MINUTES OF THE MEETING OF THE AUDIT COMMITTEE, HELD ON THURSDAY, 8TH OCTOBER, 2026 AT 10.00 AM IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15 1SE

Present:	Councillors Sudra (Chairman), Steady (Vice-Chairman), Fairley, Morrison and Placey
Also Present:	Councillor Bray
In Attendance:	Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer), Lisa Hastings (Corporate Director (Law & Governance) & Monitoring Officer), Gary Guiver (Corporate Director (Planning & Community)), John Pateman-Gee (Head of Planning & Building Control), Ian Ford (Democratic Services Manager), Karen Hayes (Corporate Governance, Performance & Procurement Manager), Craig Clawson (Internal Audit, Counter-Fraud & Information Governance Manager), (except items 17 - 19), Clare Lewis (Health & Safety and Assurance Manager) (items 10 - 14 only) and Rebecca Catchpole (Leadership Support Officer)
Also in Attendance:	Sue Gallone (Independent Person) and the following representatives of KPMG, the Council's External Auditor: Sarah McKean (Director) and Holly Gaff (Deputy Manager) (except items 15 – 19)

10. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence nor substitutions made on this occasion.

The Democratic Services Manager (Ian Ford) informed the meeting that Councillor Bray had been recently appointed as a member of the Committee in the stead of Councillor Keteca. Unfortunately, Councillor Bray had not yet been able to receive the necessary training required under Council Procedure Rule 33.3 that would have enabled Councillor Bray to sit as a member of the Audit Committee. Councillor Bray therefore sat in the public gallery for the duration of this meeting.

11. MINUTES OF THE LAST MEETING

It was move by Councillor Sudra, seconded by Councillor Fairley and:-

RESOLVED that the minutes of the meeting held on Thursday, 25 June 2026 be approved as a correct record and be signed by the Chairman.

12. DECLARATIONS OF INTEREST

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

13. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

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

14. REPORT OF INTERNAL AUDIT, COUNTER-FRAUD & INFORMATION GOVERNANCE MANAGER - A.2 - PERIODIC REPORT ON THE INTERNAL AUDIT FUNCTION FOR THE PERIOD JUNE 2026 - SEPTEMBER 2026 AND OTHER MATTERS

The Committee considered a periodic report on the Internal Audit function for the period June to September 2026, the bi-annual update on Counter-Fraud arrangements and which provided an update on the Internal Audit Charter for approval by the Committee as required by the professional standards.

Internal Audit Progress 2026/27

It was reported that five audits had been completed since the last meeting Committee held in June 2026. All had received a satisfactory level of overall assurance of 'Adequate Assurance' or 'Substantial Assurance'.

A further 10 audits from the 2026/27 Internal Audit Plan had been allocated and seven of those were currently at the fieldwork phase.

Members were made aware that Officers were currently undertaking the 'Key Systems' phase of the audit plan, which encompassed a review of the Council's financial and core service systems and processes. Those established systems were fundamental to the effective delivery of the Council's day-to-day operations. Although no significant issues were anticipated, given that those areas had historically been well managed, it remained essential to obtain regular assurance that the relevant systems and processes continued to operate effectively and were supported by appropriate controls.

It was noted that counter-fraud and compliance work was ongoing in this period along with GDPR priorities particularly relating to data sharing agreements, Freedom of Information Requests and Subject Access Requests.

Management Response to Internal Audit Findings

Members were aware that there were processes in place to track the actions taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action had been taken. Where appropriate, follow up audits were arranged to revisit significant issues identified after an appropriate time.

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

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

The Committee recalled that it had requested more detail on the outstanding actions within the above table and on previous significant findings as a matter of context. Appendix B to the report (A.2) contained a summary of those findings and the agreed actions as well as including the service response and an internal audit status. This would become a regular appendix of the periodic progress reports going forwards.

Internal Audit Charter

Members were reminded that a requirement of the Global Internal Audit Standards (GIAS) was for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. The Charter had been last updated and approved in September 2025.

