal proceedings are appropriately excluded, matters not covered in the related claim form/particulars of claim are within the scope of the complaints policy.
- to discount informal resolution between the complainant and the Council as anything other than a Stage 1 of that policy. This does though not apply to service requests per se.
- to adjust the existing wording which identifies that we will set out our understanding of the complaint and signpost if any matters are not the responsibility of the Council to provide that our correspondence will state that non-signposted matters are within the responsibility of the Council.
- where references to investigations taking longer than the normally stated response periods and we state that we will agree a date by which a response will be sent, within that up to additional 10 days (Stage 1) or 20 days (Stage 2) to also reach agreement on intervals to keep the complainant updated with progress.

The above is included so that the Committee can be aware that a process of reviewing the complaints policy is underway to address the above. The importance of not just complying with the codes of complaints handling from the Housing Ombudsman and the LGSCO but being seen by those Ombudsman Services to being compliant cannot be overstated

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

[To be inserted]

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None. However, the Annual Letters from the LGSCO to this Council can be viewed on the Council's website here: https://www.tendringdc.gov.uk/content/transparency-making-public-information-available-to everyone

APPENDICES
Appendix A – Local Government and Social Care Ombudsman Letter 2026.

REPORT CONTACT OFFICER(S)	
Name	**Keith Simmons** **Karen Hayes**
Job Title	**Assistant Director (Corporate Policy & Support)** **Corporate Governance, Performance and Procurement Manager**
Email/Telephone	**ksimmons@tendringdc.gov.uk / (01255) 686580** **khayes@tendringdc.gov.uk / (01255) 686614**

Local Government & Social Care OMBUDSMAN

20 May 2026

By email

Mr Davidson
Chief Executive
Tendring District Council

Dear Mr Davidson

Annual Review letter 2025-26

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2026.

We recognise that local authorities continue to face significant pressures in delivering services to their communities. We hope the data and insight we share with you each year remains a useful tool for reflection and continuous improvement. Please consider it as part of your corporate governance processes.

Your annual statistics are available here.

In addition, you can find the detail of the decisions we have made about your Council, read reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

We will write to organisations in July where there is exceptional practice or where we have concerns about complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 15 July 2026.

Supporting complaint and service improvement

We remain committed to supporting the sector to embed effective systems of redress. Where authorities are navigating reorganisation and devolution, we are ready to help ensure that robust complaint handling is built into new arrangements from the outset. Please do get in touch if your organisation would benefit from our advice and guidance.

Our Complaint Handling Code, in force since April 2025, is now applied in our casework and offers structure and support to your local complaint system. Our training programme provides a flexible, expert-led route to building complaints capability across your teams, with courses open for individual delegates to book. Contact training@lgo.org.uk for more information.

Our Annual Review of Local Government Complaints will be published in July 2026, setting out the national picture of complaints, trends across service areas, and emerging systemic issues. We encourage you to read it alongside your own organisation's data.

I note that your Council volunteered as a member of our Council Advisory Forum. I would like to thank you for doing so and hope your authority finds it useful.

Yours sincerely,

A. K. Clarke

Amerdeep Clarke
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

AUDIT COMMITTEE

25 June 2026

REPORT OF CORPORATE DIRECTOR FINANCE & IT

A.5 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. • Following its approval at a recent meeting of Full Council and as requested by Cabinet, the Council's revised Procurement Procedure Rules are attached for the Committee's consideration and determination of how it wishes to undertake the necessary review.

RECOMMENDATION(S)
It is recommended that the Committee: **a) Notes the updates set out within this report; and** **b) As requested by Cabinet, considers the Council's revised Procurement Procedure Rules, as set out in Appendix D and determines how it wishes to undertake the associated review later in the year and/or any comments to Cabinet.**

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 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 was set out within an associated report presented to the Committee on 19 February 2026. There were no significant weaknesses identified across the three themes.
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 plans that are reported to the Committee on a regular basis, with the next update due to presented at their June 2026 meeting.	
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 March 2026. 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 2023/24 Annual Governance Statement Action Plan – **Appendix B**

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

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

In terms of item 2) above, the Annual Governance Statement for 2025/26 remains subject to being finalised alongside the Statement of Accounts 2025/26 for publishing by the end of June 2026. The associated action plan that will be set out within the above statement will include the ongoing/outstanding items set out within **Appendix B** as necessary. However,

given the timing of this meeting of the Audit Committee and the publication date highlighted above, **Appendix B** only gives updates against the existing Annual Governance Statement at the present time, with further details planned to be presented to the September 2026 meeting of the Committee that will reflect the revised actions and activities emerging from the 2025/26 review.

In terms of progressing and monitoring recommendations emerging from the work of the External Auditor, a number of items were presented as part of the overall outcome from their work on the Council's 2024/25 Statements that were considered by the Committee on 19 February 2026. The items identified were broadly a continuation of previous recommendations which remain subject to on-going activities to fully address any outstanding issues. Similarly to the AGS actions highlighted above, activities remain in progress with no major issues to raise at the present time.

Review of the Effectiveness of the Audit Committee

Following ongoing reviews, including a recent facilitated session with Members, outcomes and conclusion remain subject to being drawn together for presenting to the Committee. This provides a timely opportunity to maximise the input from various stakeholders including Members of the Committee which are therefore encouraged to enable the position to be reported to the next meeting of the Committee.

Risk Management Review

Following the update included within the corresponding Table of Outstanding Issues presented to the March 2026 meeting of the Committee, a separate detailed report is set out elsewhere on the agenda.

External Audit

Following the update included within the corresponding Table of Outstanding Issues presented to the March 2026 meeting of the Committee, the External Auditor's Audit Plan and Strategy for 2025/26 is set out elsewhere on the agenda.

Local Audit Reform

The English Devolution and Community Empowerment Act 2026 which underpins Local Audit Reform (creation of the Local Audit Office) received Royal Ascent in April 2026. This therefore establishes the statutory footing allowing the Government's intended reforms to move forward.

For completeness the Local Audit Office will be taking over the core functions that are currently split across the PSAA (appointments/contracts), the NAO (code) and the FRC (oversight). It is expected that the necessary implementation and transition arrangements will remain ongoing over the remainder of the year and practical/consequential updates will be provided to Members accordingly.

Procurement Procedure Rules developed through the Essex Procurement Partnership

In accordance with the Council's adopted Procurement Strategy, at its 24 April 2026 meeting, Cabinet considered and subsequently recommended to full Council for adoption the

Procurement Procedure Rules developed through the Essex Procurement Partnership (EPP) (as attached at **Appendix D**); thereby replacing the Council's current Procurement Procedure Rules, contained with the Rules of Procedure set out in Part 5 of the Council's Constitution.

Tendring District Council (TDC) forms part of the Essex Procurement Partnership through its agreement to enter into a Collaboration Agreement for the delivery of joint procurement services for a three year period together with:

- Braintree District Council
- Castle Point Borough Council
- Epping Forest District Council
- Essex County Council

These Parties have agreed through the Collaboration Agreement to create common procurement documentation including common tender documents, a shared set of procurement rules and a procurement strategy. The Procurement Procedure Rules have been designed to provide a framework of best practice for all procurement activities to deliver against the Procurement Rules and support the Councils in achieving value for money and delivering the Councils' corporate objectives. The documentation was refined further for EPP purposes following a review undertaken by TDC's Corporate Director (Law and Governance) and the Corporate Governance, Performance and Procurement Manager.

All Councils within EPP remain the Contracting Authority in all cases and the decision makers with regards to procurement activity and contract management. The Rules apply to each member of EPP, following approval and adoption by the Councils, with the exception of Essex County Council whose Procurement Policy closely mirrored these. It is important to note that these Rules related to procurement activity and that the Council's other Procedure Rules, such as Financial and decision making/governance requirements remain unaffected and still apply. The Procurement Procedure Rules mirror the National Procurement Policy Statement in their focus on the following key strategic priorities:

- *Delivering value for money*
- *Driving Economic Growth*
- *Enhancing Social Value*
- *Supporting Net Zero and Environmental Goals*
- *Improving Supplier Access and Market Diversity*
- *Commercial Capability and Innovation*

The Rules further provide different values to the existing rules and increase the Request for Quotation process from £49,999 to £100,000 reflecting on inflation, resources and capacity. However, good governance and value for money was still provided through a number of controls.

Cabinet **RESOLVED**:

a) *Approves in principle, the draft Procurement Procedure Rules, as set out in Appendix A to report A1, as developed by the Essex Procurement Partnership, of which Tendring District Council is an active Member Authority, for recommendation onto Full Council for adoption:*
b) *Authorises the Corporate Director (Law & Governance), being the responsible Officer for the Council's corporate procurement function and the Council's statutory Monitoring*

Officer, to make any necessary minor amendments and to produce a final draft of the Procurement Procedure Rules, in consultation with the Portfolio Holder for Assets and Community Safety, for Full Council to consider;

c) *Recommends to Council that the final draft Procurement Procedure Rules be adopted, replacing the Council's current Procurement Procedure Rules, as contained with the Rules of Procedure set out in Part 5 of the Council's Constitution;*
d) *Endorses the review to be undertaken by both Internal Audit and the Audit Committee to ensure the Council's corporate governance requirements continue to be maintained through the new Rules and lessons learnt have been captured;*
e) *Notes the update of the activity within the Essex Procurement Partnership and the Local Government Reorganisation for Greater Essex, Procurement and Contracts System Working Group; and*
f) *Notes Officers will present the outcome of the detailed analysis of the Council's Contracts Register in due course in readiness for the transition phases of LGR.*

At its 02 June 2026 meeting, Full Council, having considered the Cabinet's recommendation arising from its consideration of the aforementioned matters, and to enable that recommendation to be approved and adopted **RESOLVED:**

That the final draft Procurement Procedure Rules, as set out at Appendix 1 to the joint report (A1), be approved and formally adopted, and that they replace, with immediate effect, the Council's current Procurement Procedure Rules, as contained within the Rules of Procedure as set out in Part 5 of the Council's Constitution.

Exemption from Procurement Procedure Rules Register

As per the Committee's work programme, the Council's External Auditors identified that a Exemption from Procurement Procedure Rules Register should be maintained – a relevant extract of the Council's current Contract Register is attached at **Appendix E**. This has been created from the Contracts Register and details those procurement activities utilising an exemption from the Procurement Procedure Rules, following the appropriate governance route and consultation with the appropriate authorising Officer/Portfolio Holder/Cabinet.

