




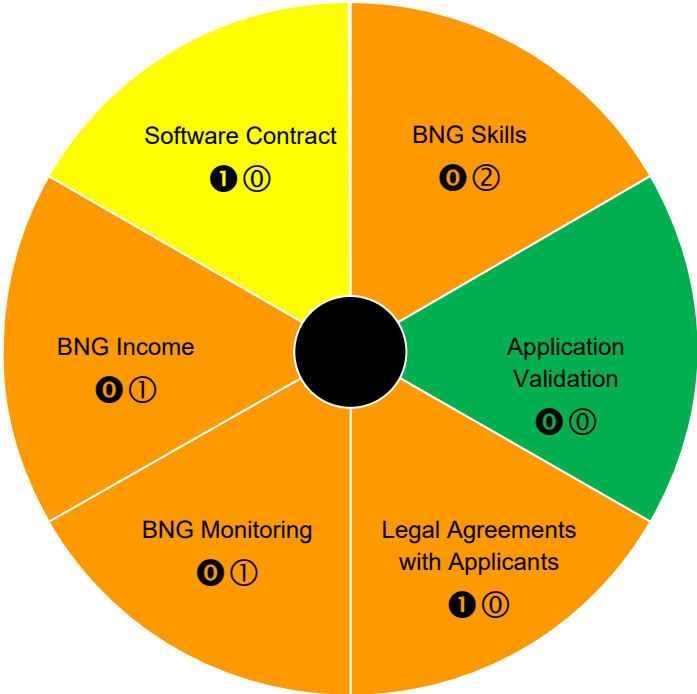


Internal Audit Final Report 2024/2025

Appendix B

Biodiversity Net Gain – 24_25.14

1. Executive Summary			
<p>Directorate: Planning and Building Control</p> <p>Audit Owner: Business and Performance Manager</p> <p>Distribution List: Development Manager, Strategic Director of Planning, Head of Legal / Monitoring Officer, Chief Executive (final report only)</p>		<p><u>Overall Opinion</u></p> <p>LIMITED ASSURANCE </p>	<p><u>Number of issues relating to Control Design</u></p> <p>① Critical</p> <p>① High</p> <p>① Medium</p> <p>① Low</p>
			<p><u>Number of issues relating to Controls Operating in Practice</u></p> <p>① Critical</p> <p>③ High</p> <p>① Medium</p> <p>① Low</p>
<p>Scope of the Review/ Limitations:</p>	<p>The scope of this review involved reviewing the processes in place for enacting the Biodiversity Net Gain (BNG) requirements of the Environment Act (2021) and subsequent legislation. The audit did not review the processes for BNG enforcement activity as this BNG is too new for this to be required at the moment.</p>		
<p>Overview</p> <p>The Environment Act (2021) made provision for biodiversity net gain (BNG) to be required in relation to planning permission in England. This was updated through the Levelling Up and Regeneration Act (2023) and the National Planning Policy Framework (2024). Government guidance is for development to deliver “at least a 10% increase in biodiversity value” and for BNG to be monitored over a 30-year period.</p> <p>The Council anticipated the requirement, provided training to staff on BNG requirements and procured an off the shelf package to assist in validating applications.</p> <p>Audit testing confirmed that validation of applications is working well but development officers are not taking into account the BNG plans that have been recommended by Ecologists when setting requirements for the plans. They have also not been assessing the costs of monitoring BNG over the 30-year period and applicants have not been invoiced for recoverable monitoring costs.</p> <p>High Priority Findings</p> <p>4 high priority findings were identified relating to considering BNG requirements when approving applications, ensuring appropriate legal agreements are in place to enforce BNG plans and ensuring monitoring costs are recharged.</p> <p>2 medium priority recommendations were raised to improve business continuity arrangements.</p> <p>BNG can be realised on the development site or by purchasing credits that can be spent on designated sites. It was noted that a decision has yet to be taken on any potential in-district sites where BNG credits can be spent.</p>	<div> <p>Each of the objectives for this review are shown as segments of the wheel. The key to the colours on the wheel are as follows:</p> <ul style="list-style-type: none">  No / Low priority issues identified  Medium priority issues identified  High priority issues identified  Critical priority issues identified </div> 		

Auditor: Philip Honeybone Fieldwork commenced: December 2024 Fieldwork completed: February 2025 Draft report issued: March 2025 Management comments: March 2025 Final report issued: March 2025 Signed: Philip Honeybone, Audit Manager	Risk Register Updates: It is recommended that management consider including the unregistered risks identified below in the service's risk register.							
	Issues raised and officers responsible for implementation							
	Name	Critical	High	Medium	Low	Total	Agreed	Latest Implementation Date
	Development Manager		1			1	1	14.4.25
	Development Manager / Business and Performance Manager		2			2	2	30.4.25
	Development Manager / Business and Performance Manager / Legal		1			1	1	30.6.25
Strategic Director of Planning / Development Manager				1		1	1	30.9.25
Business and Performance Manager				1		1	1	30.9.25

Risks Reviewed (as per agreed Terms of Reference)		
Risk Ref	Risk	Finding Risk Rating
1	The Council may not have access to the skills necessary to validate the biodiversity net gain in the planning applications it receives.	● High
2	Errors may be made in validating biodiversity net gain in the planning applications received.	● Low
3	Templates for legal agreements to support biodiversity net gain schemes may not be in place.	● High
4	Process for monitoring developments may not be in place which may result in biodiversity net gains not being realised.	● High
5	Fees paid by applicants for the future monitoring of biodiversity net gain in developed sites may be insufficient to cover future costs or may not be accounted for correctly.	● High
6	Contractual arrangements may not protect the Council's continued access to its data if its software supplier goes out of business.	● Medium