The Committee was informed that there had been no changes to the Global Internal Audit Standards since the Charter had been last approved. Consequently, there was no requirement to amend the Internal Audit Charter at this time. The Internal Audit team continued to operate in accordance with the Charter by maintaining its independence and objectivity, delivering the approved risk-based audit plan, applying the required professional standards and reporting its activities, findings and assurance outcomes to senior management and the Audit Committee.

Members were reminded that compliance with the Charter was also monitored through the Quality Assurance and Improvement Programme and that it would be assessed in February 2027 when the External Quality Assessment of the internal audit function was undertaken by the Institute of Internal Audit.

Counter-Fraud & Compliance Bi-Annual Update

This update provides the Audit Committee with a summary of Counter-Fraud and Compliance activity undertaken between February and September 2026. During this period, the team continued to support services across the Council through proactive compliance visits, fraud prevention and detection work, property verification, debt recovery activity and multi-agency enforcement.

(1) Compliance

The Committee was assured that the Compliance Team continued to support the Revenues and Benefits function by ensuring that members of the public received only the benefits and discounts they were entitled to in respect of Council Tax and Business Rates matters, Class D reviews (uninhabitable properties), tracing enquiries and any other verification work ensuring that the Council had an accurate database of tenants and properties in the District. The following areas were included within their inspections and scheduled work plans:-

- compliance activity continued across the District's principal new-build sites. This included regular reviews of the main developments and the issue of completion notices where appropriate. This work helped to ensure that new properties were identified and brought into Council Tax administration promptly.

- the Compliance Team were also continuing work with the Revenues and Benefits department with debt recovery. The work had identified cases where residents might have been entitled to Government support, together with wider welfare concerns requiring referral to other Council services. It also secured information relevant to potential attachment of earnings and benefit deductions, supported the establishment of payment arrangements and provided opportunities to identify suspected fraud.

(2) Counter-Fraud Activities

(i) Tenancy fraud and property recovery

It was reported that counter-fraud activity contributed to the recovery of five properties between February and September 2026. Four of those had related to abandoned properties and one had related to an identified subletting case. A further two properties were subject to notice proceedings.

Recovering properties that were no longer being occupied in accordance with tenancy conditions helped to protect the Council's housing stock and to make homes available for allocation to eligible applicants.

(ii) Tenancy audit programme

A renewed programme of tenancy audit work had been now commenced at the date of the update. The intention was to progress this work at pace, providing additional assurance over the occupation and use of housing stock.

(iii) Fraud awareness

The Counter-Fraud Team had continued to deliver fraud awareness input to new employees across the Council. This activity supported the wider development of an effective counter-fraud culture by helping staff understand fraud risks and their responsibilities for identifying and reporting potential concerns.

(iv) Verification of new Council tenants

Counter-Fraud and Compliance officers had introduced verification work for new Council tenants to identify potentially fraudulent applications and help protect access to the Council's housing stock. Compliance officers had also completed visits to non-secure tenants.

(v) Commercial tenancy verification

The team had also undertaken verification work in support of Economic Growth for new commercial tenants. This provided an additional opportunity to validate information before commercial tenancy arrangements were completed.

(vi) Wider collaborative work

Counter-Fraud and Compliance officers continued to work collaboratively with services across the Council and with external partners. This included identifying potential houses in multiple occupation, planning concerns and other compliance matters requiring coordinated action. The team maintained a proactive approach to identifying issues and referring or progressing them with the relevant services.
The Fraud Risk Register at Appendix D to the report (A.2) set out the key fraud risks faced by the Council and the high-level controls in place to manage those risks. Those controls were owned and managed by services and could be grouped into four broad areas:-

- ***Preventative*** *(Controls in place to prevent fraud entering the system in the first place)*

- ***Directive*** *(Policy, Regulations, Procedures that rely mainly on trust and expectation to be followed)*
- ***Detective*** *(Investigations to determine root cause of the fraud or error)*
- ***Corrective*** *(Ensuring management action is taken to resolve the situation and we learn from mistakes)*