The Council on 02 June 2026 adopted the Procurement Procedure Rules developed through Essex Procurement Partnership (attached at **Appendix D**), of which it is a Member Authority. The exemption awards listed within the register at the time of writing were conducted under the previous Procurement Procedure Rules as follows:

SECTION 2 – EXEMPTION FROM PROCUREMENT RULES

2.1 The Corporate Director/Heads of Department shall be exempt from the need to obtain competitive quotations/prices where any of the following circumstance apply:-

a) *The goods or services are procured from an in-house service.*
b) *The good are proprietary items of which there is only one supplier, or are sold by all suppliers at a fixed price.*
c) *The matter is one of urgency as determined by the appropriate Corporate Director/Head of Department following consultation with the responsible Portfolio Holder or the Leader of the Council.*
d) *The contractor or supplier is specified for works to this Council for which an external client is making payment.*

e) *Where the work is of a specialist nature and the Corporate Director/head of Department can demonstrate that it is not possible to obtain more than one quotation or tender.*
f) *For the engagement of Counsel by the Corporate Director – Law and Governance.*
g) *Where a partnership agreement has been entered into with a contractor or a supplier as a result of competitive tendering, and the proposed procurement is within or related to the documented scope of that partnership agreement. In such cases the Corporate Director/Head of Department must be able to demonstrate that the proposed procurement through such a partnership arrangement is advantageous to the Council (e.g. continuity of service or product supply, or extension of existing arrangements). The documentation issued will take the form of a contract variation as determined in the partnership contract and/or via the Official Ordering rules or if appropriate the documentation to be issued will be as required by the Procurement Procedure Rules for the value of the procurement. (EU limits must be observed to ensure no thresholds are exceeded).*
h) *For purchases from petty cash.*

In all cases where an exemption is applied the Corporate Director/Head of Department shall maintain a record to evidence this.

2.2 Further exemption from Procurement Procedure Rules may be sought where a Head of Department can demonstrate that exemption is justified by special circumstances.

a) *Where no specific exemption is provided above:*
   - *Where the value of the contract or procurement is estimated to be less than £50,000 exemption may be granted by the Chief Financial Officer in consultation with the Corporate Finance & Governance Portfolio Holder. The procuring service must publish an Officer Decision to record this.*
   - *Where the total value of the contract, or procurement, is estimated to be between £50,000 and £250,000 the Corporate Finance & Governance Portfolio Holder may, on the recommendation of the Chief Financial Officer, grant exemption. In such cases a formal Portfolio Holder decision must be made.*
   - *Where the total contract, or procurement, is estimated to exceed £250,000, the Cabinet, or a Committee may, on the recommendation of the Chief Financial Officer, grant exemption. In such cases a record of the exemption must be made in the minutes of the Cabinet, or Committee.*

The Procurement Procedure Rules adopted on 02 June 2026 enhance the above with further governance, whilst allowing flexibility especially in light of the increase of the Request for Quotation threshold being increased from £50,000 to £100,000 and are detailed as follows:

16. Waivers/Exemptions

16.1 Officers may be exempt from the need to obtain competitive quotations/prices as set out in these Rules by following the Procurement Waiver process.

16.2 Advice from EPP and the Council's Legal Service must be sought with sufficient time to allow these Rules to be applied to any procurement activity, before a waiver decision is taken by the relevant decision maker. Failing to programme procurement activity in accordance with the Council's arrangements, capacity and resources is not a reason to seek a procurement waiver/exemption.

16.3 A procurement Waiver/Exemption should be sought and completed in line with the Waiver/Exemption process in place within the Council.

16.4 Any Procurement Waiver/Exemption should demonstrate how value for money is being achieved. A Waiver/Exemption will not be granted unless Value for Money is demonstrated.

16.5 The following Table describes the approval levels required for waivers:

TDC Estimated total value of contract (aligning with Spend Thresholds in Table 1)	**TDC Approval needed**
Very Low Value (£0 to £10,000)	Approval of the relevant Corporate Director in consultation with the Chief Financial Officer (Section 151 Officer). Procuring Service Area must produce and publish an Officer Decision to record this.
Low Value (£10,001 to £50,000)	Approval by Chief Financial Officer (Section 151 Officer) in consultation with the Corporate Finance and Governance Portfolio Holder. Procuring Service Ares must produce and publish an Officer Decision to record this.
Low to Medium Value (£50,001 to £100,000)	Approval of the Chief Financial Officer in consultation with Portfolio Holder(s) for Corporate Finance and Governance
Medium Value (below threshold) £100,001 to relevant Procurement Act 2023 threshold	Portfolio Holder(s) for Corporate Finance and Governance and Corporate Procurement following consultation with the Chief Financial Officer (Section 151 Officer) and Monitoring Officer. Procuring Service Area must produce and publish an Executive Decision to record this.
High Value (above threshold) Over relevant Procurement Act 2023 threshold	Approval by Cabinet with detailed report prepared by the Procuring Service Area with necessary advice included, specific focus on exemptions with the legislation being relied upon and why.

16.6 The waiver process and/or any other applicable governance must be successfully completed prior to an order being placed or contract being entered into with a supplier.

16.7 Where a waiver is granted, the procurement may go ahead without complying with the specific rule for which a waiver is granted but no contract may be entered into without the requirements being clearly specified.

16.8 All waivers are required to be registered and reported to the Council's Audit Committee.

As detailed within the Procurement Procedure Rules, when seeking to conduct a procurement under the exemption process, Procuring Services must be able to demonstrate how value for money is being achieved to satisfy the appropriate governance route. It should not be the

case that an exemption is relied upon due to lack of preparation and consideration of capacity and resource. Consideration must also be given to acting within the requirements of the Procurement Act 2023, the Council's Procurement Strategy and Social Value Policy. The exemption register also contains a link to all associated Officer Decisions for each exemption.

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 period under review 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 since the adoption of its policy in July 2023.

At the time of writing, there are three notifications detailed below for the information of the Committee since its last meeting.

TENDRING DISTRICT COUNCIL WHISTLEBLOWING POLICY UPDATE Jun 2026				
Internal Ref No	**Complainant**	**Current status**	**Final outcome**	**Comments**
Existing Whistleblowing Cases from last update:				
Internal Ref No	**Complainant**	**Current status**	**Final outcome**	**Comments**
01	Anon – 05 May 2026	Concluded	Investigation completed by internally appointed Investigator	No further action required. Matter relates to potential conflict of interest and breach of the Council's Recruitment and Selection Policy.
02	Public – 07 May 2026	Concluded	Preliminary Investigation completed by Fraud and Risk / HR	No further action required. Matter relates to Council Officers allegedly abusing position and potential conflict of interest.
03	Public – 27 May 2026	Ongoing - passed to Fraud and Risk	Investigation open	Matter relates to alleged misuse of Council funds, resources and vehicles.

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

None

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES
Appendix A – Table of Outstanding Issues (June 2026) – General **Appendix B – Table of Outstanding Issues (June 2026) – Update against 2024/25 Annual Governance Statement Actions** **Appendix C – Table of Outstanding Issues (June 2026) – External Audit Recommendations** **Appendix D – Procurement Procedure Rules developed through the Essex Procurement Partnership** **Appendix E – Exemption from Procurement Procedure Rule Register**

REPORT CONTACT OFFICER(S)	
Name	**Richard Barrett**
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AUDIT COMMITTEE - Table of Outstanding Issues (June 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 Finance & IT	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	**COMPLETED - Training sessions delivered to date:** • **'Your Role on The Audit Committee' – June 2023** • **Fraud training - June 2024 and November 2025** • **'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**

			A number of training sessions have been conducted and further modules will be considered as part of the Members' Development programme 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.	**COMPLETED – this was included within the most recent Financial Performance Report that was presented to Cabinet in April 2026 and will continue to be included for the life of the associated projects.**
At its meeting in March 2026, following its consideration of the report on Internal Audit, it was resolved that the Committee: Notes the periodic update and the action tracking report and requests that services capture as part of the Service Planning Process the timely resolution of outstanding internal audit / governance matters ahead of 01 April 2028.	Corporate Director Finance & IT	This has recently been drawn to the attention of senior managers and will be monitored via the wider internal audit review process.	**Ongoing – with further updates to be presented to the Committee during the remainder of the year.**

At its meeting in March 2026, following its consideration of the Table of Outstanding Issues report, it was resolved that the Committee: Following the Building Safety Inspection Review outcomes and actions reported to the meeting of the Audit Committee held on 19 February 2026, the Committee requests that a further update be provided during 2026/27, including whether there have been any opportunities to share any associated learning elsewhere within the Council.	Head of Planning and Building Control	The requested update is planned to be presented to this meeting of the Committee.	**Separate report as set out elsewhere within the agenda.**
At its meeting in March 2026, following its consideration of the Table of Outstanding Issues report, it was resolved that the Committee: Requests Officers to further develop the revised approach to the Assurance and Risk Management Framework, as set out within the report (A.2), with the aim of presenting an updated position for consideration / adoption to the next meeting of the Committee in June 2026.	Corporate Director Finance & IT	The requested item is planned to be presented to this meeting of the Committee.	**Separate report as set out elsewhere within the agenda.**

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AUDIT COMMITTEE - Table of Outstanding Issues (June 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.	COMPLETED – from an ongoing operational perspective further actions will be undertaken via the more general departmental planning process and maximising opportunities via existing systems and processes.
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	Draft Departmental Plans have been completed and recently reviewed by the Council's Senior Management Team. It is now proposed to finalise these plans to complement / inform the Council's plans

AUDIT COMMITTEE - Table of Outstanding Issues (June 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.	both financial and non-financial through to the end of March 2028.
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.	Following recent updates and as highlighted within Appendix A, a detailed update is set out elsewhere on the agenda.
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 along with key policies and procedures.	• 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 (June 2026) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2024/25

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

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 are continuing to be considered 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. Managing risks and performance through robust internal control and	• Strengthen / embed the work of the Project Delivery Unit. • Successfully take the necessary steps including governance and financial management to deliver the various	**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 governance arrangements are also in place such as the establishment of the Regeneration Capital Delivery Board and

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

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

strong public financial management	projects being managed by the PDU balancing risk and reputation of the Council in the short to long term.	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 registers and project management structures	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. The Council's overall approach will be complemented by a separate Risk Management Framework / Register.