2. Detailed Findings, Recommendations and Action Plan





Ref	Matters Arising	Potential Risk Implications	Recommendations	Priority	Management Response provided by Development Manager and agreed actions
1 & 2	<p>Internal Audit analysed all outline and full applications validated between 12 April and 12 December 2024. 114/193 of the applications were accompanied with a BNG metric. Ten of these BNG applications were reviewed. BNG did not apply to one of these and another was an outline plan. Ecologists had been consulted on the other eight and they either accepted the proposed BNG plan or recommended a BNG plan to be put in place. One of these eight applications has been approved without the BNG plan included as a condition.</p> <p>The Business and Performance Manager has identified five other applications in a similar position.</p>	If BNG plans are not included as planning conditions the authority may breach legislative requirements leading to potential financial and reputational loss.	<p>Recommendation 1</p> <p>A refresher training session should be given to Planning Officers and Development Officers to remind them that they need to consider BNG requirements when processing applications and correctly record cases to be monitored</p> <p>Recommendation 2</p> <ul style="list-style-type: none"> i) Prompts should be incorporated into templates (checklist) to ensure BNG is considered and correctly recorded. ii) Ensure existing management checks on applications include BNG. 	<p>High</p> <p>●</p>	<p>Development Manager</p> <p>Scheduled 14.4.25</p> <p>Development Manager / Business & Performance Manager</p> <p>30.4.25</p>
3	<p>UDC has the right to charge applicants a fee for monitoring BNG over a 30-year timeframe. The Service has an Excel spreadsheet template (BNG monitoring fee tool) that can be used to calculate the appropriate fee. However, this has not yet been used and no applicant has been charged for future monitoring costs.</p> <p>The Business & Performance Manager has estimated that monitoring for the first 18 sites with a BNG plan will cost at least £63,000.</p>	The Council is not recovering potential fee income that cover the costs of BNG monitoring.	<p>Planning Officers should be required to complete the BNG monitoring fee tool and charge applicants for BNG monitoring. This should be incorporated into the BNG refresher training and management checks (see recommendation 1 above).</p>	<p>High</p> <p>●</p>	<p>Development Manager / Business & Performance Manager</p> <p>30.4.25</p>

Ref	Matters Arising	Potential Risk Implications	Recommendations	Priority	Management Response provided by Development Manager and agreed actions
4	Legal Services and Planning are working on the development of a Section 106 template that can be used to support BNG. Whilst templates have not yet been used, the audit testing implies applications have been approved where their use should have been considered. There is no standard “universal undertakings” document that can be used for smaller developments.	Legal agreements are not in place to support BNG schemes and without them BNG plans may not be enforceable.	<p>i) Increased priority should be given to finalising the S106 template so that it is available for use as soon as possible.</p> <p>ii) A universal undertakings template for smaller developments should be developed as soon as possible.</p>	<p>High</p> <p>●</p>	<p>Development Manager / Development Management Team Leader / Legal</p> <p>30.6.25</p>
5	Planning officers rely on the specialist knowledge of ecologists in assessing the BNG plans included in planning applications. UDC plans to recruit an in-house specialist to fulfil this role in 2025/26, although this is currently provided by Essex Place Services via a service level agreement. This agreement ends 31 March 2025 unless it is extended.	If the agreement with Essex Place Services ends before the in-house specialists have been recruited, the Council may not be able to assess BNG appropriately.	The Service Level Agreement with Essex Place Services for the provision of ecology services should be extended until UDC has been able to recruit local expertise or find an alternative that provides better value for money.	<p>Medium</p> <p>●</p>	<p>Strategic Director of Planning / Development Manager</p> <p>30.9.25</p>





Ref	Matters Arising	Potential Risk Implications	Recommendations	Priority	Management Response provided by Development Manager and agreed actions
6	<p>The Council uses Mycelia to assist in the validation of BNG in the planning applications it receives.</p> <p>Section 7.3 of the contract states that: "At any time after the Onboarding Date Verna may give the Authority at least 90 days' written notice that the agreement will not be renewed in accordance with clause 3.2 and will terminate at the end of the current term.</p> <p>Clause 3.2 states: "The agreement continues until the end of the term and, thereafter, unless the agreement is terminated by either party...."</p> <p>Replacement of a key system may take 6 months rather than 90 days".</p> <p>In addition, the contract is silent on the matter of continued access to the software if the supplier goes bankrupt.</p>	<p>The Council may be without a system to assist in BNG validation if the supplier serves notice on the contract or goes out of business.</p> <p>Contractual arrangements may not protect the Council's continued access to its data if its software supplier goes out of business.</p>	<p>The Council should seek to extend the notice period to 6 months and to ensure the Authority still has access to its data in the event that its supplier (Verna) goes out of business.</p> <p>It is understood that this has been discussed with the supplier and agreed in principle during the course of the audit.</p>	<p>Medium</p> <p>●</p>	<p>Business and Performance Manager</p> <p>30.9.25</p>