It was moved by Councillor Morrison, seconded by Councillor Fairley and:-

RESOLVED that -

(a) the contents of the report be noted;

(b) it be confirmed that the Committee has received appropriate assurance and updates internal audit and counter-fraud activities and workplans;

(c) the Internal Audit Charter be approved;

(d) a more in-depth review of the work of the Compliance Team and compliance activities across the Council's services be carried out at the time of the next bi-annual update on the Council's counter-fraud arrangements;

(e) subject to the outcome of the review referred to in resolution (d) above, the Committee is minded to request the Resources and Services Overview & Scrutiny Committee to consider including within its work programme for 2027/28 an enquiry into the work of the Council's Compliance Team and corporate compliance activities.

15. REPORT OF CORPORATE DIRECTOR (FINANCE & IT) - A.1 - EXTERNAL AUDITOR'S INTERIM ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2026

The Committee had before it a report of the Corporate Director (Finance & IT)) (A.1) which presented for its consideration the External Auditor's Interim Annual Report for the year ended 31 March 2026.

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

The first such report had been their Audit Plan and Strategy that had been presented to the Committee in June 2026. That report had set out the various elements of the work that the External Auditor planned on undertaking in respect of the year ending 31 March 2026 and had included their value for money risk assessment / approach that had been set against the following three key elements:

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

The Committee was made aware that, ordinarily this would have been presented alongside the outcome of their work on the Council's Statement of Accounts within their final annual report for the year, but due to the backstop date arrangements introduced by the Government in response to the national recovery from previous audit delays, they

were required to publish their value for money commentary for 2025/26 by 30 November 2026.

It was reported that the External Auditor would continue their work associated with the wider Statement of Accounts review, with the aim of reporting their findings within a final annual report for the year by the backstop date for the publication of the audited accounts, which for 2025/26 was 31 January 2027.

To meet the 30 November 2026 deadline associated with reporting the value for money issues highlighted above, the External Auditor had issued an interim Annual Report, which set out the outcome of their work to date.

As in the previous year, the outcome had been welcomed, with no significant risks identified in relation to the Council's value for money arrangements across the three key areas highlighted above.

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

Members were informed that the External Auditor had made two recommendations within their report, which also included the Council's management responses. Updates on those would be provided to the Committee as part of their on-going work programme.

The Committee acknowledged that the External Auditor was still undertaking the necessary activities associated with the Council's Statement of Accounts for 2025/26, with the outcomes planned to be presented to the Committee at their next scheduled meeting in January 2027. Their ongoing work could identify issues that impacted on their current value for money commentary and, if that was the case, an update would be reported within the External Auditor's final report for the year if necessary.

The External Auditor's representatives (Sarah McKean and Holly Gaff) presented to the Committee their *"Auditor's Annual Report for Tendring District Council – Interim Report for the year ended 31 March 2026"*.

Sarah McKean informed the Committee that, in relation to the Council's financial statements, 85% of the field work had been completed and that testing of the findings of that field work was underway. It was expected that the audit closure meeting would be held in mid-November which would be a useful practice run given that the statutory deadline for the approval and publication of the statement of accounts for 2026/27 would be 30 November 2027 (rather than the deadline for the 2025/26 accounts of 31 January 2027.

Ms McKean reminded Members that its final report would be submitted to the Committee's next meeting in January 2027. She also highlighted that there was one material query that needed further challenge and investigation in respect of the valuation of the Council's buildings due to discrepancies in the floor area calculations.

Ms McKean further informed the Committee that the assessment of the Council's financial statements carried out by 31 July 2026 had indicated that the Council was in

"bucket B" and that therefore there was a good chance that the Council would receive an unqualified audit opinion on its final statement of accounts.

Holly Gaff drew Members' particular attention to the following matters:-

(i) that the Council's Corporate Risk Register had not been updated since January 2025;
(ii) that the last Corporate Peer Challenge had been issued by the Local Government Association in 2018, with the next report due in or before 2023 and that this was therefore significantly overdue;
(iii) the latest update on the performance improvement observations follow-up from the prior year.