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

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

	• 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 ***Operation:***	

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

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

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

AUDIT COMMITTEE - Table of Outstanding Issues (June 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	Year End Report to the Audit Committee for	Corporate Director	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	This work remains on-going as part of the

	sufficient data on the floor areas of their 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)	Finance & IT	resolve the matter in its entirety, plans are in place to enable this to be implemented on a phased approach over the Statement of Accounts for both 25/26 and 26/27.	annual Statement of Accounts process. Floor area data will be retained to avoid this issue reoccurring in the future.

Essex Procurement Partnership

The Procurement Procedure Rules

April 2026

Issue Control		
Version	**Date**	**Description**
1	August 2025	First draft in line with council and EPP versions
2	December 2025	LH TDC review
3	February 2026	Response to comments with additional drafting
4	March 2026	Clean version with flow chart
5	April 2026	Updated waiver/exemption detail following comments from Karen Hayes (TDC)
6	April 2026	LH TDC review for Cabinet Report
7	April 2026	Amendments approved through EPP ready for Reports and Governance

Table of Contents – CHECK PAGE NUMBERING

Introduction and Purpose of this Document

Following adoption of the Procurement Strategy, these Procurement Procedure Rules have been created for the members of the Essex Procurement Partnership ('EPP'). This is a collaboration of a number of Councils who have one collective approach to undertaking procurements on their behalf.

The Councils remain the Contracting Authority in all cases and the decision makers with regards to procurement activity and contract management.

The Procurement Procedure Rules apply to each member of the Partnership, following approval and adoption by the Councils, with the exception of Essex County Council whose Procurement Policy closely mirrors these Procurement Procedure Rules.

These Rules apply to the procurement activity and do not contain all the Council's Policies and Procedures, which are set out elsewhere in the Constitution. Anyone referring to this document should ensure that they understand the totality of the corporate governance framework when commencing procurement and committing the Council. Procurement can only take place where budgetary provision is available to fund the goods, works or services required.

The Rules apply to the procurement of ALL goods, works or services. The approved electronic ordering system will be used for all procurement, except where otherwise detailed within these Procurement Procedure Rules.

This document sets out the dos and don'ts when spending the Council's money on third party goods, services and works.

Part 1 of this document details the rules applicable to all Council Officers and Members when conducting procurement activity, Part 2 is specifically for the EPP.

The Procurement Procedure Rules ***(The Rules)*** form part of the Council's Constitution so apply to **all** Council Officers who should familiarise themselves with the content of this document prior to commencing any procurement-based activity.

The EPP has a suite of process documents known as the **"Procedures"** which supports delivery of these Procurement Procedure Rules, the Council's Procurement Strategy and Social Value Policy.

These Rules reflect the National Procurement Policy Statement (NPPS) which sets out the UK Government's strategic priorities for public procurement and explains how contracting authorities must support their delivery. The NPPS is a statutory requirement under section 13 of the Procurement Act 2023, the latest version came into effect on 24 February 2025.

These Rules mirror the NPPS in focus on the following key strategic priorities:

- Delivering Value for Money
- Driving Economic Growth (includes strengthening supply chains by giving SMEs and VCSEs a fair chance)

- Enhancing Social Value (includes working in partnership across organisational boundaries)
- Supporting Net Zero and Environmental Goals
- Improving Supplier Access and Market Diversity
- Commercial Capability and Innovation (includes standards are in place for to procure and manage contracts effectively and to collaborate with other authorities to deliver best value)

Contracting Authorities (the Council) must consider the NPPS in all procurement decisions and document how NPPS objectives influence their choices, and align processes with growth, social value, and capability goals.

One of the main objectives of the Rules is to ensure that the Council's tenders are carried out in accordance with legislation which, for the purpose of this document is defined as including the:

- Public Contract Regulations 2015
- the Procurement Act 2023 supported by the Procurement Regulations 2024
- Public Services (Social Value) Act 2012; and
- the Health Care Services (Provider Selection Regime) Regulations 2023.

In particular, applying the principles of value for money, public benefit, transparency, integrity, fair treatment, consideration of SME, equal treatment and non-discrimination.

These principles apply to both procurements above the UK public procurement thresholds and those below. The legislation and NPPS requirements will be kept under review and these Rules may be amended under the Monitoring Officer's delegated authority as set out in Article 15 of the Council's Constitution, following consultation with the Section 151 Officer and relevant Portfolio Holder(s) responsible for the corporate procurement function and governance responsibilities.

The Rules are designed to provide a framework of best practice for all procurement activities which support the Council in achieving value for money and delivering the Council's corporate objectives. This document will clarify who should conduct the activity and the appropriate methodology to be used.

PART 1 - Who is this document for?

A. The Role of elected Members

The role of elected Members is based on their four-fold responsibility for policy shaping, decision-making, governance and scrutiny. Their responsibilities are to be administered in a manner consistent with the Constitution of the Council. The primary responsibilities in relation to procurement are to:

(i) Set the strategic direction of the Council's Procurement Strategy.

(ii) Align procurement activity with the Council's Budget and Corporate Vision/Plan, priorities and objectives.

(iii) Members are decision makers for the activity being authorised.

(iv) Make decisions on awarding contracts in accordance with these Rules following the procurement process and evaluation conducted by Officers.

(v) Monitor and review the corporate performance of the procurement function via the Cabinet Member/Portfolio Holder for Procurement.

(vi) Individual Portfolio Holder responsibility for Service Areas.

(vii) Scrutinise contract management and co-operate with any scrutiny relating to procurement which relates to a particular portfolio of a Cabinet Member.

(viii) Audit Committee – Overseeing the effective development and monitoring of key Council policies and internal control arrangements which includes the procurement strategy and wider associated governance arrangements. This extends to considering such arrangements and supporting any necessary actions to ensure compliance with its own and other published standards and controls.

B. The Role of Officers

(i) **All** Council Officers should familiarise themselves with the content of this document prior to commencing any procurement-based activity.

(ii) Before undertaking any procurement, Departments should satisfy themselves that:

- The works, goods or services are required and a need can be demonstrated
- There are no reasonable alternatives e.g. sharing or utilising spare capacity/inventories elsewhere within the Council
- They are aware of the current statutory contract value thresholds in accordance with the legislation (as amended) as shown on the Council's Intranet.

- Where relevant, they have considered the requirements of the Public Services (Social Value) Act 2012 and have recorded/evidenced the outcomes against the associated requirements:-

  - ❖ *how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area*
  - ❖ *how, in conducting the process of procurement, it might act with a view to securing that improvement.*

(iii) If you intend to engage an approved third party, such as a consultant, company, or contracting agent to procure goods, services or works on behalf of the Council, you must engage with the Council's in-house procurement support or EPP first and ensure that the third party is aware of and complies with the Rules and requirement to declare any potential Conflicts of Interest.

(iv) Resources and capacity are required to undertake procurement activity in a timely manner therefore, Service Areas need to engage early with procurement teams to ensure the activity is captured on the Council's procurement project pipeline so that the necessary resources and support can be planned appropriately.

(v) The Rules do not apply to:

(a) Contracts of employment.
(b) The acquisition, lease or disposal of buildings or land save where those buildings or land form part of a development agreement.
(c) Non trade mandatory payments to third parties, including insurance claims, pension payments and payments to public bodies.
(d) A declared emergency as determined by the Minister of the Crown.
(e) Awarding of grants – note grant expenditure may be subject to a tender process and subsidy control requirements.

Council Officers should seek advice from the Council's relevant directorate responsible for the corporate procurement function/service if they are unsure whether these Rules apply or not. For Tendring District Council, this is Law & Governance.

(vi) Any failure to comply with these Rules will be treated as a serious matter,

which may lead to disciplinary action in the case of an Officer or a complaint to be investigated by the Monitoring Officer in the case of a Councillor.

(vii) Where an Officer becomes aware of a failure to comply with the Rules that cannot be remedied after seeking advice from the relevant Procurement Specialist or if an act of non-compliance gives rise to, or is likely to give rise to illegality, then the matter must be notified to the Council's Monitoring Officer at the earliest opportunity.

(viii) Any questions relating to the application of Rules, or where further procurement guidance and support is needed, should be directed to the EPP in the first instance with support sought from Legal Services where required.

(ix) The Chief Finance Officer is responsible for ensuring the proper administration of the Council's financial affairs and integral to decisions on procurement activity using Council funds, value for money considerations, the exemption process and supporting the audit function.

(x) The Senior Responsible Officer for procurement is required to ensure adherence to these Rules by the Service Areas and procurement team, working with senior colleagues across the Councils. Essex Procurement Partnership support the Councils to ensure these Rules are known and embedded.

(xi) Senior Officers within each Council, with responsibility for Directorates, Departments or Service Areas are responsible for ensuring those officers within their Service Areas know the Rules, are competent in applying them to their service requirements and are complied with.

(xii) A Service Area Officer should be appointed to each procurement activity with ultimate responsibility for compliance with the Council's Rules and Procedures, delivery and risk management.

(xiii) All Officers must comply with the latest legislation which applies to public procurement activity.

(C) The Role of the Contracting Service Areas

(i) In addition to the general responsibilities for all Officers, referred to above, the primary responsibilities for any Officer within a Service Area wishing to externally procure services and/or works, are to:

(a) Follow the Rules contained within this document.
(b) Ensure the budget is available and compliance with the Council's Financial Procedure Rules.
(c) Ensure skills and resources are available within the Service Area to specify the service's requirements, support relevant documentation, evaluations, assessments and contract management etc.
(d) Ensure that the appropriate governance/decision making is in place to proceed to tender and advice has been sought on the type of contract being used.
(e) Write a specification for the services to be commissioned – ensuring that the specification does not favour any one supplier to ensure fair competition and to cover the entire procurement & contractual requirement in order to negate foreseen contract variation.
(f) Complete the necessary decision making to award contracts giving reasons following an evaluation process.
(g) Ensure that contracts are managed in accordance with the guidance relevant to value (see section entitled Contract Management) and that due diligence checks are undertaken in relation to insurance requirements and up to date policies throughout the life of the contract.

(ii) In line with Table 1, it is the Service Areas Responsibility to undertake RFQ's up to £50,000 for the life of the contract. The Officer within the Service Area should ensure that any awarded Request for Quotations are notified to the EPP to be logged onto the Council's Contracts Register and the relevant notices are published for any contract over £30,000 (excluding VAT) for the whole life of that contract.