3. Basis of our opinion and assurance statement

Key to Risk Ratings for Individual Findings in Reports

Critical 	<p>Financial: Severe financial loss; Operational: Cessation of core activities</p> <p>People: Life threatening or multiple serious injuries to staff or service users or prolonged work place stress. Severe impact on morale & service performance. Mass strike actions etc</p> <p>Reputational: Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV.</p> <p>Legal and Regulatory: Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences</p> <p>Projects: Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.</p>
High 	<p>Financial: Major financial loss. Service budgets exceeded; Operational: Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties.</p> <p>People: Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff.</p> <p>Reputational: Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion.</p> <p>Legal and Regulatory: Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies</p> <p>Projects: Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.</p>
Medium 	<p>Financial: Moderate financial loss. Handled within the team; Operational: Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required.</p> <p>People: Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some work days lost. Some impact on morale and performance or staff.</p> <p>Reputational: Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage</p> <p>Legal and Regulatory: Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation.</p> <p>Projects: Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.</p>
Low 	<p>Financial: Minor financial loss; Operational: Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users.</p> <p>People: Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale.</p> <p>Reputational: Minor impact on the reputation of the organisation.</p> <p>Legal and Regulatory: Minor breach in laws and regulations with limited consequences.</p> <p>Projects: Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.</p>

Key to Assurance Levels

No 	<p>There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.</p> <p>[Weighted average > 3.5 on the audit scoring]</p>
Limited 	<p>There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.</p> <p>[Weighted average 2.51-3.5 on the audit scoring]</p>
Moderate 	<p>An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.</p> <p>[Weighted average 1.51-2.5 on the audit scoring]</p>
Substantial 	<p>There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.</p> <p>[Weighted average 1-1.5 on the audit scoring]</p>

4. Limitations and Responsibilities

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

Limitations inherent to the internal auditor's work

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit and Standards Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

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

- **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

Internal Audit Final Report 2024/2025

BUSINESS CONTINUITY- 24_25.03

1.Executive Summary

Directorate: Housing, Health & Communities

Audit Owner: Environmental Health Manager (Commercial)

Distribution List: Director of Environment and Climate Change; Emergency Planning Officer; Strategic Director of Housing, Health and Communities (final report only); Chief Executive (final report only)

Overall Opinion

LIMITED ASSURANCE



Number of issues relating to Control Design

0 Critical
4 High
1 Medium
0 Low

Number of issues relating to Controls Operating in Practice

0 Critical
1 High
3 Medium
0 Low

Scope of the Review/ Limitations:

The scope of this Audit involved review of existing plans to ensure contact details are up to date, plans are available to key contacts when needed, all single points of failure have been identified and Plans have been tested in an appropriate range of scenarios.

Overview

The Council has a Corporate Business Continuity Plan and Business Impact Analyses for Services which the small Business Continuity Team has shared and tried to embed across the organisation. At the time of the Audit work was ongoing to review and update these, with monitoring being undertaken by the Business Continuity Team. However, progress, quality of information (including interdependencies) and levels of engagement with this process differed across the Council.

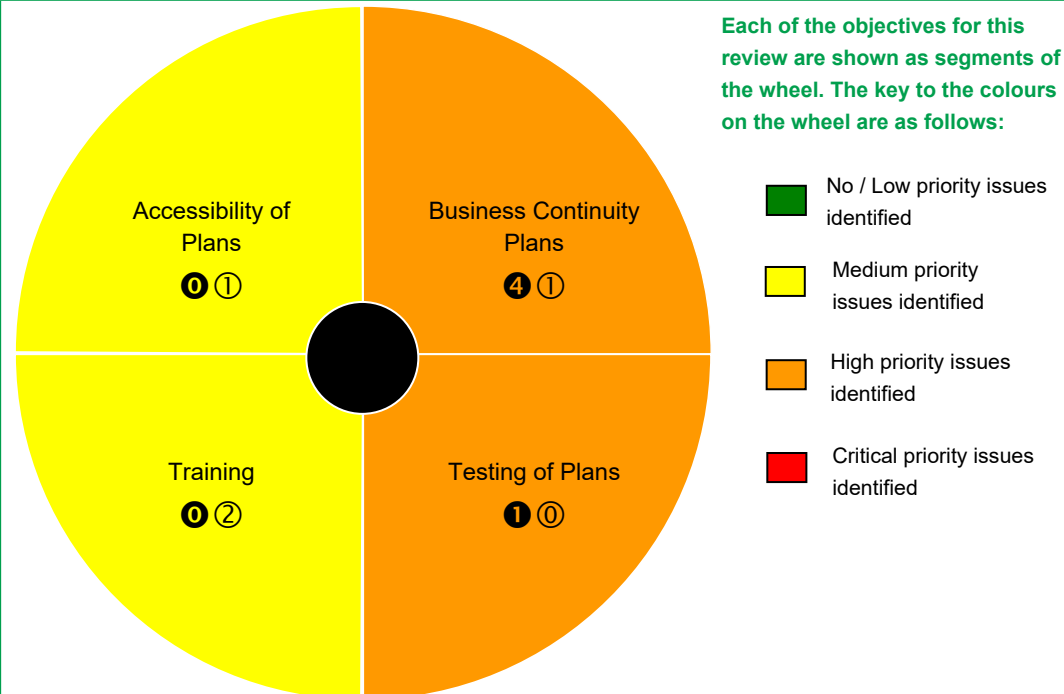
It should be noted that the findings of the Audit reflect the Council's collective procedures relating to its Business Continuity and are not a reflection on the work being undertaken by the Business Continuity Team, which comprises a part-time Emergency Planning Officer and the Environmental Health Manager (Commercial).