Questions by Members (unless otherwise indicated:	Answers from Sarah McKean:
Are we moving in the right direction to build that assurance on the Council's accounts?	*Yes, absolutely. "Bucket B" is a very good bucket to be in and we have already been able to do quite a few of the standard procedures and so when we bring our next paper in January it will hopefully be good news or at least we've been able to do a lot of the work that we need to do to see what's left.*
(Sue Gallone) *How typical is it to have a report with very few findings of note and is that to be expected compared to previous years?*	*It's really hard to say that there is a 'typical' when it comes to the value for money reports and a report that is 'clean' is atypical. Since KPMG re-entered the local government space in the last three years we've had quite a few VFM reports that have had significant risks, material weaknesses (sometimes up to 5 – 10). We did raise a material report on your report not last year but the year before that and so last years and this years are so far 'clean'. But it's certainly not the case that all are 'clean' many have a number of issues at other Councils and at this Council in the past.*
That material issues of a couple of years ago, was that to do with the "flooring"?	*No, two years ago this was on the VFM report. The issue around flooring areas is on the actual statement audit. The issue identified two years ago was in relation to the governance arrangements around the Spendells Project and not a financial statement issue.*

Richard Barrett drew the attention of the Committee to the Council's management responses to the External Auditor's performance improvement observations follow-up

from the prior year, which he hoped the External Auditor would find acceptable as a pragmatic and proportional approach by the Council.

It was moved by Councillor Sudra, seconded by Councillor Placey and unanimously:-

RESOLVED that -

(a) in respect of the 2025/26 Statement of Accounts process, the External Auditor's Interim Annual Report for the year ended 31 March 2026 be noted; and

(b) the Council's management responses to the External Auditor's recommendations, as set out in Attachment 1 to item A.1 of the Report of the Corporate Director (Finance & IT), along with the publication of the External Auditor's report as necessary, be approved.

16. JOINT REPORT OF CORPORATE DIRECTOR (PLANNING & COMMUNITY) AND THE CORPORATE DIRECTOR (LAW & GOVERNANCE) - A.3 - IMPROVEMENTS TO THE PROCESS FOR MAKING AND RECORDING DELEGATED PLANNING DECISIONS AND DEALING WITH PLANNING ENFORCEMENT CASES AND RETROSPECTIVE PLANNING APPLICATIONS

The Committee considered a report of the Corporate Director (Planning and Community) (A.3) that informed them of improvements in the way that delegated planning decisions were made and recorded that had been implemented by the Planning Service following a thorough investigation carried out by the Council's Monitoring Officer into a formal complaint from a resident.

Members were reminded that the discharge of the Town and Country Planning & Development Control functions (including the determination of planning applications) were non-executive functions which, at Tendring District Council, were delegated from Full Council to the Planning Committee and thereafter delegated to Officers on the terms set out within the constitution and an associated scheme of delegation and protocols. It was however noted that those arrangements were set to change from 31 October 2026 following the introduction of new regulations and a standard national scheme of delegation, which required changes to the Constitution that would be the subject of a report to Full Council on 13 October 2026.

It was reported that, in May and June 2026, Stage 1 and Stage 2 complaints had been made about the Council by a Tendring resident in respect of the handling of a planning enforcement case and retrospective planning application in the District. Among the issues raised, the complainant had questioned if the Council had properly and lawfully administered the decision-making process in the determination and approval of the retrospective application – questioning whether certain Officers had the delegated authority to make decisions. The complainant had also raised concerns over the circumstances in which enforcement could be resolved through the invitation of a retrospective planning application and how that decision-making was made transparent and clearer to the public.