D. The Role of the Essex Procurement Partnership

(i) Essex Procurement Partnership (EPP) is a collaboration of Local Authorities in Essex which has been formed with the aim to enable effective and professional procurement, maximising the value for every pound spent by local authorities across Essex to the benefit of local residents. EPP is made up of officers from across the member Councils who, as one team, work as part of each council as their procurement resource within that council's own governance arrangements.

(ii) EPP is responsible for supporting the Council's Contracting Service Area with the procurement sourcing activity with a value of £50,000 (excluding VAT) or more over the life of the contract on behalf of the Council (see section entitled Contract Management).

(iii) EPP:

(a) Works alongside Service Areas to develop and implement strategies for major projects and key areas of the Council's third party spend, including business cases and option appraisals.

(b) Provide support, advice and guidance to the Service Area to be able to initiate a tender exercise.

(c) Provide support, advice and guidance to the relevant decision maker to commence re-procurement of, or exit from, a contract.

(d) Undertakes market engagement and analysis of available markets,

(e) Supports Councils to develop suitability of frameworks.

(f) Manage the development of supplier markets in both the private and third sector.

(iv) The responsibilities of EPP include:

(a) Consulting the Service Areas and subject matter experts to develop for Member approval, implement and manage delivery of the Council's Procurement Strategy.

(b) Developing and maintaining the framework within which procurement activity is conducted, including provision of:

- The Procurement Procedure Rules and Procedures.
- Guidance and templates to support procurement processes.
- Electronic tools to enable an efficient and transparent process.
- Supports the Council governance process for the award of contracts and decision making.
- Measures and reporting processes.
- A procurement learning and development plan.
- Create and maintain processes and documentation for self-

service activity.

- Ensure guidance and training for the wider organisation is available to support service users and self-service delivery.
- Identification and production of future policies
- National benchmarking – analysis once published, identification of training requirements and further actions to develop the EPP offering (link to policy production above)
- Social value reporting

(c) Implementing sustainable approaches which support delivery of the Council's corporate objectives.

(d) Providing market intelligence to identify opportunities for collaboration and to leverage supply market opportunities.

(e) Providing professional procurement expertise, support and advice to Officers and Members to deliver value for money and compliance with legislation, National Procurement Policy Statement and these Rules.

(f) Leading sourcing processes as applicable detailed in Table 1.

(g) Supporting the Council to maintain its Corporate Contract Register for all sourcing activity over £50k.

(h) Providing professional advice to non-procurement Officers within the Councils.

(i) Leading the development of markets.

Spend Thresholds

When there is no alternative available and there is a requirement to spend money, **the total contract value (exclusive of VAT below threshold value) and extension options, where applicable, is used to determine the process to be followed (see below guidance on total contract value).** Tender activity should commence only where, following assessment, any applicable existing arrangements or frameworks have expired, elapsed or are deemed to be unsuitable for the requirement.

Prior to selecting the sourcing activity, Officers must ensure that they have the required governance and approvals in place, the Table below determines the route not the prior approval process.

All sourcing activity is assigned a classification in accordance with Table 1. This determines the correct process and establishes who leads the procurement process. The spend threshold is the first factor considered but Officers will need to consider the complexity of the requirement. If the requirement involves significant resources to implement, deliver, or manage for example, then spend alone may not be the determining factor and advice should be sought from the EPP.

Where any requirement involves any of the specialised terms and conditions listed below, the value-based assignment of procurement approach in Table 1 **does not apply** and the Procurement Specialist with the Head of Service will allocate a risk tier to the contract. Officers must not undertake any activity on procurement for any of the following, without advice from EPP to ensure the correct considerations are given to how to procure. Specialised terms and conditions include:

- Transfer of Staff (TUPE)
- Information Governance (Data Processing).
- Contracts where a supplier will be receiving payment from users of a service or works rather than, or as well as, the Council.
- Technology-related tenders.

Table 1 – CLASSIFICATION OF SOURCING ACTIVITY: SPEND THRESHOLDS (CONTRACT VALUE)

Value Classification	Total value including any extensions	Procurement Method	How should I approach the market?	Should I use Electronic Sourcing Tool?	Who is authorised to carry out this procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award	Who signs the contract on behalf of the Council?	Contract Award Notice needed?
Very low value	**£0 to £10,000 (excluding VAT)**	Pcard (if used); or Raising of Purchase Order through the Councils recognised ordering system; or Mandatory Corporate Contracts	At least one written quote with Value for Money evidenced (an alternative price is preferable)	No	Any authorised officer, within Service Area with budget holder approval	No	As a minimum a written statement (included within PO) of what the contract is for & required to do to ensure it is clear what is being purchased and write down requirements in case of dispute	Budget Holder or someone authorised on their behalf in accordance with Financial Procedure Rules	If there is a written contract it should be signed in accordance with Article 14 [by or on behalf of the budget holder]	No

Value Classification	Total value including any extensions	Procurement Method	How should I approach the market?	Should I use Electronic Sourcing Tool?	Who is authorised to carry out this procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award	Who signs the contract on behalf of the Council?	Contract Award Notice needed?
Low Value	**£10,001 to £49,999 (excluding VAT)**	Request for Quotation (RFQ)	Minimum of three written quotes (preferably invite five people to ensure that three are received). Prioritise local SMEs where possible	No - RFQ Template is available on EPP Sharepoint site	For 10,001 to £49,999 - Any authorised officer within Service Area with budget holder approval	No	Standard Council T&Cs must be used	Head of Service or delegated manager – In line with the financial delegations or Scheme of Delegations	Written contract it should be signed in accordance with Article 14 following published recorded decision [by or on behalf of the budget holder PO sent out with T&Cs following award.]	Yes (send RFQ form to EPP EPP will enter into the system and publish notice

A.5 - APPENDIX D

Value Classification	Total value including any extensions	Procurement Method	How should I approach the market?	Should I use Electronic Sourcing Tool?	Who is authorised to carry out this procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award	Who signs the contract on behalf of the Council?	Contract Award Notice needed?
Low to Medium Value	**£50,000 to £100,000**	Request for Quotation (RFQ)	Minimum of three written quotes (preferably invite five people to ensure that three are received). Prioritise local SMEs where possible	No - RFQ Template is available on EPP Sharepoint site	For £50,000 to £100,000 the Service Area is required to consult the relevant Portfolio Holder before referring to EPP.	No	Standard Council T&Cs must be used	Head of Service or delegated manager – In line with the financial delegations or Scheme of Delegations	Written contract it should be signed in accordance with Article 14 following published recorded decision [by or on behalf of the budget holder PO sent out with T&Cs following award.	

A.5 - APPENDIX D

Value Classification	Total value including any extensions	Procurement Method	How should I approach the market?	Should I use Electronic Sourcing Tool?	Who is authorised to carry out this procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award	Who signs the contract on behalf of the Council?	Contract Award Notice needed?
Medium Value	**£100,001 (excluding VAT) to relevant Procurement Act 2023 Threshold (inclusive of VAT)**	Simplified Tender Process or Enhanced Request for Quotation or RFQ +	Tender or Quotation Giving regard to SME requirements	Yes	EPP	Enhanced Quotation – No Simplified Tender Process - Yes	Council's Standard Terms and Conditions for Medium Value Contracts ~~Medium risk T&Cs~~	Goods and Services - Budget Holder/ Or Authorised Officer within delegations (general scheme or specific)	In accordance with Article 14 following published recorded decision [in line with the financial scheme of delegation]	Yes, as required by legislation
High Value	**Over Procurement Act 2023 Threshold (inclusive of VAT)**	Legislation compliant process	Tender Giving regard to SME requirements	Yes	EPP	Yes, as required by legislation	High Risk T&Cs	Formal governance will determine approver	In accordance with Article 14 following published recorded decision [Sealed as deed via the Council legal team]	Yes, as required by legislation

Contract Management

Notices

Contract Management is undertaken within each Council by Officers within the service area. It is the service areas responsibility to undertake contract management and assess performance of suppliers against Key Performance Indicators where they are contained within the contract

It is the responsibility of the officers within the Service Area to advise EPP where;

- any contract changes have been made
- the contract has terminated, including where the contract has ended at the conclusion of its term
- a dynamic market is opened to enable bidders to apply
- The contract is over £5m, with the responsibility to share performance annually on at least three Key Performance Indicators.

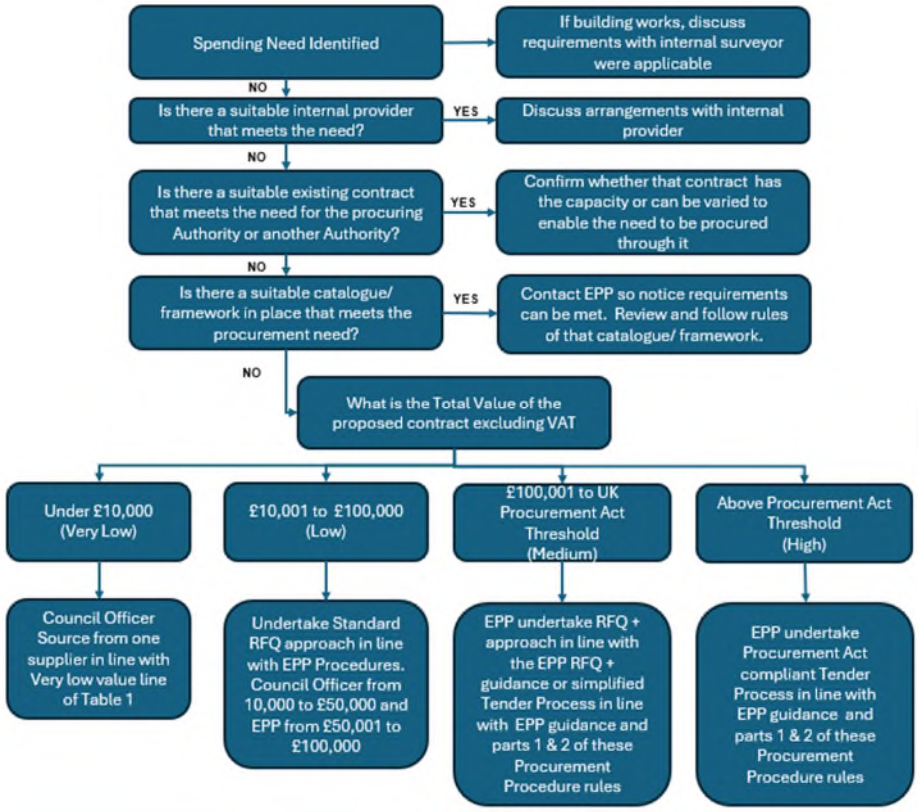
this is to enable EPP to publish the required notices as required under the Procurement Regulations 2024.