High Priority Findings





The Audit identified a lack of corporate direction and weaknesses arising from inconsistent levels of engagement across the Council.

Five high priority recommendations have been made to address the following issues:

- Defining the Council's critical frontline services and activities at a corporate level and required recovery timescales.
- Championing of Business Continuity across the Council by Senior Management to ensure positive engagement across the organisation and consistency.
- Capturing all single points of failure.
- Identifying interdependencies, critical activities and other services required to support them.
- Ensuring interdependencies are documented in all relevant plans.
- Ensuring plans are accessible to all who need them.
- Testing the completed plans in a variety of scenarios.



Auditor: Wendy Lancaster Fieldwork commenced: August 2024 Fieldwork completed: October 2024 Draft report issued: October 2024 Management comments: March 2025 Final report issued: March 2025 Signed: Philip Honeybone, Audit Manager	Risk Register Updates:							
	It is recommended that management consider including the unregistered risks identified below in the service's risk register.							
	Issues raised and officers responsible for implementation							
	Name	Critical	High	Medium	Low	Total	Agreed	Latest Implementation Date
	Director of Environment and Climate Change		5	1		6	6	December 2025
	Environmental Health Manager (commercial)		3	3		2	3	March 2026

Risks Reviewed (as per agreed Terms of Reference)		
Risk Ref	Risk	Highest Finding Risk Rating
1.	<u>Business Continuity Plans (including Roles and Responsibilities)</u> The Corporate and/or Service Business Continuity Plans may not be in place, complete, up to date and / or regularly reviewed leading to the Council being unprepared and/or ineffective in its ability to deliver its services. This may result in breaches of legislation, financial loss, reputational damage and failure to provide statutory services. Training requirements for all relevant Officers and third parties may not be correctly identified, appropriately delivered, and/or completed leading to a lack of awareness and understanding of how to correctly implement plans and required actions and/or failures or delays in recovering from an event. This may result in breaches of legislation, risks to individuals, significant loss of confidence in the Council, service delivery failures and financial loss.	 High
2.	<u>Testing of Plans</u> Plans may not be tested in accordance with mandated timeframes under a range of realistic scenarios, with any issues that are identified being resolved, and/or may not include all relevant parties. This may lead to any failings/weaknesses within the Plans not being identified and addressed and may result in breaches of legislation, individuals being placed at risk, financial loss, reputational damage and failure to provide Statutory Services. Testing of plans may not be carried out correctly or in sufficient depth to identify any single points of failure leading to potential weaknesses not being recognised and/or resolved. This may lead to breaches of Legislation, issues with recovery and service delivery, reputational damage and potential financial loss.	 High
3.	<u>Training</u> Roles and responsibilities for the maintenance of Business Continuity Plans and/or for duties detailed within the plans may not be clear and/or defined. This may lead to delays and/or ineffectiveness across the Council to respond to an event and its ability to deliver services. This may result in breaches of legislation, individuals being placed at risk, significant reputational damage and failures to delivery Statutory services.	 Medium
4.	<u>Accessibility of Plans</u> Corporate and/or Service Business Continuity Plans may not be accessible to all key contacts, including third parties, when required, leading to delays, potential conflicts, inconsistency of actions and/or incorrect implement of plans. This may result in breaches of legislation, failure or delay in providing Statutory services, risk to individuals, financial loss and reputational damage.	 Medium

2. Detailed Findings, Recommendations and Action Plan

Ref	Matters Arising	Potential Risk Implications	Recommendations	Priority	Management Response provided by Ben Brown (Director) and agreed actions
1.	<p><u>Business Continuity Plans</u></p> <p>In order to ensure Business Continuity Plans are appropriate and fit for purpose, there should be clear strategic corporate direction and identification of the Council's critical services and required recovery timescales.</p> <p>In addition, in order for the Council to have effective business continuity procedures in place, Senior Management should champion business continuity throughout the organisation and encourage engagement with their Managers.</p> <p>During the Audit it was noted that not all critical services had been identified at a corporate level and that no direction had been given in respect of these omitted services and respective recovery timescales.</p> <p>In addition, it was noted that in some instances, differences had arisen between the critical services and / or recovery timescales detailed within the Council's Corporate Business Continuity Plan and those detailed within the individual Service Plans.</p> <p>It was not evident during the Audit that business continuity is consistently or frequently championed across the Council or that engagement is routinely encouraged or monitored.</p>	<p>Failure to set out the Council's corporate direction and identify its critical services may lead to the Council not being able to respond quickly, consistently, or adequately in the event of an incident. This may result in a lack of engagement across the Council, breaches of legislation, financial loss, failure to provide statutory services and reputational damage.</p>	<p>The Corporate Management Team (CMT) should take ownership of the Council's Business Continuity and provide clear strategic direction, including:</p> <ul style="list-style-type: none"> • Identification of the Council's critical services and respective recovery timescales; and • Championing of the importance and value of business continuity plans and engagement across the organisation. 	<p>● High</p>	<p>Recommendation agreed? YES</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change (recognising this is a corporate issue and will need support from CMT).</p> <p>Target Date: Dec 2025</p>
2. & 3.	<p><u>Business Continuity Plans- Policies and Procedures</u></p> <p>The Cabinet Office Chapter 6 Business Continuity Management, Revision to Emergency Preparedness, document, dated March 2012, states that business continuity management is a flexible framework designed to help organisations to continue operating in the face of a wide range of different types of disruptions, right the way along the spectrum of severity, and that it provides the strategic framework for improving an organisation's resilience to interruption. It further states its purpose is to facilitate the recovery of key business systems and processes within agreed time frames, while maintaining the delivery of the Category 1 responder's identified critical functions.</p>	<p>The Corporate and/or Service Business Continuity Plans may not be in place, complete, up to date and / or regularly reviewed leading to the Council being unprepared and/or ineffective in its ability to deliver its services. This may result in breaches of legislation, financial loss, reputational</p>	<p>2. Procedures relating to the Council's Business Continuity process should be reviewed by CMT and updated / enhanced to ensure that there is clarity with regards to what constitutes a critical activity and that all relevant critical activities are identified across the Council and documented within the relevant Plans. These procedures should be sufficient to ensure there is consistency across all Plans within the Council.</p>	<p>● High</p>	<p>Recommendation agreed? YES</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change</p> <p>Target Date: Dec 2025</p>