Although the Monitoring Officer's thorough investigation into the resident's complaint at Stage 2 of the process had not concluded that there had been any unlawful decision making or maladministration, it had identified administrative errors and areas where the Council could improve its processes and procedures to demonstrate greater assurance

around the correct implementation of Officers' delegated powers in the determination of planning-related applications and associated decision making. Whilst those findings and recommendations had arisen as the result of an internal investigation carried out by the Monitoring Officers as opposed to an external investigation, the latter of which required a report to the Audit Committee, Officers had considered it appropriate to bring a report to the Committee in the spirit of its terms of reference, on the basis of there being learning points and principles around the accuracy and transparency of decision making that were applicable to all services across the Council.

The Committee was informed that notable learning points from the investigation included the need for the Council to be clear in its reports and documentation that the notice of a planning decision was separate from the decision itself and that the 'decision-maker' in respect of planning applications and other planning decisions, when not the Planning Committee, was the Officer checking and signing off the relevant delegated report. There had also been learning points in respect of Planning Enforcement and the need to be clear as to the reasons why it might be appropriate for a retrospective planning application to be invited and that comments or representations made in respect of enforcement cases would not be automatically transferred over for the purposes of consideration of a subsequent retrospective application.

The recommendations arising from the Monitoring Officer's investigation had been implemented by the Planning Service under the direction of the Corporate Director (Planning and Community) as set out in the report – which mainly related to the way in which decision-making processes were documented through reports and decision notices and how decision-makers were identified and named.

In summary, those changes were:

- *changes to the format of delegated planning application reports to include a space where the signing officer (i.e. the decision maker) could confirm they had robustly considered and approved the report as the decision;*

- *identification on delegated planning application reports of the job titles of Officers who had delegated authority to sign off planning decisions – including the Corporate Director (Planning and Community), the Head of Planning and Building Control, Planning Managers, Principal Planning Officers and Senior Planning Officers;*

- *review and update the template for delegated planning application reports to ensure the correct constitution powers and delegations were referenced (noting that those arrangements were set to change from 31 October 2026);*

- *inclusion of text in planning enforcement letters and enquiry acknowledgements explaining how, for some cases, retrospective planning applications could be invited;*

- *inclusion of text in planning enforcement letters and production of a guidance note for customers explaining, and making it clear, that any representations received in respect of enforcement cases would not be automatically transferred to the file for any retrospective application that might come forward later; and*

- *renaming of what were previously titled 'closure reports' to 'Planning Enforcement Investigation Reports' with a specific section included in the report to record when a retrospective planning application was invited, along with the reasons why.*

As well as those specific changes, internal training with relevant Officers was planned to ensure the lessons learnt from the investigation had been understood and taken on board. In addition, the Council's Head of Planning and Building Control (who was also the current chairman of the Essex Planning Officers (EPOA) Development Management Forum) planned to brief other Heads of Planning in Essex to ensure the lessons learnt were taken on board by other partner authorities where necessary.

It was moved by Councillor Fairley, seconded by Councillor Morrison and:

RESOLVED that -

a) the aforementioned improvements to processes and procedures that have been put in place within the Council's Planning Service in respect of decision-making on planning applications, the handling of enforcement cases and retrospective planning applications, in line with the Monitoring Officer's recommendations following an investigation into a formal complaint, be noted;

b) it is also noted that the learning from the investigation will be shared with other services across the Council; and

c) this matter be added to the Table of Outstanding Issues to monitor the outstanding action of further training to be provided by the Monitoring Officer to ensure that the improvements identified and recommended actions from the Investigator's report are understood.

17. REPORT OF HEAD OF PLANNING AND BUILDING CONTROL - A.4 - BUILDING SAFETY REGULATOR INSPECTION REVIEW - OUTCOMES AND ACTIONS

Further to minute 31 (26.3.26), the Committee received an update on the recent Building Safety Regulator (BSR) audit of the Council's Building Control function.

It was reported that the first ever BSR review had been completed, and that this Council had no outstanding matters to address following changes and updates already carried out during that audit.

It was confirmed that almost a year on that all control arrangements were fully operational and embedded without any issues occurring. The service continued to grow and develop accounting for all policy and legalisation requirements/changes. The Building Safety Levy was the latest requirement that started in October.