Due Diligence throughout Contract

It is the responsibility of the officers within the Service Area to check up to update insurance cover, policies and consents required through the specification.

Part 2 - The Rules for all Tenders and Request for Quotations

Procurement Process Flow Chart



1. General

1.1. All Officers must comply with the Council's Code of Conduct when undertaking a procurement process.

1.2. Directors and Managers must ensure that all their staff involved in the selection of suppliers, award and management of contracts comply with the Council's:

(a) Procurement Strategy,

(b) these Rules,

(c) Social Value Policy

(d) the EPP Procurement Procedures, and

(e) decision making requirements,

in addition to the Council's Budget and Policy requirements and legislation and receive the appropriate procurement training to enable them to do so including, training on Modern Day Slavery and the Prevent Duty.

1.3. All Officers shall ensure that all procurement activity is undertaken in accordance with these Rules, Council's policies and procedures and the Council's Financial Regulations.

1.4. All Officers conducting tenders must ensure that all activity is undertaken with the aim of:

- Achieving the best value for money reasonably possible,
- maximising public benefit,
- acting in a transparent way and with integrity,
- treating suppliers fairly
- giving appropriate consideration as to how to make opportunities attractive to small and medium sized enterprises and how to remove barriers to SME's in bidding for these opportunities
- Considering how social value can be maximised through the contract

1.5. The approved electronic ordering system will be used for all procurement, except where otherwise detailed within these Procurement Procedure Rules.

1.6. The electronic sourcing tool must be used to conduct all competitive tender processes over £100,000.

1.7. Where a contract has a value of over £10,000

(a) Officers must record and keep a record of prices obtained and of the decision taken.

(b) Officers must send Request for Quotation (RFQ) award notification forms to EPP via the form on the EPP Sharepoint site which can be accessed via the Procurement pages on the Council's intranet site. This process to be followed so that EPP have sight of the end information in order to be able to publish under the requirements of the Act.

1.8. Contracts must be in writing; oral contracts are not allowed, and all contracts must clearly specify what the contractor is required to do.

1.9. No contract may provide for money to be paid to a third party on terms which require money to be held by the third party and then paid out on the Council's instructions unless there is a clear justification for this action agreed by the Section 151 officer, a clear purpose for the spending and a transparent process for releasing funds. Use of subcontractors is permitted as set out in the terms and conditions but must be in accordance with the quotation or

tender documentation.

1.10. When buying services that involve the contractor in some form of processing personal information on behalf of the council, Officers must seek guidance from the Council's Information Governance Officer

1.11. Budget holders must ensure that they are properly trained to undertake tender activities and that anyone else undertaking such activities on their behalf are trained.

1.12. Officers must ensure that all procurement activity is based upon business needs which must be carefully specified in any procurement documents. Officers should be mindful that inaccurate specifications may lead to a contractor not being required to meet the Council's needs or a misunderstanding or confusion amongst potential bidders, or a tender which is not priced to reflect the council's actual requirements.

1.13. In addition to the general principles in paragraph 1.4 Officers must ensure that:

1.13.1. Requirements are specified based on the desired outcome rather than how the outcome is to be met, thereby encouraging flexibility and innovation wherever possible.

1.13.2. appropriate records are kept so that the reasons for decisions can be evidenced.

1.13.3. Ensure that Conflicts of Interest are declared using the Declaration of Interest forms and no one may take part in a procurement if they have an identified conflict of interests unless they have the prior written permission of the monitoring officer and comply with any conditions attached to that permission.

1.14. All procurement activities undertaken by the Council must be properly authorised in accordance with Council's Constitution.

1.15. Suppliers invited to respond to an invitation to submit a bid must be given an adequate period in which to prepare and submit a compliant tender, consistent with the complexity and urgency of the Council's requirement.

1.16. Officers must ensure that all notices required by law are published in line with procurement legislation.

2. Total Contract Value

2.1. The total contract value must be used to determine the appropriate spend threshold and sourcing activity process, as classified in accordance with Table 1. Spend cannot be disaggregated to artificially

lower the contract value. The total contract value must be calculated as the total of:

2.1.1. The total anticipated spend under the contract over the entire contract period, assuming that any contractual extension is exercised which the Council pays **AND**

2.1.2. The total value of all similar contracts which could reasonably have been tendered together with the proposed requirement. Contracts must not be split or shortened to artificially reduce the value of individual contracts **AND**

2.1.3. The estimated value of all contracts where a single requirement for work of the same or a similar kind involves more than one contract.

2.2. Where the value of the quotes or tenders received exceeds the threshold in Table 1 above for the process used the contract may not be awarded unless (a) it is lawful and (b) in consultation with the Council's Section 151 Officer and Monitoring Officer.

2.3. The contract documentation must be appropriate to the type of contract being procured, its value, the Council's standard terms and conditions or those agreed with Legal Services and signed or executed for completion in accordance with Article 14 of the Council's Constitution.

3. Framework or Dynamic Purchasing System (DPS)

3.1. Where

(a) The Council has established a framework agreement, dynamic purchasing system (DPS) or dynamic market, or

(b) there is another such arrangement which is available for the Council to use and

(i) Officers have satisfied themselves that the Framework created by other organisations are appropriate and lawful (taking advice where necessary);

(ii) which and meets the business requirements in terms of the suppliers on the framework and the prices quoted; and

(iii) it has been procured in a way which complies with the relevant procurement legislation; and

(iv) the Service Area has taken into account the terms and

conditions of the Framework Agreement, The Council's compliance requirements including the Call-Off Agreement.

(v) due diligence of the Framework or DPS will not routinely be conducted by the Council's Finance Department, and only upon exception where concerns are raised.

this should normally be considered as the preferred route to market for all spend over £100,000 (excluding VAT). Nothing in this rule requires the Council to use a framework of doubtful legality.

3.2. Where an Officer wishes to use a framework agreement, DPS or Dynamic Market which has been set up by another organisation they must check that the Council is permitted to use the framework. Advice about the use of framework agreement, DPS or Dynamic Market should be sought from EPP.

3.3. EPP and the relevant Service Area will discuss the benefits of framework call off vs open tender. Following advice, the final decision on which route to take will be recorded as the procurement approach for that procurement, alongside advice given.

4. Direct Award

4.1. Direct awards can only be made where:

4.1.1. The value falls below £10,000 (excluding VAT), or

4.1.2. A Framework Agreement allows for this procedure and the Council's relevant Officer, agrees that there is justification to not compete, or

4.1.3. The goods or services are procured from an in-house team, or

4.1.4. For the engagement of Counsel by the Corporate Director – Law and Governance, or

4.1.5. Where a partnership arrangement has been entered into with a contractor or a supplier as a result of competitive tendering, and the proposed procurement is within or related to the documented scope of that partnership arrangement. In such cases the Corporate Director/Head of Department must be able to demonstrate that the proposed procurement through such a partnership arrangement is advantageous to the Council (e.g. continuity of service or product supply or extension of existing arrangements).

4.1.6. It is lawful to award the contract in this way, legal advice has been sought and a waiver has been granted with the necessary decision being recorded.

4.1.7. The Council is under a non-discriminatory obligation when making direct awards above or below Procurement Act 2023 threshold and compliance must be demonstrated.

4.2. Where a direct award is permissible, a transparency notice must be published before a contract is directly awarded if the contract is valued above the procurement legislation threshold.

~~4.3.~~ Direct award exemptions are available for extreme circumstances or in a matter of urgency as determined by the appropriate Corporate Director following consultation with the responsible Portfolio Holder or Leader of the Council, Section 151 Officer and Monitoring Officer, with the necessary decision being recorded.

5. Concession Contracts

5.1 A concession contract is an agreement in which a public authority grants a private operator the right to deliver and manage a service or asset, allowing the operator to earn revenue—often from users—in return for investing in, operating, and maintaining that service or asset.

5.2 Where a service is seeking a Concession Contract, Officers must seek advice from EPP.

6. Sustainable Procurement

6.1 Sustainable procurement is the practice of acquiring goods, services, and works in a way that delivers value for money while minimising environmental impact, supporting social wellbeing, and promoting long-term economic sustainability.

6.2 Tenders must be designed having regard to the needs of Small and Medium Enterprises (SMEs).

6.3 Template documents and processes must be drafted to be kept as simple as possible to ensure SMEs are not disadvantaged.

6.4 When using the Request for Quotation process, or directing below-regulation spend, focus must be given to targeting local SMEs.

6.5 When agreeing the award criteria for a contract valued over £100,000, Social Value must be included for all tenders, up to 20% weighting, in line with the Social Value Policy adopted by the EPP Councils except where an exemption has been approved by the Strategic Officer Group Authority Representative.

6.6 An Equalities Impact Assessment (EIA) must also be completed for any requirement classified as Medium or High Value.

6.7 Business Continuity Planning must be considered for all tenders valued High (over the legislation threshold) or where the service is identified as critical to the Council or as determined through the Council's Risk Management.

7. Collaborative Working/Partnerships

7.1. Where the Council is collaborating with another body which is acting as the procurement lead organisation, other than ECC as the Accountable Body of EPP, the Officer must ensure that the Council does not enter into any arrangements unless satisfied that the Council will achieve value for money and be capable of maintaining proper control that is consistent with the Council's Procurement Procedure Rules and Procedures.

7.2. Officers must seek financial and legal advice before proceeding with collaboration with another body.

8. Local Authority and Other Delivery Vehicles

8.1 Any partnership arrangement which involves the creation of or participation in separate legal entities such as joint ventures, trusts or limited companies requires the prior agreement at Cabinet to ensure all of the necessary governance arrangements have been considered, various options taken into account and reasons for the decision are properly set out and recorded.

8.2 No agreement may be entered into if it means that the Council will act as guarantor for a third party or accountable body unless the prior written agreement of the Director of Finance has been obtained following legal and financial advice. Any such agreement must also comply with the Council's Financial Regulations.

9. TUPE

9.1. If there is any doubt as to whether a procurement exercise might be impacted by TUPE, the Officer must always seek advice from Legal Services and EPP.