<p>With this in mind, the Council should have a defined Business Continuity Framework that includes policies, guidance, templates and procedures, which is available to all relevant officers and parties and reviewed periodically to ensure information remains accurate, up to date and relevant. These documents should include sufficient details to clearly define roles and responsibilities relating to the maintenance of Business Continuity Plans and delivery of duties detailed within the Plans.</p> <p>At the time of the Audit, it was noted that whilst the Emergency Planning and Business Continuity Policy, dated November 2023, was available on the Council's Website, this was not up to date as it included a link to an old version of the Council's Corporate Risk Register, dated 2020/2021.</p> <p>Internal Audit were provided with copies of the Council's current and draft updated Corporate Business Continuity Plan. This includes reference to individual Service Business Continuity Plans and to business activities of the council being identified through a Business Impact Analysis. However, despite references to individual Service Business Continuity Plans, these were all in the format of Business Impact Analysis spreadsheets.</p> <p>It was noted that the current Business Impact Analysis Template, for individual services, does not encourage consideration and exploration of scenarios where critical activities may arise.</p> <p>In addition to the Service Business Continuity Plans (Business Impact Analysis spreadsheets) provided for the Audit, a detailed Business Continuity and Disaster Recovery Plan, a Disaster Recovery Plan, a Service Level Quick View Summary and a Service Level Critical Functions document, for different services, were also provided. No mention was made of any of these documents, or any others, within the Corporate Business Continuity Plan or any other documents noted during the Audit.</p> <p>Following review of the Council's Corporate Business Continuity Plan's it was noted that:</p> <ol style="list-style-type: none"> i. The table of critical activities is to be updated on the draft version once the updated individual Service Business Continuity Plans have been updated. However, this process relies on the Service to identify, what it considers to be critical activities, rather than this being decided strategically and corporately by CMT. This could result in critical activities and interdependencies being missed and 	<p>damage and failure to provide statutory services.</p> <p>Roles and responsibilities for the maintenance of Business Continuity Plans and/or for duties detailed within the plans may not be clear and/or defined. This may lead to delays and/or ineffectiveness across the Council to respond to an event and its ability to deliver services. This may result in breaches of legislation, individuals being placed at risk, significant reputational damage and failures to delivery Statutory services.</p> <p>Corporate and/ or Service Business Continuity Plans may not be reflected within the Council's Corporate Risk Register leading to the Council being unprepared and/or ineffective in its ability to deliver its services. This may result in breaches of legislation, financial loss, reputational damage and failure to provide statutory services.</p> <p>Corporate and/or Service Business Continuity Plans may not be accessible to all key contacts, including third parties, when required, leading to delays, potential conflicts, inconsistency of actions</p>	<p>As part of this process consideration should be given to whether it may be beneficial to introduce:</p> <ul style="list-style-type: none"> • Priority services or activities alongside the current process of identifying critical activities to provide greater scope for clarity. • A tiered approach to the completion of Plans, so Services identified with critical front-line services produce their Plans first with others, in support, then including reference to the identified Interdependencies within their own Plans. • An enhanced process whereby single or limited points of failure are identified and recorded within the individual service Business Continuity Plans and corporately, together with details of any potential mitigation of identified risks and weaknesses. • A reporting and escalation process for Services that do not produce their Service Business Continuity Plan. • An enhanced process and Business Impact Analysis (individual Service Business Continuity Plan) Template to encourage greater consideration of scenarios and inclusion of clearer and more comprehensive information. • References to the testing of Plans, both Corporate and Services, within the Council's Corporate Business Continuity Plan, Service Business Continuity Plans and other related documents. 		
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	<p>omitted. Examples of omissions have been included within Section 2 below.</p> <p>Internal Audit were provided with a Corporate Business Continuity Plan produced by a different Authority. This included reference to pre-assessed critical services and priority services, with links added to each respect service business continuity plan, rather than critical activities, which enabled separation between critical and priority services.</p> <p>ii. Whilst the Council's Corporate Business Continuity Plan refers to Formal and Informal Mutual Aid Agreements and several of the Service Business Continuity Plans include reference to seeking assistance from other Authorities, no requirement has been included to ensure that:</p> <p>a. Any such arrangements are documented and link with Emergency Response details; or that</p> <p>b. Contingency details are included for instances where a major incident is not declared and there is no obligation for other authorities to assist.</p> <p>iii. During the Audit, it was noted that whilst the individual Service Business Continuity Plan Template includes a section to list Interdependencies, no guidance was seen to ensure this area was completed consistently across the Council.</p> <p>iv. Although elements of roles and responsibilities have been defined within the Council's Corporate Business Continuity Plan, there is no:</p> <p>a. Information detailing which officers may undertake the Gold Officer, role. Details state that an appropriate member of CMT will act as Silver Officer and that the Gold Officer will liaise with the Chief Executive and / or elected Members, as appropriate. The Plan still refers to Directors and Assistant Directors rather than the revised roles of Directors and Strategic Directors.</p> <p>b. Mention of any roles and responsibilities for service managers, outside of a business continuity incident, such as cascading and providing business continuity information to their team or ensuring their Service Business Continuity Plans remain accurate and relevant.</p> <p>Internal Audit were advised that Business Continuity Plans should be produced for all Services. However, at the time of the Audit it</p>	<p>and/or incorrect implement of plans. This may result in breaches of legislation, failure or delay in providing Statutory services, risk to individuals, financial loss and reputational damage.</p>	<p>3. Once procedures detailed in 2 above have been defined and agreed, these should be documented within the relevant Council policies, procedures and associated documents.</p> <p>In addition, these documents, including the Council's Emergency Planning and Business Continuity Policy, the Council's Corporate Business Continuity Plan, and other associated documents should all be reviewed and updated to ensure they provide guidance and clarity over all aspects of the Council's Business Continuity process, including:</p> <ul style="list-style-type: none"> • How Formal and Informal Mutual Aid Agreements should link with Emergency Response information and that contingency details should be included within individual Service Business Continuity Plans covering instances where a major incident does not arise, triggering response through the Emergency Response Forum, and there is no obligation for other authorities to provide assistance. • Identifying and recording Interdependencies, both internal and external. • Details of all business continuity documents and templates that are in use across the Council together with details of what should be completed and in place for each service. • Consistency of terms between the name of documents and references made to them within the documents. • Officers that may undertake the Gold Level role and documented responsibilities. 	<p>Recommendation agreed? YES</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change</p> <p>Target Date: Dec 2025</p>
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	<p>was noted that not all Services had completed or produced a Service Business Continuity Plan, and no procedures were in place covering escalation or reporting of these.</p> <p>In addition, it was noted that there is currently no requirement for Services to document and share details of how the Service Business Continuity Plans would be obtained and viewed if it was not possible to access the electronic version or how and who, within each Team, would be able to access the Plan should the relevant Manager be absent.</p> <p>During the Audit, it was noted that details provided within the Operational Resilience (CR-15) Risk showed that all critical activities have been listed and any single points of failure have been determined. However, whilst the Service Business Continuity Plans, that had been produced and provided for the Audit, considered and identified critical activities, none had identified or included any details in respect of single points of failure. It is acknowledged that the Service Business Continuity Plan Template in use at the time of the Audit did not include reference to, or require identification of, any single points of failure.</p> <p>Internal Audit were advised that work to identify single points of failure was still ongoing</p> <p>It was further noted that whilst the Council's Corporate Risk Register includes reference to keeping Business Continuity Plans updated within its Operational Resilience (CR-15) Risk, there is no mention of any impact that Blueprint Uttlesford may have on Plans, and no cross reference to the Organisation Stress (CR-18) and / or New Ways of Working (CR-19) Risks, both of which refer to Blueprint Uttlesford reviews.</p>		<ul style="list-style-type: none"> • Service Manager responsibilities outside of a business continuity event, including cascading of information to Officers regularly within Team Meetings and at other times, as appropriate. • Updating of the Corporate Risk Register to include: <ul style="list-style-type: none"> ○ A requirement that Business Continuity Plans are reviewed and updated following completion of Blueprint Uttlesford Reviews; and ○ Schedule Update details on the Operational Resilience (CR-15) Risk to tie in with the mandated annual review of Business Continuity Plans. • Sharing of information to ensure awareness of Plans and procedures across the whole Council including: <ul style="list-style-type: none"> ○ How Plans would be viewed and accessed if the electronic version could not be opened; and ○ Which Officers, including those within Teams, that would be able to access Plans, if the Service Manager were unavailable, together with details of how these would be accessed / viewed and who would be responsible for covering their business continuity responsibilities. <p>All policies, procedures, and associated documents, once update, should be made available to all relevant officers.</p>		
4. & 5.	<p><u>Business Continuity Plans – Reviews and Approvals</u></p> <p>The Council should have complete, accurate, comprehensive,</p>	The Corporate and/or Service Business Continuity Plans may not	4. The Council's Business Continuity Plans should all be reviewed and approved in line with the	● High	Recommendation agreed? Yes