The service now regularly completed required returns for the Building Safety Regulator and LABC (Local Authority Building Control).

No further BSR audit had been proposed by the Building Safety Regulator, and it was unlikely for a few years given their workload and number of authorities to cover. However, audit requirements from central government and membership of LABC were being complied with and completed regularly.

The following learning could be shared with other Council department managers:-

Key Learning Points for Other Council Departmental Managers

1. Document what you do, not just what you know

- Effective practices and processes must be formally documented, even where they were well understood by staff.
- Auditors would assess documented evidence, not assumptions or established custom and practice.
- Ensure policies, procedures, decision-making criteria, escalation routes and quality assurance arrangements were clearly recorded and accessible.

2. Regulatory expectations evolve

- Compliance requirements might not always be fully clear until tested through audit or inspection. This had been proven in Building Control's need to define for itself the definition of closure of files.
- Regulators might apply interpretations that went beyond an authority's understanding of statutory requirements.
- Services should regularly review guidance and engage with sector peers to identify emerging expectations. This Council's close working relationship with a number of neighbouring authorities had proven useful and helpful for this purpose.

3. Governance matters as much as operational performance

- A service could be delivering good outcomes and still receive negative findings if governance arrangements were not sufficiently evidenced.
- Audit scrutiny often focused on assurance, oversight and record-keeping rather than service outcomes alone.

4. Outsourcing does not outsource accountability

- The Council remained responsible for compliance when work was undertaken by partners, consultants or other authorities. Whilst this point had been known for the Building Control Audit the extent evidence from the outsourced body to prove compliance had been higher than expected despite being correct.
- Formal oversight, quality checks and assurance arrangements should be in place for all outsourced services.
- Expectations and responsibilities should be clearly documented, and this included the need for an expectations document specifically to capture a wide range of those issues being created to ensure it was evidenced and defined.
- Do not assume that because another public body or specialist provider was undertaking work, that all regulatory requirements were automatically being met.
- Verification and assurance processes were still required.

5. Record decisions as well as actions

- It was not enough to retain advice from consultees or partners.
- The rationale for accepting or rejecting advice should also be formally recorded, even if very obvious and it seemed pointless to record.

- Clear audit trails reduced organisational risk and demonstrate sound decision-making.

6. Resource planning should be evidence-based

- Services should regularly assess whether staffing levels and skills were sufficient to meet statutory obligations.
- High workloads, specialist skill shortages and dependency on agency staff should be actively monitored and managed.

7. Open cases and legacy work require active management

- Even where legislation limited formal closure options, organisations should develop documented approaches for managing inactive or historic cases.
- Large backlogs create governance concerns even if they remain legally open.

8. Audits can be opportunities for improvement

- Inspections often identified areas for strengthening governance rather than serious service failures. For example - now Building Control had a clear definition for closure of cases, from audit when not available in law, it had a clear rationale to charge for reopening cases potential.
- Findings should be used to improve resilience, consistency and organisational learning.

9. Invest in operational manuals and corporate knowledge

- Reliance on experienced individuals created organisational risk.
- Comprehensive manuals and documented procedures improved consistency, training, succession planning and resilience.

10. Continuous improvement should be evidenced

- Being able to demonstrate how audit findings had been addressed was as important as resolving them.
- Services should maintain action plans, evidence of implementation and clear records of improvements made.

It was felt that the principal lesson was that modern regulatory inspection increasingly focused on demonstrable governance, assurance and documented evidence rather than solely on operational outcomes. Services that were performing well operationally could still attract findings against them if procedures, oversight arrangements and decision-making records were not sufficiently documented and evidenced.

It was moved by Councillor Placey, seconded by Councillor Steady and:-

RESOLVED that –

(a) the contents of this report (A.4) including the key learning points arising from the Building Safety Regulator's (BSR) audit of the Council's Building Control function be noted; and

(b) updates on this matter be provided, going forward, as appropriate, within the Table of Outstanding Issues.