10. IR35

10.1. Before purchasing consultancy or the services of interim staff who work through their own intermediary, officers must undertake appropriate checks as to whether off-payroll working rules (IR35) apply. Officers can check if the off payroll working rules apply using the Check employment status for tax service website.

10.2. Consultancy arrangements are contracts for services and the normal values and thresholds apply.

11. Negotiation

11.1. Officers must not conduct post-tender negotiations without the prior agreement of the EPP. Only undertaken where it is lawful to do so relating to the procurement route taken and the contract terms & conditions (if awarded).

11.2. Notwithstanding 11.1, Officers may, as part of the tender, seek and receive clarifications from bidders or submit clarifications to all bidders involved. The clarification process during a tender is a means by which both bidders and Officers are able to seek further information, either in respect to the content of a tender or in relation to a bid that has been received, e.g. something in the specification, pricing model, an element of response is missing or the bidder has forgotten to provide an additional document referenced in their response.

12. Evaluation and Award Process

12.1 All procurement exercises must follow a fair, transparent, and non-discriminatory process. Evaluation must be based solely on the Published Evaluation Criteria and applied consistently to all bidders.

12.2 The Evaluation Criteria is developed by the Service Area with support from EPP.

12.3 For Low Value procurements one evaluator from the Service Area will assess the returned RFQ documentation –

12.4 For Low to Medium Value, if the price is the sole criteria for selection, one evaluator can assess the returned RFQ documentation, should

non-financial criteria be included, a second evaluator is required.

12.5 For Medium Value and above procurements, the Service Area will allocate at least three evaluators (the Panel).

12.6 The Service Area will agree suitable Evaluators who must evaluate in line with the Published Evaluation Criteria using objective, proportionate criteria with clear weightings. Evaluators will score independently before consensus.

12.7 In evaluating **Quality** evaluators will assess methodology, experience and social value at a minimum. Scoring will be against the Council's scoring matrix with full justification given by evaluators for each score against this matrix

12.8 In evaluating **Social Value**, EPP with the Service Area will evaluated using the Themes and Outcome Measures in line with the Social Value Policy, with this score included as part of the quality evaluation

12.9 In evaluating **Price,** a transparent price evaluation must be applied via lowest price, total cost of ownership, or scoring formula agreed by the Service Area ahead of the tender or RFQ. EPP will check accuracy and compliance with the pricing criteria set out in the tender.

12.10 In undertaking the Moderation and Consensus of Medium Value procurements and above. All evaluators will review individual scores and the rationale for those scores with those discussions resulting in an agreed consensus score. Full notes and rationale for the final agreed score must be kept for a full audit trail. Average scores cannot be used.

12.11 Using the scores from the moderation and consensus session alongside Price and Social Value, EPP will determine in a robust and transparent way the Most Advantageous Tender. Award will be to the highest combined Price and Quality (including Social Value) score.

12.12 Following the identification of the Most Advantageous Tender, necessary due diligence checks will be undertaken by EPP with support which may include financial vetting (undertaken by the Finance team of the Council), reference checks and the verification of legal or accreditation requirements according to the requirements of the procurement.

12.13 The Service Area, with support from EPP, will produce the Award Decision Report and gain any necessary governance approvals. EPP will, on agreement with the Service Area, notify bidders and issue standstill letters where applicable.

12.14 EPP will finalise the contract (together with Legal Services) after standstill where required, notify bidders and issue standstill letters where applicable.

12.15 EPP with the Service Area must maintain a full audit trail including scores, clarifications, decisions and communications.

13. Contract Variations

13.1. No contract may be varied unless it is lawful to do so. Advice from Legal Services and EPP should be sought before amending or agreeing to amend any contract which value is low to medium, medium, high or very high-value, as there are legal requirements and financial considerations for contract variations.

14. Purchase Orders

14.1. Unless specifically agreed by the Section 151 Officer, all contract spend, unless using one of the other specified options for Very Low Value (see Table 1), must be confirmed via a Purchase Order using the Council's approved official ordering system.

Where a requisition is raised, the details of or copies of the applicable contract (and any Procurement Waiver) must be sent with the requisition

15. Terms and Conditions

15.1. For all tender processes, the terms and conditions of contract must be available as part of the tender documents when the requirement is published.

16. Waivers/exemptions -

16.1. Officers may be exempt from the need to obtain competitive quotations/prices as set out in these Rules by following the Procurement Waiver process.

16.2. Advice from EPP and the Council's Legal Service must be sought with sufficient time to allow these Rules to be applied to any procurement activity, before a waiver decision is taken by the relevant decision maker. Failing to programme procurement activity in accordance with the Council's arrangements, capacity and resources is not a reason to seek a procurement waiver/exemption.

16.3. A Procurement Waiver/Exemption should be sought and completed in line with the Waiver/ Exemption process in place within the Council.

16.4. Any Procurement Waiver/ Exemption should demonstrate how value for money is being achieved. A Waiver/Exemption will not be granted unless Value for Money is demonstrated.

16.5. The following Table describes the approval levels required for waivers:

TDC Estimated total value of contract (aligning with Spend Thresholds in Table 1)	**TDC Approval needed**
Very Low Value (£0 to £10,000)	Approval of the relevant Corporate Director in consultation with the Chief Financial Officer (Section 151 Officer). Procuring Service Area must produce and publish an Officer Decision to record this.
Low Value (£10,001 to £50,000)	Approval by Chief Financial Officer (Section 151 Officer) in consultation with the Corporate Finance and Governance Portfolio Holder. Procuring Service Area must produce and publish an Officer Decision to record this.
Low to Medium Value (£50,001 to £100,000)	Approval of the CFO in consultation with Portfolio Holder(s) for Corporate Finance and Governance and Corporate Procurement and Monitoring Officer. Procuring Service Area must produce and publish an Officer Decision to record this.
Medium Value (below threshold) £100,001 to relevant Procurement Act 2023 threshold	Portfolio Holder(s) for Corporate Finance and Governance and Corporate Procurement following consultation with the Chief Financial Officer (Section 151 Officer) and Monitoring Officer. Procuring Service Area must produce and publish an Executive Decision to record this.

High Value (above threshold) Over relevant Procurement Act 2023 threshold	Approval by Cabinet with detailed report prepared by the Procuring Service Area with necessary advice included, specific focus on exemptions with the legislation being relied upon and why.

16.6. The waiver process and/or any other applicable governance must be successfully completed prior to an order being placed or contract being entered into with a supplier.

16.7. Where a waiver is granted, the procurement may go ahead without complying with the specific rule for which a waiver is granted but no contract may be entered into without the requirements being clearly specified.

16.8. All Waivers are required to be registered and reported to the Council's Audit Committee.

17. Contract Management

17.1. Contracts must manage the contract in accordance with the guidance provided by EPP.

Part 2 - Rules for the EPP

These rules are for EPP. Certain procurement activities must only be performed by Procurement Officers with the appropriate level of experience and who are authorised to do so.

18. Defining the Need

18.1. Prior to commencing a tender, unless already approved through formal decisions, Procurement Officers will ensure there is an appropriate critical friend challenge to the Council's requirements to ensure that such requirements are actually required and consider whether alternative methods of meeting these needs could be utilised including where appropriate, mandated contracts (listed on the Intranet), recycling or re-use of existing resources.

19. Types of Contract

19.1 Ensure the Service Area or EPP directly engages with the Council's Legal Services (or as authorised by the Council's Monitoring Officer) to ensure that the appropriate type of contract documentation has been discussed and agreed upon for the type of services or works to be procured.

19.2 The necessary Contract Data has been complied by the Service Area in consultation with Legal Services prior to advertising or publication of notices.

19.3 The Council's approved Standard Contract and its terms and conditions must not be varied without prior approval, following justification being provided to Legal Services.

19.4 Framework Agreements, Call-Off contracts and use of any industry specific terms and conditions advice must be sought from the Council's Legal team to avoid the Council being exposed to unnecessary risk.

19.5 Where a contract contains a mix of supplies, works and/or services the following must be applied:

19.5.1 Where a contract covers both services and supplies, the classification must be determined by the respective values of the two elements.

19.5.2 Where a contract covers works/supplies or works/services, it must be classified according to its predominant purpose.

19.5.3 Where a contract provides for the supply of equipment and an operator it must be regarded as a services contract.

19.5.4 Contracts for software must be considered to be for supplies unless the majority of the value of the contract is the cost of configuring the system or tailoring the software to the purchaser's specification, in which case they are services.

20. E-Sourcing Tool

20.1. Where the E-Sender tool is used, all communication between the Council and bidders must be conducted through the tool.

20.2. In exceptional circumstances where the E-Sender tool is not used or where another procurement authority's E-Sender tool is used, a record of all communications and decisions with detailed rationale must be recorded for audit purposes and to demonstrate proper conduct in accordance with the regulations and Procurement Policy and Procedures.

General Principles Across all Medium and High- Value ~~Risk~~ Tenders

21. Pre Market Engagement

22.1 Pre-Market Engagement is the process through which the Council interacts with the market before formally beginning a procurement, enabling Officers to understand current industry capabilities, market conditions, innovation opportunities, and potential delivery models. It supports the development of well-informed specifications and evaluation criteria, helping to ensure that procurement routes are proportionate, competitive, and attractive to suppliers—particularly SMEs and voluntary sector organisations.

22.2 Before undertaking Pre Market Engagement, Officers with the support of EPP must ensure the requirements to undertake the procedure are fulfilled, for example, a Preliminary Market Engagement Notice is published on the Central Digital Platform.

22.2 In undertaking this Officers should ensure the Pre-Market Engagement is open, transparent, and non-discriminatory, offering equal access to information for all potential bidders and avoiding any activity that could distort competition or provide an unfair advantage.

23. Advertising

23.1. All Medium and High Value classified tenders must be appropriately advertised (including Light Touch Services), in line with the relevant legislation.

23.2. The Central Digital Platform must be used to advertise all tenders with a total contract value in excess of £100,000 (excluding VAT). This is through a Tender Notice. Where the RFQ+ process is used, the requirement does not need to be advertised.

23.3. The Central Digital Platform must also be used to advertise the outcome of any procurement over £30,000 (inclusive of VAT).

23.4. Where required, High Value contracts must be the subject of a call for competition by publishing the relevant Notice using the Central Digital Platform.

24. Selection and Award Criteria

24.1. Officers must define and publish all tender documents at the time of publication including the selection criteria (i.e. the criteria used at the pre-qualification stage – High Value procurements only) and assessment criteria (i.e. the criteria for the tender stage).