<p>and up to date Corporate and individual Service Business Continuity Plans in place, that are regularly reviewed and updated.</p> <p>At the time of the Audit, it was noted that whilst work was ongoing to review and update the Council's Corporate and individual Service Business Continuity Plans, several Plans did not show any review or updating process had taken place during 2023, with some Plans not showing any review or update since 2021. During the Audit, only Plans covering 24 different areas within Services were provided.</p> <p>Following review of the Plans provided, it was noted that whilst the current template includes an area to record approval of the Service Business Continuity Plans, in accordance with details stated within the Corporate Business Continuity Plan, many of these fields had not been completed. In addition, it was also noted that the current process is not sufficient to ensure all critical activities have been considered and included, or that the activities considered to be critical by the service are critical from the Council's perspective and included within the Corporate Business Continuity Plan. For example:</p> <ul style="list-style-type: none"> i. Whilst Environmental Services had identified critical activities on its Plan, such as the Statutory Duty of waste collection, this service was not included within the table of critical activities in the Corporate Business Continuity Plan. ii. No critical activities were noted relating to the day of an election, such as a problem with a polling station, place of count or delivery of ballot boxes. iii. No references had been included to loss of life or potential issues with sheltered housing, such as fire or flood making the accommodation uninhabitable, or any considerations should demand exceed available temporary accommodation. <p>In addition, inconsistencies were noted between the Corporate Business Continuity Plan and individual Service Business Continuity Plans and in the content of the Service Business Continuity Plans themselves. For example:</p> <ul style="list-style-type: none"> i. The Corporate Business Continuity Plan included details for service maintenance, computer and phone network (no use of email or other internal ICT systems) with a recovery time of 4 hours, however the Service Business Continuity Plan only shows one critical activity as email (for outlook and mimecast), with a recovery time of 0-24 hours. All other activities on the Service Business 	<p>be in place, complete, up to date and / or regularly reviewed leading to the Council being unprepared and/or ineffective in its ability to deliver its services. This may result in breaches of legislation, financial loss, reputational damage and failure to provide statutory services.</p>	<p>responsibilities and details stated within the Council's Corporate Business Continuity Plan, with checks made by Heads of Service to ensure details relating to their services are correct and up to date and their approval being recorded on the relevant Plans.</p> <p>5. An annual monitoring and review timetable and appropriate procedures should be produced to ensure adherence with the timeframes and responsibilities stated within the Council's Corporate Business Continuity Plan. This should include dates and details, such as reminders to be sent to CMT, SMT and other relevant Officers and approvals by Heads of Service, Directors and CMT, to ensure Plans are reviewed and updated annually, when due, and all Plans are approved by Directors and CMT. Details should be sufficient to ensure all relevant Officers receive the reminders and links to the Plans or are able to access the Plans directly.</p>	<p></p> <p>Medium</p>	<p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change</p> <p>Target Date: October 25</p> <p>Recommendation agreed? Yes</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change</p> <p>Target Date: Dec 25</p>
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	<p>Continuity Plan show recovery times of 24 hours - 1 week.</p> <p>It should be noted that the majority of Business Continuity Plans for other Services include access to some form of IT systems, other than emails, within their critical activities and recovery time of 0 – 24 hours</p> <p>ii. Collection and holding of stray dogs is shown as a critical activity on the Service Business Continuity Plan activities but is not included on the front page of the Plan or within the Corporate Business Continuity Plan.</p> <p>iii. Insurance is shown as critical on the Corporate Business Continuity Plan but with a recovery time of 1 week + on the Service Business Continuity Plan.</p>				
6.	<p><u>Testing of Plans</u></p> <p>The Council's Emergency Planning and Business Continuity Policy states that the Strategic Business Continuity Plan must be tested once every three years.</p> <p>However, it was noted during the Audit that no documents referred to the testing of Service Business Continuity Plans and no testing of any Plans had been undertaken.</p> <p>The Cabinet Office Chapter 6 Business Continuity Management, Revision to Emergency Preparedness, document states that a Business Continuity Plan cannot be considered reliable until it is exercised and has proved to be workable. It further states that as part of the Business Continuity process there is a continual need to prove plans and strategies by testing, and that no matter how well designed and thought-out a management strategy or plan appears to be, a series of robust and realistic exercises will identify areas that require amendment.</p> <p>Internal Audit were advised that it is intended that a process of exercising Service Business Continuity Plans will be introduced, although at the time of the Audit no process or timescales had been defined or agreed. It should be noted that no reference was made regarding the testing of the Council's Corporate Business Continuity Plan.</p> <p>In addition, it was further noted that the Council's Corporate Business Continuity Plan did not include reference to any testing, either of the Corporate or Service Business Continuity Plans.</p> <p>It is acknowledged that elements of the Corporate Business Continuity Plan may have been tested during the COVID pandemic, however if any issues were identified during this time,</p>	<p>Plans may not be tested in accordance with mandated timeframes under a range of realistic scenarios, with any issues that are identified being resolved, and/or may not include all relevant parties. This may lead to any failings/ weaknesses within the Plans not being identified and addressed and may result in breaches of legislation, individuals being placed at risk, financial loss, reputational damage and failure to provide Statutory Services.</p> <p>Testing of plans may not be carried out correctly or in sufficient depth to identify any single points of failure leading to potential weaknesses not being recognised and/or resolved. This may lead to breaches of Legislation, issues with recovery and service delivery, reputational damage and potential financial loss.</p>	<p>Criteria and timeframes for exercising the Council's Corporate and individual Service Business Continuity Plans should be designed, documented, and implemented. These should include reference to testing under a range of realistic scenarios and a timetable to ensure testing is completed in accordance with the mandated timeframe.</p>	<p>● High</p>	<p>Recommendation agreed? Yes</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Director of Environment and Climate Change</p> <p>Target Date: October 25</p>