18. REPORT OF CORPORATE DIRECTOR (FINANCE & IT) - A.5 - NEW CORPORATE ASSURANCE AND RISK MANAGEMENT FRAMEWORK (INCORPORATING CORPORATE ASSURANCE AND RISK REGISTER)

The Audit Committee considered a report (A.5) that presented for its consideration and approval, a revised approach to the Corporate Assurance and Risk Management Framework (that incorporated a Corporate Assurance and Risk Register).

It was reported that over the last 18 months, a range of activities had been undertaken to strengthen the Council's Corporate Assurance and Risk Management Framework, including externally facilitated training, workshops that had been led / attended by Audit Committee Members and Senior Officers, and a separate review by the Council's Management Team.

Timely updates had been provided to the Audit Committee over the above mentioned period, which had included commentary of the existing risk framework and register as necessary.

The Committee was informed that the outcome from the various activities highlighted above was a new Corporate Assurance and Risk Management Framework, incorporating a Corporate Assurance and Risk Register.

As previously discussed and agreed, the approach retained elements of a more traditional risk register style approach, but within a wider assurance and governance framework, that also sought to provide clearer links to other relevant Council activities etc.

The revised approach aimed to provide the Committee with high-level assurance across key associated elements and to assist the Committee in obtaining a clearer picture in one place, that in turn would be supported by regular updates during the year.

The new framework also contained an embedded action plan capturing matters identified during the review highlighted earlier. Further appendices within the attached framework covered the 'scoring methodology' and the continuation of a draft format for Departmental and Operational Risk Registers.

Although the framework represented the position to date, further development opportunities would be explored through its practical implementation and embedding within the Council.

As highlighted within the report's recommendations, the Committee was asked to consider and approve the proposed framework, along with requesting Officers to continue progressing activities and actions set out in the report and attachments. Further updates would therefore be provided to the Committee as part of its regular six-monthly review 'cycle'.

The Committee's Independent Person (Sue Gallone) put forward the following comments and suggestions to be taken forward within the next scheduled six-monthly Assurance and Risk Framework review:-

- *bit surprised to see the risk register as part of the risk management framework as the risk register is more dynamic and the framework is there as a guide going forward but that's something that can be easily split out later on if it does not work for the Council;*
- *the Corporate Assurance / Risk Register Summary within the framework is helpful as the risk register itself is very detailed and long but wondered if it might be worthwhile adding to that summary a very short narrative paragraph to describe the risk and explain where the Council is going in terms of managing that risk without going into too much detail;*
- *risk register itself is very detailed, going forward it might be worth seeing how that could be condensed to make it more readable and usable;*
- *could add to the risk register in the spirit of continuous improvement the target risk to set out where the Council is aiming for example a scoring in terms of the target risk so the Council would know how far off it was and whether the actions were going to get the Council to its target.*

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

RESOLVED that –

a) the proposed new Corporate Assurance and Risk Management Framework (incorporating a Corporate Assurance and Risk Register) and embedded action plan be approved; and

b) Officers be requested to continue to progress the various activities and actions set out within this report (A.5) and its attachments and that they provide a further update within the next scheduled six-monthly Assurance and Risk Framework review that is planned to be presented to the Committee at its meeting due to be held in March 2027.

19. REPORT OF CORPORATE DIRECTOR (FINANCE & IT) - A.6 - TABLE OF OUTSTANDING ISSUES

Members considered a report (A.6) which updated them on the progress on outstanding actions identified by the Committee along with general updates on other issues that fell within the responsibilities of the Committee.