24.2. Processes and documents must be appropriate and proportionate to the risks of the tender and designed to secure an outcome that will provide best value for the Council, based on the following principles:

24.2.5. ‘Highest price’ if payment is to be received by the Council; or

24.2.6. ‘Most advantageous tender’ where payment is to be made by the

Council and consideration other than price applies.

25. Invitation to Tender (ITT)

25.1. The ITT must state that the Council is not bound to accept any tender and may decide not to award any contract and, in such circumstances, bidders will be wholly liable for their bid costs.

25.2. All organisations invited to tender must be issued with the same information, at the same time and be subject to the same conditions.

26. Managing Tenders

26.1. All requirements covered by the Procurement Act 2023, Public Contract Regulations 2015 and Procurement Regulations 2024 or Health Care Services (Provide Selection Regime) Regulations 2023 must follow the time periods specified in the Regulations.

26.2. Should only one bidder participate in a Medium Value process then no contract may be awarded without consultation with the Council's Section 151 and Monitoring Officers (for TDC).

26.3. Should fewer than five eligible bidders request to participate in a Competitive Flexible Procedure then no contract may be awarded without the written permission of the Monitoring Officer

27. Contract Award

27.1. For High Value Tenders officers must provide an assessment summary to each supplier at the same time and before the Contract Award Decision Notice is published.

28. General Principles Across **High Value Tenders**

28.1. Officers involved in High Value ~~Risk~~ tenders must familiarise themselves and remain up to date on current interpretation of the legislation to ensure the Council is not exposed to avoidable risk.

28.2. Officers must ensure that they are familiar with the current legislation to ensure that all tenders subject to their requirements are let in a compliant

manner.

29. Standstill Period

29.1. Notwithstanding the Contract Award Decision, where required under the legislation, the contract must not be awarded until a mandatory 'standstill' period of eight working days beginning with the day the contract award notice is published.

30. Framework Procedures

30.1. Framework requirements will differ depending upon the terms and condition of the Framework Agreement and call-off arrangements as set out in the Framework Agreement must be adhered to.

30.2. Call-offs from a framework will either be via a direct award process (where this meets legislative requirements) or further competition.

30.3. The scoring methodology is pre-described and should be adhered to unless express provision is made in the framework that this can be altered. This will be subject to any necessary approvals and governance.

30.4. Awards under a Framework must be published on the Central Digital Platform.

30.5. Framework terms and conditions will not be altered where a direct award process is being used.

30.6. The necessary governance and notice requirements must still be complied with.

31. Execution of Contract

31.1. Unless otherwise advised by the Monitoring Officer, or their nominated delegate, all contracts (including framework agreements) in excess of £50,000 (for TDC) £1,000,000 must be executed under the Common Seal of the Council.

31.2. Outside of the above criteria all contracts must be signed in accordance with Article 14 of the Constitution (which covers Finance, Contracts & Legal Matters) (for TDC) the relevant section of the Scheme of

Delegation.

31.3. All contracts should be executed by the supplier and by the Council before the contract may commence.

32. Contracts Register

32.1. Procurement Officers must ensure that all contracts, tendered by the EPP and awarded above £50,000 (including VAT) are recorded on the Council's contracts register within one month of the contract commencement date.

32.2. Where a Request for Quotation has been completed by the Service Area EPP must ensure that they log the award on the Council's contracts register once notified by the relevant contract owner.

33. Records

33.1. Contracts and Records must be retained for audit purposes for a period of seven years from conclusion of the contract, or twelve years where the contract is under seal.

33.2. All correspondence is automatically stored on the Council's e-Sourcing platform where that tool is used.

33.3. Records of any challenges and outcomes must be fully documented and retained.

34. Contract Management of Tier 1 and Tier 2 Contracts

34.1. Workflows should be followed unless a formal deviation is submitted for approval to the relevant Council Director in whose service the contract sits.

34.2. Records must be kept ensuring that transparency requirements can be met.

34.3. Modifications and variations must be carried out in accordance with legislation and transparency requirements must be followed.

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Contract Reference Number	Type of Contract	Status - Active or Expired (Automatically populates)	One off or ongoing	Contract Name	Contract Description	Start Date	Initial End Date	Revised End Date (where extensions already used)	Initial Contract Length (months)	Number of Extensions	Extension period per extension (months)	Number of Extensions Used	End date if ALL extensions were to be used	Extension description (i.e.1+1+1 year)	Awarded Contract Value	Annual Spend	Service Area	Contract Manager	Contract Manager Email address	Proclass Category - Level 1	Proclass Category - Level 2
EXAMPLE EPP7890	Services	Expired	Ongoing	Temporary Labour	Temporary labour for HRA & Public Realm	30/01/21	13/11/24	13/11/25	45	6	12	1	13/11/30	4+1+1	£ 3,000,000.00	£ 307,692.31	Operations	Your Name			
EPP0226a	Services	Active	One off	Clacton Leisure Centre Oil Boiler Replacement	Consultant to produce design & tender documents for a boiler replacement using Salix funding.	15/07/25	31/12/27	31/12/27	30				31/12/27		£ 110,000.00	£ 44,000.00	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Utilities	Heating Oil
EPP0157	Services	Active	Ongoing	Gas & Oil Boiler Servicing, Maintenance, Repairs & Upgrade	This contract was awarded via Eastern Procurement Heating Servicing, Repairs and Installations framework. It is for the servicing, maintenance, repairs & upgrades of gas & oil boilers for Tendring District Council housing stock.	01/07/25	30/06/28	30/06/28	36	1	24		30/06/30	3+1+1	£ 4,500,000.00	£ 900,000.00	HRA	Andy White	awhite@tendringdc.gov.uk	Utilities	Not Elsewhere Classified
	Goods	Active	Ongoing	Pulse Fitness (Equipment Lease)	Gym Equipment	25/09/22	25/09/27	25/09/27	60				25/09/27	12 Months	£ 277,049.52	£ 55,409.90	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Sports & Playground Equipment & Maintenance	Sports Equipment
	Services	Active	Ongoing	Pulse Fitness(Warranties)	Gym Equipment	25/09/22	25/09/27	25/09/27	60				25/09/27	12 Months	£ 2,639.99	£ 528.00	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Sports & Playground Equipment & Maintenance	Sports Equipment
	Services	Expired	Ongoing	Complete Pool Controls	Supply of Swimming Pool Chemicals (ESPO Contract)	24/04/23	23/04/26	23/04/26	36				23/04/26	+1	£ -	£ -	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Sports & Playground Equipment & Maintenance	Sports & Playground & Pool Repair & Maintenance
	Services	Expired	Ongoing	Fitronics/ CoursePro	Leisure Management System for Courses	01/09/23	01/09/25	01/09/25	24				01/09/25	+1	£ 26,762.00	£ 13,381.00	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Information Communication Technology	Software
	Services	Expired	Ongoing	Legend/Xplor	Leisure Management Systems for FOH/ BOH	01/08/23	01/08/25	01/08/25	24				01/08/25	1+1	£ 88,000.00	£ 44,000.00	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Information Communication Technology	Software
	Services	Active	Ongoing	E-Newsletter	E-Newsletter	05/01/26	06/01/27	06/01/27	12				06/01/27		£ 6,000.00	£ 6,000.00	Communications	William Lodge	wlodge@tendringdc.gov.uk	Information Communication Technology	Services
	Services	Expired	Ongoing	Proactis E-Catalogue	Proactis E-Catalogue	01/06/25	01/06/26	01/06/2026	12				01/06/2026		£ 18,411.00	£ 18,411.00	Finance	Richard Barrett	rbarrett@tendringdc.gov.uk	Information Communication Technology	Services
	Goods	Expired	Ongoing	Verifone	PDQ's	01/08/23	01/08/25	01/08/25	24				01/08/25		£ 1,400.00	£ 700.00	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Facilities & Management Services	Retail
	Services	Active	Ongoing	Clinical Waste Collection Services	Clinical Waste Collection Services	01/01/26	30/06/26	30/06/26	6				30/06/26		£ 24,000.00	£ 24,000.00	Environment	Tim R Clarke	trclarke@tendringdc.gov.uk	Environmental Services	Waste Management
	Goods	Active	Ongoing	Quadient Impress Software License	Quadient Impress Software License	16/12/25	16/12/26	16/12/2026	12				16/12/2026			£ -	People	Katie Wilkins	kwilkins@tendringdc.gov.uk	Information Communication Technology	Software
	Services		Ongoing	External Auditor	RTB Housing Capital Receipt Certification			00/01/1900					00/01/1900			#VALUE!	Finance	Richard Barrett	rbarrett@tendringdc.gov.uk	Financial Services	Audit
	Works		One off	Demolition Works	CRP - Homes for Dovercourt demolition works	18/07/25		00/01/1900					00/01/1900			#VALUE!	Cabinet	Cllr Mark Stephenson	cllr.mstephenson@tendringdc.gov.uk	Works - Construction, Repair & Maintenance	Buildings
	Services		Ongoing	High Street Accelerator Partnership	Seed Funding & Green Space Funding Projects	15/01/25		00/01/1900					00/01/1900		£ 30,000.00	#VALUE!	Cabinet	Cllr Mark Stephenson	cllr.mstephenson@tendringdc.gov.uk	Consultancy	Not Elsewhere Classified
	Services	Expired	One off	PCN and Permit Processing	PCN and Permit Processing	19/06/24	19/12/24	19/12/24	6				19/12/24			£ -	Public Realm	Andy White	awhite@tendringdc.gov.uk	Street & Traffic Management	Parking
				Dovercourt Leading Lights & Causeway	Dovercourt Leading Lights & Causeway			00/01/1900					00/01/1900			#VALUE!					
	Services		One off	Development Training (including MBTI Assessments)	2 Management Development Sesions			00/01/1900					00/01/1900		£ 10,000.00	#VALUE!	Place & Wellbeing	Lee Heley	lheley@tendringdc.gov.uk	Human Resources	Training & Conferences
	Services		One off	Local Housing Need Assessment	Rapleys & HDH Planning			00/01/1900					00/01/1900			#VALUE!	Planning	Gary Guiver	gguiver@tendringdc.gov.uk	Consultancy	Property
	Goods		One off	Mobile Tablets trial for PFCC Election	Mobile Tablets trial for PFCC Election			00/01/1900					00/01/1900			#VALUE!	Elections	Lisa Hastings	lhastings@tendringdc.gov.uk	Information Communication Technology	Hardware
	Services		One off	Housing Stock Condition Survey	Housing Stock Condition Survey			00/01/1900					00/01/1900			#VALUE!	Finance	Richard Barrett	rbarrett@tendringdc.gov.uk	Housing Management	Stock Management
	Services	Expired	One off	EELGA Consultancy Support	EELGA Consultancy Support	21/12/24	01/04/26	01/04/2026	15				01/04/2026		£ 100,000.00	£ 80,000.00	Cabinet	Cllr Adrian Smith	cllr.asmith@tendringdc.gov.uk	Consultancy	Not Elsewhere Classified
	Services		One off	EELGA Consultancy Agreement	EELGA Consultancy Agreement			00/01/1900					00/01/1900		£ 10,350.00	#VALUE!	Chief Executive	Ian Davidson	idavidson@tendringdc.gov.uk	Consultancy	Not Elsewhere Classified
	Services		One off	EELGA Housing Services Review	EELGA Housing Services Review			00/01/1900					00/01/1900		£ 20,000.00	#VALUE!	Chief Executive	Ian Davidson	idavidson@tendringdc.gov.uk	Consultancy	Not Elsewhere Classified
	Services	Expired	Ongoing	Council Tax Bill Printing	Council Tax Bill Printing	01/04/23	01/04/24	01/04/2024	12				01/04/2024		£ 29,942.25	£ 29,942.25	Chief Executive	Ian Davidson	idavidson@tendringdc.gov.uk	Mail Services	Not Elsewhere Classified
	Services	Expired	Ongoing	Council Treasury Advisors	Link Market Services	01/09/22	01/09/25	01/09/2025	36				01/09/2025		£ 22,500.00	£ 7,500.00	Chief Executive	Ian Davidson	idavidson@tendringdc.gov.uk	Financial Services	Not Elsewhere Classified
	Goods		One off	Port of Entry (Ukrainian Visitor Schemes)	Port of Entry (Ukrainian Visitor Schemes)			00/01/1900					00/01/1900		£ 20,000.00	#VALUE!	Chief Executive	Ian Davidson	idavidson@tendringdc.gov.uk	Health & Safety	Not Elsewhere Classified
	Services		One off	Honeycroft Agency Surveyors	Honeycroft Agency Surveyors			00/01/1900					00/01/1900		£ 83,347.20	#VALUE!	Finance	Richard Barrett	rbarrett@tendringdc.gov.uk	Works - Construction, Repair & Maintenance	Consultancy
	Goods		One off	Replacement Cremators at Weeley	Replacement Cremators at Weeley			00/01/1900					00/01/1900			#VALUE!	Cabinet	Cllr Andy White	cllr.awhite@tendringdc.gov.uk	Cemetery & Crematorium	Equipment
	Services	Expired	Ongoing	Council Tax Bill Printing	Council Tax Bill Printing	01/04/22	01/04/23	01/04/2023	12				01/04/2023			£ -	Finance	Richard Barrett	rbarrett@tendringdc.gov.uk	Mail Services	Not Elsewhere Classified
	Services	Expired	Ongoing	Food Safety Inspectors agency	Food Safety Inspectors agency	11/10/21	11/04/22	11/04/2022	6				11/04/2022		£ 97,000.00	£ 97,000.00	Cabinet	Cllr Giancarlo Guglielmi	cllr.gguglielmi@tendringdc.gov.uk	Health & Safety	Not Elsewhere Classified
	Services	Active	Ongoing	ITrent Modules	Rosters, Paid Time & Grosvenor Clocks	02/03/2025	01/03/2028	01/03/2028	36	1	12		01/03/2029		£ 34,830.64	£ 8,707.66	Leisure	Kieran Charles	kcharles@tendringdc.gov.uk	Financial Services	Not Elsewhere Classified
	Services	Not Started	One off	Consultancy support to strengthen apprenticeship governance, quality and compliance	Consultancy support to strengthen apprenticeship governance, quality and compliance	01/09/2026	31/08/2027	31/08/2027	12				31/08/2027			£ -	People	Katie Wilkins	kwilkins@tendringdc.gov.uk	Education	Not Elsewhere Classified
	Works		One off	Open Stone Asphalt Repairs	Open Stone Asphalt Repairs, West End Lane and Stone Point, Dovercourt			00/01/1900					00/01/1900		£91,564	#VALUE!	Building & Public Realm	Jennie Wilkinson	jwilkinson@tendringdc.gov.uk	Works - Construction, Repair & Maintenance	Open Spaces