	they did not result in any changes being made to the Plan, according to the version control record.				
7. & 8.	<p><u>Training</u></p> <p>Robust processes should be in place to ensure training requirements for all relevant officers concerned with the Council's business continuity, are correctly identified, appropriately delivered, completed and refreshed, when required.</p> <p>At the time of the Audit, it was noted that no procedures were in place relating to business continuity training and no reference to training had been included within the Corporate Business Continuity Plan or in any related documents.</p> <p>Internal Audit were advised that training, including details relating to the Business Continuity Plan templates and for Gold and Silver Level was provided by the former Emergency Planning Officer, before he left the Council in April 2023, with no further training having taken place since that time. The Business Continuity Team, comprising a part-time Emergency Planning Officer and the Environmental Health Manager (Commercial), advised that although they will provide assistance, if requested, it is acknowledged that due to a lack of resources a gap in training has arisen for officers appointed into respective roles since April 2023.</p> <p>It is understood that information relating to business continuity should be cascaded to officers during Team Meetings. However, there is no mention of this practice within any of the Council's business continuity documents and no checks are in place to assess whether this practice is in place across the Council.</p> <p>In addition, whilst limited information relating to business continuity is available to staff on the Intranet, this contained historic information and mainly referred to volunteering for an Emergency Planning / Business Continuity Group rather than any information about the Council's Business Continuity Plans and procedures in the event an incident were to occur.</p> <p>Internal Audit were advised that the Council signed a Partnership Agreement with another Authority on 1st February 2024 for the provision of Emergency Planning Cover, with an Officer being at the disposal of Uttlesford District Council for approximately 1 day per month. It is understood that if a requirement for training were to arise, it may possible for an element of this resource to be utilised in this manner.</p>	<p>Training requirements for all relevant Officers and third parties may not be correctly identified, appropriately delivered, and/or completed leading to a lack of awareness and understanding of how to correctly implement plans and required actions and/or failures or delays in recovering from an event. This may result in breaches of legislation, risks to individuals, significant loss of confidence in the Council, service delivery failures and financial loss.</p>	<p>7. Training requirements for Officers should be identified, documented and arrangements made for timely delivery of such training.</p> <p>As part of this work, consideration should be given to the production of a training programme and timetable, to facilitate forward planning and monitoring of training, including completion.</p> <p>8. Information on the Council's Intranet relating to business continuity should be reviewed, updated and enhanced to provide officers with relevant details of the Council's Business Continuity Plans and processes.</p> <p>In addition, consideration should be given to whether any training material could be added to the Council's Intranet to facilitate future reference and provide an overview for other officers to promote awareness across the Council.</p>	<p>● Medium</p>	<p>Recommendation agreed? Yes</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Environmental Health Manager (commercial)</p> <p>Target Date: Mar 26</p> <p>Recommendation agreed? Yes</p> <p>If not, detail the alternative action to be taken: [text]</p> <p>Responsible Officer: Environmental Health Manager (commercial)</p> <p>Target Date: Mar 26</p>