It was reported that the Table of Outstanding Issues had been reviewed and updated since it had been last considered by the Committee in June 2026. There were three main ongoing elements to this report as follows:

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

2) Updates against the 2025/26 Annual Governance Statement Action Plan – Appendix B

3) Updates against recommendations made by the External Auditor –

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

In respect of the 2025/26 Annual Governance Statement Action Plan, although this remained subject to the Committee's final approval later in the year once the work of the

External Auditor had been completed, for timely and practical reasons the version currently published at the end of June 2026 alongside the Unaudited Statement of Accounts presented the most up to date position for the Committee's consideration. Similarly to last year, this approach enabled the actions and associated updates to be considered as early as possible within the Committee's annual work programme. Appendix B therefore included outstanding items from last year's Annual Governance Statement alongside new items for the year. There were no significant issues to highlight at the present time and actions and activities remained on-going.

In terms of progressing and monitoring recommendations emerging from the work of the External Auditor, several items had been presented as part of the overall outcome from their work on the Council's 2025/26 Statement of Accounts that had been considered by the Committee on 19 February 2026. The items identified were broadly a continuation of previous recommendations which remained subject to on-going activities to fully address any outstanding issues. The External Auditor's most recent report had been considered earlier on in the meeting, which had largely superseded / complemented the existing outstanding items, which would therefore form part of future reports to the Committee.

Review of the Effectiveness of the Audit Committee

It was reported that, following ongoing reviews, including a recent facilitated session with Members, outcomes and conclusions remained subject to being drawn together for presenting to the Committee. As previously highlighted, this had provided a timely opportunity to continue to maximise the input from various stakeholders including Members of the Committee, ahead of reporting the outcomes to the January 2027 meeting of the Committee.

Risk Management Review

Following the update presented to the June 2026 meeting of the Committee, a separate detailed report had been considered earlier on in the meeting.

Local Audit Reform

Members were made aware that following publication of the Government's response to the consultation in April 2025, the Government had subsequently published "Implementing the New Local Audit System: A Transition Plan" in November 2025. The plan had provided further details on how the proposed Local Audit Office (LAO) would be established and how responsibilities would be transitioned from existing organisations over several years. The Government had confirmed that the initial focus of the LAO would be on coordinating audit quality and oversight, auditor appointments, addressing the audit backlog and rebuilding assurance where audit opinions had been disclaimed as part of the backlog recovery process.

The Government had also reported progress in reducing the historic audit backlog. In an earlier response, it had stated that the backstop programme had resulted in approximately 95% of local bodies publishing audited accounts for all financial years up to and including 2022/23. However, the Government had recognised that recovery of the system and rebuilding assurance would take time and that wider structural reform remained necessary. The Government continued to position the establishment of the

Local Audit Office as the central mechanism for creating a more streamlined and coordinated local audit system.

The reform programme had now moved from the consultation and policy development stage into a transition and implementation phase, with the Government publishing the aforementioned transition plan.

Whilst there were no immediate changes to the Committee's statutory responsibilities, the transition programme had indicated that further changes to local audit oversight, reporting arrangements and guidance were likely as the reforms were implemented. Officers would continue to update Members on developments relating to the establishment of the Local Audit Office, the ongoing management of the national audit backlog and any future changes to audit committee requirements, financial reporting expectations or auditor appointment arrangements.

Exemption from Procurement Procedure Rules Register

As discussed in an earlier report, the Council's External Auditors had identified that an Exemption from Procurement Procedure Rules Register should be maintained and at its June 2026 meeting the Committee had been represented with the first iteration of the required register.

In line with the requirement that all waivers must be registered and reported to the Council's Audit Committee, the register would be reported to the Committee on an annual basis as set out within their work programme (it was currently scheduled to be presented to the June meeting of the Committee each year).

RIPA – Regulatory Investigatory Powers Act 2000

The Authority had not conducted any RIPA activity in the period under review, and it was rare that it would be required to do so.

Whistleblowing (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).

The Committee was informed that there was a notification required as detailed below.

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	Public – 27 May 2026	Ongoing - passed to Fraud and Risk	Investigation open	Matter relates to alleged misuse of Council funds, resources and vehicles.

It was moved by Councillor Fairley, seconded by Councillor Steady and:-

RESOLVED that the updates set out within this report (A.6) be formally noted.

The meeting was declared closed at 11.58 am

Chairman