A.5 - APPENDIX E

Proclass Category - Level 3	Supplier Name	Companies House Number	SME	Local Supplier	Route to Market	Framework Reference	Comments	Queries
	First Call Contract Services							
	Heaton Design And Engineering Ltd	09416753	Yes	No	Direct Award		Decision - Exemption from procurement rules to appoint Heaton Design and Engineering Ltd for the Clacton Leisure Centre Oil Boiler Replacement	
	GASWAY Services Ltd	04158628	No	No	Direct Award via Framework	Eastern Procurement	Decision - Procurement of Gas Testing Servicing and Repair, and Related Heating Services.	
	Pulse Fitness Ltd	04354059		No	Direct Award via Framework	ESPO	Decision - Walton on the Naze Lifestyles - Fitness Equipment	
	Pulse Fitness Ltd	04354059		No	Direct Award via Framework	ESPO	Decision - Walton on the Naze Lifestyles - Fitness Equipment	
	Complete Pool Controls Ltd	05956913		No	Direct Award via Framework	ESPO	Decision - Tendring Leisure Centres - Pool Chemical Contract	
Commercial Off-The-Shelf	Fitronics Ltd	04530620		No	Direct Award via Framework	G Cloud	Decision - Fitronics - CoursePro Contract Extension	
Commercial Off-The-Shelf	Debit Finance Collections Plc	03422873		No	Direct Award via Framework	G Cloud	Decision - Leisure Management System	
Digital / Online Publishing	Forfront Ltd	03643637		No	Direct Award via Framework		Decision - E-newsletter software contract extension	
Not Elsewhere Classified	Proactis Holdings Ltd	05752247		No	Direct Award via Framework	G Cloud	Decision - Council's e-ordering / e-catalogue requirements - Procurement Exemption and Contract Agreement	
	Verifone (U.K.) Ltd	02230494		No	Direct Award			
Waste Collection	General Business Holdings Ltd	02669108		No	Direct Award		Decision - To agree an exemption from the Council's Procurement Procedure Rules (on the basis of urgency) and to appoint General Business Holdings to provide clinical waste collection services on a six-month contract running from 1st January 2026 to 30th June	
Commercial Off-The-Shelf	Quadient CXM UK Ltd	03749721		No	Direct Award		Decision - Exemption from the Council's Procurement Procedure Rules - Licensing of the Quadient Impress software solution for a 12-month period	
	KPMG Llp	OC301540		No	Direct Award		Decision - Procurement Exemption / Appointment of External Auditor Relating to Right To Buy Housing Capital Receipt ' Certification'	
Demolition & Asbestos Removal	SRC Group Developments Ltd	16265860		Yes	Direct Award		Decision - CRP – HOMES FOR DOVERCOURT: EXEMPTION TO ENABLE DIRECT AWARD OF THE DEMOLITION CONTRACT	
	David Hills	N/A		No	Direct Award		Decision - Procurement for a Specialist for the HSA Seed Funding and Green Space Funding Projects plus Exemption from Procurement Rules	
Car Parks	Chipside Ltd	04049461	Yes	No	Direct Award		Decision - To Enter into 6 Month Exemption To Current Cashless Parking Contract	
					Direct Award		Decision - Dovercourt Leading Lighthouse and Causeway - Acceptance of Grant and Exemption to Procurement	
Training	The Myers-Briggs Company Ltd	02218212		No	Direct Award		Decision - Exemption from Procurement - Delivery of development training (including MBTI assessments)	
					Direct Award		Decision - Advice note from Rapleys & HDH Planning - Procurement and Exemption from procurement rules	
	Democracy Counts Ltd	07095502		No	Direct Award		Decision - Exemption from Procurement Rules - provide and trial the use of mobile tablet technology across Polling Stations within the District for the upcoming Police, Fire and Crime Commissioner Elections on 2 May 2024	
	Property Tectonics Ltd	03611608		No	Direct Award		Decision - Exemption from Quotation Rules for Additional Housing Surveys	
	East of England Local Government Association	N/A		No	Direct Award		Decision - Exemption from Procurement Procedure Rules - appointment of the East of England Local Government Association for consultancy support	
	East of England Local Government Association	N/A		No	Direct Award		Decision - Exemption from the Council's procurement rules to enter into a consultancy agreement with the EELGA (value £10,350.00).	
	East of England Local Government Association	N/A		No	Direct Award		Decision - Appointment of EELGA to undertake a review of housing services via an exemption from procurement rules	
	CFH Docmail Ltd	01716891		No	Direct Award		Decision - Exemption from Procurement Rules - Appointment of Printers for Council Tax Bills 2023/24	
	MUFG Corporate Markets (UK) Ltd	02605568		No	Direct Award		Decision - Exemption from Procurement Rules to enable appointment of Treasury Advisors	
					Direct Award		Decision - Procurement Exemption - Port of Entry and Other Associated Expenditure (Ukranian Visitor Schemes)	
					Direct Award		Decision - Exemption from procurement rules to engage two agency surveyors	
					Direct Award		Decision - Cabinet Members' Items - Report of the Environment & Public Space Portfolio Holder - B.1 - Procurement Exemption: Replacement Cremators at Weeley Crematorium	
					Direct Award		Decision - Exemption from Procurement Rules - Appointment of Printers for Council Tax Bills 2022/23	
					Direct Award		Decision - Exemption from Procurement in respect of the use of agency staff in the Council's Food Safety Service.	
	MHR International UK Ltd	01852206	No	No	Direct Award		Decision - iTrent Modules - Rosters, Paid Time & Grosvenor Clocks	
	SDN Mesma Group Ltd	05945050		No	Direct Award		Decision - Exemption from Procurement Procedure Rules - Consultancy support to strengthen apprenticeship governance, quality and compliance	
Repair & Maintenance	Hesselberg Hydro (UK) Ltd	13613641		No	Direct Award		Decision - Procurement Exemption for Open Stone Asphalt Repairs, West End Lane and Stone Point, Dovercourt	