9.	<p><u>Accessibility of Plans</u></p> <p>The Council's Corporate and Service Business Continuity Plans and Emergency Planning and Business Continuity Policy should be accessible to all key contacts when required.</p> <p>In addition, there should be an understanding across the Council of who can access the Plans and where these are stored.</p> <p>At the time of the Audit, the Council's Emergency Planning and Business Continuity Policy was available on the Council's Website and work was ongoing to relocate the Corporate Business Continuity Plan and individual Service Business Continuity Plans to an internal shared SharePoint site, that should be accessible to Service Managers, Heads of Service, the Business Continuity Team and the Chief Executive.</p>	<p>Corporate and/or Service Business Continuity Plans may not be accessible to all key contacts, including third parties, when required, leading to delays, potential conflicts, inconsistency of actions and/or incorrect implement of plans. This may result in breaches of legislation, failure or delay in providing Statutory services, risk to individuals, financial loss and reputational damage.</p>	<p>Once uploaded, checks should be made to ensure that Plans stored on the shared SharePoint site can be accessed by all relevant Officers.</p>	<p>● Medium</p>	<p>Recommendation agreed? Yes</p> <p>If not, detail the alternative action to be taken: N/A</p> <p>Responsible Officer: [Environmental Health Manager (commercial)]</p> <p>Target Date: Mar 26</p>
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3. Basis of our opinion and assurance statement

Key to Risk Ratings for Individual Findings in Reports

<p>Critical</p> <p>●</p>	<p>Financial: Severe financial loss; Operational: Cessation of core activities</p> <p>People: Life threatening or multiple serious injuries to staff or service users or prolonged work place stress. Severe impact on morale & service performance. Mass strike actions etc</p> <p>Reputational: Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV.</p> <p>Legal and Regulatory: Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences</p> <p>Projects: Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.</p>
<p>High</p> <p>●</p>	<p>Financial: Major financial loss. Service budgets exceeded; Operational: Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties.</p> <p>People: Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff.</p> <p>Reputational: Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion.</p> <p>Legal and Regulatory: Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies</p> <p>Projects: Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.</p>
<p>Medium</p> <p>●</p>	<p>Financial: Moderate financial loss. Handled within the team; Operational: Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required.</p> <p>People: Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some work days lost. Some impact on morale and performance or staff.</p> <p>Reputational: Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage</p> <p>Legal and Regulatory: Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation.</p> <p>Projects: Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.</p>
<p>Low</p> <p>●</p>	<p>Financial: Minor financial loss; Operational: Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users.</p> <p>People: Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale.</p> <p>Reputational: Minor impact on the reputation of the organisation.</p>

	Legal and Regulatory: Minor breach in laws and regulations with limited consequences. Projects: Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.
Key to Assurance Levels	
No 	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
Limited 	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
Moderate 	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Substantial 	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.

4. Limitations and Responsibilities

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

Limitations inherent to the internal auditor's work

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit and Standards Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended, or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

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

circumstances.

- **Future periods**

Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate.