



**Epping Forest
District Council**

***AUDIT & GOVERNANCE COMMITTEE
Monday, 27th June, 2022***

You are invited to attend the next meeting of **Audit & Governance Committee**, which will be held at:

**Council Chamber - Civic Offices
on Monday, 27th June, 2022
at 7.00 pm .**

**Georgina Blakemore
Chief Executive**

**Democratic Services
Officer**

Laura Kirman
Tel: 01992 564243 Email:
democraticservices@eppingforestdc.gov.uk

Members:

Councillors P Bolton, T Matthews, B Vaz, S Heap and M Owen

Independent : A Jarvis

WEBCASTING/FILMING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The meeting may also be otherwise filmed by third parties with the Chairman's permission.

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Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for web casting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area or otherwise indicate to the Chairman before the start of the meeting.

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1. WEBCASTING INTRODUCTION

This meeting is to be webcast. The Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by third parties).

If you are seated in the lower public seating area then it is likely that the recording cameras will capture your image and this will result in the possibility that your image will become part of the broadcast.

This may infringe your human and data protection rights and if you wish to avoid this then you should move to the upper public gallery.

Could I please also remind Members to activate their microphones before speaking”.

2. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

(Democratic Service Officer) Under Article 11, paragraphs 13 – 17, of the Constitution, the Chairman and Vice-Chairman of the Committee shall be appointed at the first meeting of the municipal year for a term of one year.

Both Councillors and Co-Opted Members serving on the Committee are eligible for appointment to either role; however, if the Chairman is a Councillor then the Vice-Chairman must be a Co-Opted Member, and vice versa.

The Chairman and Vice-Chairman from the previous municipal year are eligible for re-appointment.

3. APOLOGIES FOR ABSENCE

To be announced at the meeting.

Please use the Members Portal webpage to report non-attendance at meetings https://eppingforestdc-self.achieveservice.com/service/Member_Contact to ensure your query is properly logged.

Alternatively, you can access the Members portal from the front page of the Council’s website, at the bottom under ‘Contact Us’ <https://www.eppingforestdc.gov.uk/your-council/members-portal/>

4. DECLARATIONS OF INTEREST

To declare interests in any item on the agenda for the meeting of the Committee.

5. MINUTES (Pages 5 - 8)

To confirm the minutes of the meeting of the Committee held on 17 March 2022.

6. MATTERS ARISING

To consider any matters arising from the minutes of the previous meeting of the Committee.

7. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME (Pages 9 - 10)

To consider the attached work programme for the Committee for 2022/23.

8. ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR 2021/22. (Pages 11 - 38)

(Chief Internal Auditor) To consider the attached report.

9. DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22 (Pages 39 - 58)

(Chief Internal Auditor) To review and comment on the attached report.

10. CORPORATE FRAUD STRATEGY FOR 2022/23

(Chief Internal Auditor) To consider the attached report. REPORT TO FOLLOW.

11. CORPORATE FRAUD TEAM ANNUAL SUMMARY 2021/22.

(Chief Internal Auditor) To note the attached report. REPORT TO FOLLOW.

12. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2021/22. (Pages 59 - 72)

(Chief Internal Auditor) To consider the attached report.

13. INTERNAL AUDIT PROGRESS REPORT. (Pages 73 - 92)

(Chief Internal Auditor) To consider the attached report.

14. RISK MANAGEMENT REPORT (Pages 93 - 114)

(Strategic Director Corporate and Section 151 Officer) To consider the attached report.

15. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972 requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

16. EXCLUSION OF PUBLIC AND PRESS

Exclusion:

To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

<i>Agenda Item No</i>	<i>Subject</i>	<i>Exempt Information Paragraph Number</i>
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Background Papers:

Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection one copy of each of the documents on the list of background papers for four years after the date of the meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee:	Audit & Governance Committee	Date:	Thursday, 17 March 2022
Place:	Council Chamber - Civic Offices	Time:	7.00 - 7.55 pm
Members Present:	Councillors I Hadley (Chairman), B Vaz, M Owen and R Morgan		
Members Present (Virtually):	Councillors S Heap		
Independent Member Present:	Mr A Jarvis (Vice Chairman)		
Other Councillors (Virtual):	Councillors L Burrows		
Officers Present:	S Marsh (Chief Internal Auditor), S Linsley (Senior Auditor), A Small (Strategic Director Corporate and 151 Officer) and N Cole (Corporate Communications Officer)		
Officers Present (Virtually):	R Perrin (Democratic and Electoral Services Officer)		

44. **Webcasting Introduction**

The Chairman made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

45. **Declarations of Interest**

There were no declarations of interest made pursuant to the Council's Members' Code of Conduct.

46. **Minutes**

RESOLVED:

That the minutes of the meeting held on 17 January 2022 be taken as read and signed by the Chairman as a correct record.

47. **Matters Arising**

There were no matters arising from the minutes of the previous meetings which warranted further discussion.

48. **Audit & Governance Committee - Work Programme**

The Committee questioned when the outstanding items on the 2021/22 work programme relating to the audit and closure of accounts would be presented. The Strategic Director Corporate and Section 151 Officer, A Small, advised the committee that the Council had utilised the national auditor appointment body, the Public Sector Audit Appointments Limited (PSAA), to intervene and an agreement had been reached, the auditors would be on site at the end of July 2022, for the 2020/21 accounts directly followed by the 2021/22 accounts, and the Committee would be updated at the September 2022 meeting. The delays experienced by the Council were not unique and had been recognised by CIPFA and the Government. The

Committee were advised that the draft accounts were made available on line and that whilst Government needed to consolidate the whole of the public sector accounts, it was important that the accounts were signed off at a local level to ensure probity in relation to balances put forward to mitigate risk on future years budget proposals.

49. Risk Management

The Strategic Director Corporate and Section 151 Officer, A. Small, highlighted that that at the time of writing there had been no material adjustment to the risk. The next report to this Committee would be likely to show an increased level of risk for financial resilience, due to the wider impact of the Ukraine/Russia conflict. This reinforced the requirement that the risk management should be a standing item on the agenda.

The Committee:

- Were advised that the costs of net zero carbon could not be quantified at this time
- Commented that policies to move to net zero carbon would ultimately reduce costs

Resolved

The Committee reviewed and endorsed the risk register and acknowledged that financial resilience would be considered at the officer Risk Management Group.

50. Internal Audit Progress Report

The Senior Auditor, S Linsley, presented the Internal Audit Monitoring Report and updated the Committee on the work completed by internal audit since the previous meeting. Progress had been being made on the 2021/22 Audit Plan. The deferral of four audits: Key Financial Control Debtors; Staff Recruitment; Town Centre Projects; and Contractor Health and Safety (H&S) from the 2021/22 Audit Plan was sought from the Committee. The Committee were advised that two final reports, both with substantial assurance, had been issued for Safeguarding, and Housing Benefit and Local Council Tax Support. The number of outstanding recommendations had decreased and there were no longer any high priority recommendations in the recommendation tracker. Internal Audit had started work on Decision Making Accountability and progress made against the Annual Governance Statement was detailed in the report.

Resolved

The Committee:

- I. Noted the summary of the work of Internal Audit for the period January to March 2022
- II. Approved the deferral of four audits
- III. Reviewed the progress of actions taken to address issues identified in the 2020/21 Annual Governance Statement

51. Internal Audit Strategy and Plan 2022/23

The Chief Internal Auditor, Sarah Marsh, presented the Internal Audit Strategy and plan. The key deliverables were highlighted as: the delivery of the audit plan; an Integrated approach to assurance; management commitment; continual development of the approach including data analytics and business insight. The proposal to amend the current standard set of opinions for audit reports to align with the Chartered Institute of Public Finance and Accountancy (CIPFA), for all reports issued from 2022/23 was detailed. It was noted that the current wording under 'moderate' would

be retained in that any high priority recommendations would prevent a reasonable or moderate assurance being provided. The Committee were reminded that the Internal Audit function conformed to the Public Sector Internal Audit Standards, as confirmed by the External Quality Assessment (EQA) which was communicated to the Committee in November 2021. The service performance targets for 2022/23 would remain the same as those used in 2021/22:

She advised on the approach to developing the Internal Audit Plan. The priority areas for Internal Audit work for 2022/23 were: Information Governance, Risk Management; Fraud; Value for Money (VfM); support to the Audit and Governance Committee; Key Financial Systems; Governance frameworks and Data Analytics. The Audit Plan would require 465 days. The detailed plan was outlined and included audits on Qualis commercial declarations of interests and performance indicators. Cyber security, the Climate Emergency Action Plan and the Local Plan would all be considered. The array of audits and would allow the Chief Internal Auditor to form her end of year opinion.

The Committee were reminded that the Section 151 Officer had a statutory duty to ensure that proper arrangements were in place to administer the Council's financial affairs, and there had been audits carried out on Qualis and further audits were planned.

Resolved:

The Committee approved the Internal Audit Strategy and Plan for 2022/23 and the change in individual report opinions for reports issued from 2022/23

52. Any Other Business

No other business was raised for consideration by the Committee.

53. Exclusion of Public and Press

RESOLVED:

That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the item of business set out below as it would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated and the exemption is considered to outweigh the potential public interest in disclosing the information:

<u>Agenda Item No</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
13	Supply Chain Risks	3

54. Supply Chain Considerations

Resolved:

The Committee noted the risk and supply chain consideration report.

CHAIRMAN

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Audit & Governance Committee Work Programme 2022/23

27 June 2022

- Annual Report of the Chief Internal Auditor 2021/22
- Draft Annual Governance Statement 2021/22
- Corporate Fraud Strategy 2022/23
- Corporate Fraud Team Annual Summary 2021/22.
- Audit and Governance Committee Annual Report 2021/22
- Internal Audit Progress Report
- Risk Management Report
- Annual Governance Statement 2021/22

29 September 2022

- Internal Audit Progress Report
- Risk Management Report
- Statement of Accounts 2020/21
- Statement of Accounts 2021/22
- Treasury Management Outturn Report 2021/22

28 November 2022

- Internal Audit Progress Report
- Risk Management Report
- Review of the Audit and Governance Committee Terms of Reference
- Review of the Audit and Governance Committee Effectiveness
- Review of the Anti-Fraud and Corruption Strategy – now to Council
- Treasury Management Mid-Year Report 2022/23

13 February 2023

- Capital Strategy 2023/24
- Treasury Management & Strategy 2023/24
- Internal Audit Progress Report.
- Risk Management Report
- Review of Code of Corporate Governance.
- Review of the Internal Audit Charter
- Review of the Whistleblowing policy

20 March 2023

- Risk Management Report
- Internal Audit Progress Report
- Internal Audit Strategy and Audit Plan 2023/24
- Corporate Fraud Team Strategy 2023/24

Note: External Audit Reports will be incorporated into the work programme

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

Date of meeting: 27 June 2022

Portfolio: Leader of the Council

Subject: Annual Report of the Chief Internal Auditor

Responsible Officer: Sarah Marsh (01992 564446).

Democratic Services: L Kirman (01992 564243)

Recommendations/Decisions Required:

- (1) The Committee is requested to note the following report for 2021/22 and the assurance level given;**
- (2) Agrees that for the 12 months ended 31 March 2022, the Council has operated adequate and effective governance, risk management arrangements and control processes.**

Executive Summary:

This report is presented in support of the Internal Audit opinion on the adequacy of Epping Forest District Council's (EFDC) internal control environment and provides a summary of the work undertaken by Internal Audit for 2021/22.

The Accounts and Audit Regulations 2015 include a requirement for the Council to carry out an annual review of the effectiveness of its system of internal audit as part of the wider review of the effectiveness of the system of governance. This report supports such a review.

Reasons for Proposed Decision:

To support the Committee in its review of the Annual Governance Statement

Other Options for Action:

No other options.

Report:

Introduction

This document summarises the results of internal audit work during 2021/22 and, as required by the Accounts and Audit (England) Regulations 2015, gives an overall opinion of the Council's governance, risk management and control framework.

Overall Opinion

The Chief Internal Auditor is required to provide the Council with a statement on the adequacy and effectiveness of the organisation's risk management, control and governance processes.

In giving an opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the organisation is a reasonable assurance there are no major weaknesses in the Council's risk management, control and governance processes.

In assessing the level of assurance to be given, the following have been taken into account:

- All audits undertaken during the year.
- Any follow-up action taken in respect of audits from previous periods.
- High priority recommendations not accepted by management or acted upon (there were none) and the consequent risks.
- The effects of any significant changes in the Council's objectives, activities, or systems.
- Matters arising from previous reports to the Audit and Governance Committee.
- Any limitations which may have been placed on the scope of internal audit (there have not been any).
- Whether there have been any resources constraints which have impinged on the Chief Internal Auditor's ability to meet the full audit needs of the Council (; and
- The results of work performed by other assurance providers including the work of the External Auditors.

The Chief Internal Auditor is satisfied that sufficient internal audit work has been undertaken to allow a reasonable conclusion as to the adequacy and effectiveness (or inadequacy and ineffectiveness) of the Council's risk management, control, and governance processes to be drawn.

Based upon the results of work undertaken during the year it is the Chief Internal Auditor's overall opinion that the Council has adequate and effective governance, risk management arrangements and control processes. Where there have been significant issues these have been accepted by Management and promptly corrected.

Context

This report outlines the work undertaken by Internal Audit covering the period 1 April 2021 to 31 March 2022.

Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements i.e. the control environment. Internal Audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. On behalf of the Council, Internal Audit reviews, appraises and reports on the efficiency, effectiveness, and economy of these arrangements.

Internal Audit is required by professional standards to deliver an annual internal audit opinion and report to those charged with governance, timed to support the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- the opinion.
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

The primary role of Internal Audit is to provide assurance to the Council and ultimately the taxpayers that the Council maintains an effective control environment that enables it to manage its significant organisational risks and has appropriate governance arrangements to support this. Internal Audit helps the Council achieve its objectives and provide assurance that effective and efficient operations are maintained. The assurance work culminates in an annual opinion on the adequacy of the Council's control environment which feeds into the Annual Governance Statement.

Internal Audit Work during 2021/22

The 2021/22 Internal Audit Plan was prepared based on the risks associated with the Council's objectives in consultation with key officers and took into account:

- Knowledge and experience accumulated in Internal Audit, including the results of previous reviews
- A review of audit themes against the Corporate risk register and Council priorities
- The work of other assurance providers both internally and externally
- The external environment including economic climate, government initiatives such as welfare reform and changes in funding
- Harmonisation of themes with the Borough of Broxbourne Council and Harlow District Council to enable benchmarking and sharing of good practice

At the end of each assurance review a report is issued giving a formal audit assurance rating. This rating is based on an assessment of the key management arrangements and internal controls in place and measured using the following scale:

- 'Substantial' assurance – Overall, there is a sound system of control. Any weaknesses which put system/service objectives at risk will be minor and does not lead the Council to significant risk exposure.
- 'Moderate' assurance – Basically sound control, with areas of weakness, which put system/service objectives at risk. (Any high priority recommendations will prevent this level of assessment).
- 'Limited' assurance – There are significant weaknesses in more than one key control area, which could put system/service objectives or the Council at risk.
- 'No' assurance – There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk.

Summary of Assurance Work

A total of nine assurance reviews were completed and overall, the audits are positive with all being given Substantial or Moderate assurance. There were no limited assurance reports.

The table below provides a comparison between 2021/22 and previous three financial years.

Assurance rating	2021/22	2020/21	2019/20	2018/19
Substantial	5	3	5	14
Moderate	4	3	3	9
Limited	0	2	4	1
No	0	0	0	1
Total	9	8	12	25

Appendix A sets out work carried out by the Internal Audit service during the year in narrative form and compares this to the plan agreed by the Audit and Governance Committee March 2021. This summary includes individual audit reviews, consultancy and advice and other Internal Audit engagement activities with the Council.

Appendix B lists the individual audit reports issued as part of the 2021/22 Plan.

Tracker process

Recommendations are categorised according to the risks they are intended to mitigate. Categorising recommendations also assists managers in prioritising improvement actions. Recommendation categories, in order of priority are high, medium, and low depending on the level of risk involved.

The Audit and Governance Committee receives a report of all overdue recommendations plus any high-risk recommendations from final reports issued, regardless whether they are overdue or not.

The process continues to work well with good commitment by managers to ensure audit recommendations are implemented or there are good business reasons why there has been a delay. There are no significant issues to report regarding the implementation of audit recommendations.

Other Sources of Assurance

The opinion given in this annual report does not rely solely on the formal audits undertaken by the section.

Special investigations: Internal Audit and the Corporate Fraud Team investigate any allegations of fraud and suspected irregularity although there are separate arrangements for reporting, investigating, and dealing with benefits fraud. The Audit and Governance Committee would be notified of any significant internal frauds (estimated at more than £10,000). There have been none for 2021/22 fulfilling this criterion; the same as the previous three years. There were no reported whistleblowing allegations.

Advice: Internal Audit is most effective when its advice is utilised to ensure that appropriate controls are incorporated at an early stage in the planning of policy or systems. This includes Internal Audit represented on key business groups which in 2021/22 included:

- The Corporate Governance Group
- Risk Management Group
- Strategic Information Governance Group and the Information Assets Owners Group
- Strategic Safety Group and the Operational Safety Group
- IT Portfolio Governance

Internal Audit has provided advice around supplier payment processes, primarily to prevent the Council incurring late payment charges from suppliers, but also to review current

processes to identify efficiencies and has led on the production of a comprehensive Council-wide ICT asset list to be used by Insurance Services as part of the insurance tender process and by ICT Services as a complete and up to date asset register.

Internal Audit has also undertaken assurance and fraud work around business grants and helped the Council move forward with their risk management processes and information governance arrangements.

In addition, Internal Audit raises awareness of control issues throughout the Council particularly through the update of key governance documents and the co-ordination and analysis of service assurance statements which feeds into the Annual Governance Statement.

Anti-Fraud and Corruption work: The Corporate Fraud Team reports directly to the Chief Internal Auditor and ensures a corporate approach to anti-fraud activities as well as ensuring synergies with the Internal Audit team. For example, the Council participates in the National Fraud Initiative (NFI), which is a data matching exercise run every two years. The exercise seeks to identify fraud spanning public bodies and Internal Audit is the key point of contact and facilitates and supports the Council's involvement. Internal Audit works in tandem with the Corporate Fraud Team to look into possible internal (Officer) fraud.

Effectiveness

In line with good practice, the Internal Audit service should on an annual basis ensure it is compliant with the 2017 Public Sector Internal Audit Standards (PSIAS), notifying the Audit and Governance Committee of any areas of non-compliance.

In the summer 2021 the Internal Audit function underwent an External Quality Assessment (EQA), which, in line with the PSIAS, must be conducted every five years by a qualified, independent assessor from outside the Council. The EQA, which covered all three councils in the shared service, confirmed the Internal Audit service conforms to the Public Sector Internal Audit Standards and the results communicated to the November 2021 Audit and Governance Committee. This report confirms there have been no impairments to the independence and objectivity of the Internal Audit service during the year.

The regular progress reports presented to the Audit and Governance Committee provide Members with the opportunity to monitor Internal Audit's output and effectiveness. Feedback on the implementation of recommendations also provides evidence of the degree of influence Internal Audit has on changes to strengthen the control framework for the Council.

Performance indicators are in place to monitor service performance and reported at each Audit and Governance Committee with a summary for the year presented below:

Aspect of Service	Performance Indicator	Target	Year End 2021/22	Year End 2020/21
Audit Plan	Achievement of the Annual Plan	Sufficient internal audit work in order that the Chief Internal Auditor can give their annual opinion	Achieved	Achieved
Internal Audit processes	• Issue of draft report after closing	• 10 working days	• 2 days	• 5 days

	meeting <ul style="list-style-type: none"> • Issue of final report after agreement with client to draft 	<ul style="list-style-type: none"> • 5 working days 	<ul style="list-style-type: none"> • 2 days 	<ul style="list-style-type: none"> • 4 days
Effective management engagement	<ul style="list-style-type: none"> • Management responses within 10 working days of draft report • Implementation of agreed audit recommendations 	<ul style="list-style-type: none"> • 10 working days • Within agreed timescales 	<ul style="list-style-type: none"> • 12 days * • Largely met (as reported by tracker) 	<ul style="list-style-type: none"> • 6 days • Largely met (as reported by tracker)
Continuous Professional Development (CPD)	Auditors maintain and improve their knowledge, skills and other competencies through directed and self-directed activities.	40 hours of CPD activity per auditor	Achieved	Achieved

* Internal Audit continues to work closely with Assistant Directors and Service Managers to ensure recommendations are owned and have realistic implementation dates. For more complex reports or wider reaching recommendations this will take time to finalise to ensure agreed action plans to correct weaknesses identified are right for Epping Forest and are realistic and achievable.

Internal Audit staff participate in Continuous Professional Development including keeping abreast of best professional practice. Members of the Internal Audit team participate in various networking groups including the Essex Audit Group, the Midland Audit Group, and the London Audit Group, where speakers on topical issues give presentations. There are also close working relationships with other councils.

Resource Implications:

Within the report

Legal and Governance Implications:

Within the report

Safer, Cleaner and Greener Implications:

No specific implications

Consultation Undertaken:

Corporate Governance Group

Background Papers:

NB: There are papers referred to in the preparation of the report which are not attached as appendices, but which are available for public or Councillor study.

Public Sector Internal Auditing Standards (PSIAS) 2017

Risk Management:

Internal Audit has a primary objective to provide an independent and objective opinion on the adequacy of the Council's control environment, including its governance and risk management arrangements. The audit reports referred to in this report assist managers to determine the adequacy and effectiveness of the arrangements in place in their services.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix C to the report.

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Audit Area and Context	Corporate Risks	Proposed outline/scope for 2021/22	Year End position	Status / Assurance
Corporate Framework				
Governance and Probity	The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk	Follow up of the previous year's Qualis governance audit as processes continue to embed, with a specific focus on Qualis Management being a common theme throughout this plan.	Qualis management: fieldwork in progress Active member of the Corporate Governance Group, which during the year has overseen progress against the Annual Governance Statement action plan, updated the Council's anti-fraud and corruption strategy and reviewed the Local Code of Corporate Governance.	Qualis management will be reported as part of the 2022/23 Plan
Fraud, including proactive fraud work Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery	Financial resilience features on the corporate risk register	Co-ordinating data matching (National Fraud Initiative), training and awareness, interaction with corporate fraud initiatives, oversight of the delivery of the Council's anti-fraud and corruption strategy and the Corporate Fraud Team. Potential for fraud considered in all audits.	Internal Audit (IA) continued in year work regarding the National Fraud Initiative (NFI). Both Internal Audit and the Corporate Fraud Team have been actively supporting the business grants process to ensure the risk of fraudulent activity is minimised. During the year there have two investigations undertaken jointly between Internal Audit and Corporate Fraud Team. Both investigations (one relating to agency staff and the other planning applications) were completed at the beginning of 2022/23 with no evidence of fraud found with either. In addition, the Chief Internal Auditor found no evidence of a potential conflict of interest regarding Qualis that was brought to her attention. As per the Council's anti-fraud plan, the Section 151 Officer is kept informed of all potential frauds, and the Chair of the Audit and Governance Committee advised of any significant ones.	Completed for 2021/22

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
Assurance Framework including Risk Management and support to Audit Committee	Risk in achieving corporate priorities	Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance to the Risk Management Group who continue to develop and embed the Council's risk management framework. Support and training to the Audit Committee.	<p>Internal Audit drove the annual Service Assurance Statement review each service undertakes regarding its own effectiveness of its governance, risk management and internal control arrangements. Findings and key themes or common issues were fed into the Annual Governance Statement.</p> <p>A Risk Management Working Group has been established to help move risk management forward in the Council. The Group is reviewing and revising the Risk Management Policy, Strategy and Framework, to align this with service planning and project management and embed at an operational level. Outcomes are fed into the strategic Risk Management Group</p> <p>Bespoke training for Committee members, open to all councillors, continued to be provided. This included risk management, fraud awareness, the role of Audit Committee and Internal Audit</p>	Completed for 2021/22
<p>Information Management and Governance</p> <p>Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness</p>	<p>Data/information features on the corporate risk register</p> <p>Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.</p>	Continue to assist the Council's Data Protection Officer (DPO) by providing assurance in targeted areas. During 2021/22 Internal Audit will continue to actively assist in the delivery of the Information Governance Group's action plan, of which it is a member.	<p>Internal Audit is actively involved in both the Strategic Information Governance Group (SIGG) and the operational Information Asset Owners Group, feeding back to the Corporate Governance Group.</p> <p>Internal Audit resource is being provided to help deliver the SIGG work plan, including a review of current information governance policies and services Record of Processing Activities.</p>	Completed for 2021/22

Audit Area and Context	Corporate Risks	Proposed outline/scope for 2021/22	Year End position	Status / Assurance
<p>Performance Management</p> <p>Data integrity and quality (collection, collation, analysis and validation). Use of performance targets.</p>	<p>Risk of non-achievement of corporate priorities and lack of transparency</p>	<p>Performance Indicators (PIs) considered within operational audits plus specific reviews on an aspect of Corporate PIs. In 2021/22 the focus will be on housing repairs.</p>	<p>Performance has been considered as part of the Leisure Contract Management and Housing Benefits audits.</p> <p>Housing Repairs - Fieldwork in progress. Will be reported as part of the 2022/23 plan.</p>	<p>Completed for 2021/22</p>
<p>Value for Money (VfM)</p> <p>Guiding principle of the Council.</p>	<p>VfM helps the Council manage its corporate risk on financial resilience</p>	<p>Not an audit in itself, but IA will continue to assist in the Council's review of its scheme of delegation and incorporate a review of delegations within individual audits. In addition, VfM is considered within operational audits in terms of 3Es (economy, efficiency and effectiveness) and bench marking.</p>	<p>Internal Audit has continued to assist in the review of the Council's scheme of delegation, aligning these to the Procurement Rules and feeding into the review of Financial Regulations.</p> <p>Delegated authorities have been reviewed as part of the Contract Management, Treasury Management and Housing Benefits audits.</p> <p>Internal Audit is represented on the Council's Purchase Cards Project Group which is seeking to introduce purchase cards to streamline the processes for frequent low level spend and one-off payments. Internal Audit is assisting with the review of associated policies and procedures and providing advice to ensure adequate controls are retained in the new processes.</p> <p>In addition, advice has been provided on streamlining supplier payment processes.</p>	<p>Completed for 2021/22</p>

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
Joint Working, Shared Services, outsourcing, trading companies and Partnerships	Alternative working arrangements such as joint ventures, shared services, outsourcing and subsidiary companies are mechanisms for helping deliver the Council's corporate plan	To ensure joint arrangements are working in the best interests for the Council with appropriate governance/ monitoring arrangements in place. In 2021/22 Internal Audit will review the delegations and approval processes regarding Qualis Management, as part of the other Qualis Management audits detailed in this plan.	<p>The payroll audit (detailed later on) found there is a clear segregation of duties between the Council's People Team (HR function) and the Payroll Team, which is run by a shared service at Braintree District Council, reducing the risk of fraudulent payments. The Payroll audit found that there are robust controls and efficient processes in this shared arrangement.</p> <p>The Leisure Management Contract audit (detailed later on) demonstrated that the Council has a good working relationship with the contractor with good oversight of the contract.</p> <p>Qualis Managements audit currently in progress</p>	Completed for 2021/22
Projects Business case, project methodology, governance arrangements, contract management and viability	Poor project management increases risk of projects not being delivered on time, to budget or not meeting the needs of the Council.	<p>Internal Audit to attend appropriate project meetings, as well as providing ad hoc advice and support. For 2021/22 this will include oversight of the new housing system and planning system projects.</p> <p>Council house building programme audit – initial review</p>	<p>Council Housebuilding Programme - robust governance arrangements around the management of the Council Housebuilding Programme and the financial processes including 1-4-1 right to buy receipts.</p> <p>Throughout the year Internal Audit has met with key officers to ensure sufficient overview of the new housing system and planning system projects to ensure there is adequate oversight of project progress, budgets, capacity and prioritisation with other projects. Internal Audit is also a member of the Joint Steering Group and Portfolio Group that oversees all projects</p>	Council Housebuilding Programme – Substantial assurance

Audit Area and Context	Corporate Risks	Proposed outline/scope for 2021/22	Year End position	Status / Assurance
Contingency	Annual provision for responsive work, special investigations, or key/emerging risk areas.	Will also take into account themes/issues coming out of the Annual Governance Statement.	The majority of contingency time was spent on Covid-19 business grant work.	Completed for 2021/22
Themed/cross cutting audits				
Income Streams To ensure financial resilience the Council needs to protect and maximise its income streams	Finance resilience features on the corporate risk register	Each year a portion of Internal Audit work will focus on ensuring key income streams for the Council are maintained and adequately controlled. The 2021/22 leisure management contract is described in more detail later in this plan	There are robust controls over the finances associated with the Leisure Management Contract ensuring that payments to and by the contractor are correct.	Completed for 2021/22
Procurement Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)	Risks include noncompliance with legislation, fraud and not achieving value for money.	Internal Audit will examine a sample of medium to small contracts to ensure there are adequate contract management processes in place, including exit strategies should the need to do so arise.	Contract Management audit - The Procurement Rules are up to date however it is evident that not all aspects are complied with. Monitoring and oversight processes around retention of procurement documentation requires improvement.	Contract Management – Moderate assurance

Audit Area and Context	Corporate Risks	Proposed outline/scope for 2021/22	Year End position	Status / Assurance
Health & Safety (H&S)	Risk of compromising the health and safety of individuals and noncompliance with H&S legislation leading to fines or imprisonment.	<p>Ensure there is a robust mechanism to ensure the Council meets its gas safety requirements</p> <p>The contractor H&S audit is linked to contract management above to ensure there is adequate oversight by the Council to ensure contractors are complying with H&S legislation</p>	<p>Gas Safety audit - There are robust controls in place to ensure that the Council's housing stock, homeless hostels and sheltered accommodation are gas safety checked annually in line with Gas Safety (Installation and Use) Regulations 1998. For properties where access is refused, prompt and effective action in collaboration with Housing Management ensures appropriate action is taken to gain access</p> <p>Internal Audit sits on the Strategic Safety Group and the Operational Safety Group, and have inputted into H&S policies and procedures as they have been reviewed to ensure there is a fully joined up approach across all areas of the Council</p> <p>Contractor H&S audit not undertaken. Planned audit days have been used instead to assist in developing the Council's H&S framework</p>	Gas Safety – Substantial assurance
Business Continuity Planning (BCP)	Business continuity is on the corporate risk register	During 2021/22 Internal Audit will keep a watching brief over business continuity and in particular any impacts of Brexit and Covid-19 recovery	Internal Audit kept a watching brief during the year including monitoring the business continuity risk. Business continuity is a standing agenda item for the Corporate Governance Group	Completed for 2021/22

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
<p>Key Financial Controls (KFC)</p> <p>Rolling programme of full system and key financial control audits (unless significant change in process/system or poor audit outcome)</p>	<p>Finance resilience features on the corporate risk register</p>	<p>Rolling programme of key financial control (KFC) audits.</p>	<p>Payroll - starters, movers, and leavers are actioned promptly, appropriately authorised and details checked for accuracy prior to implementing the changes on the payroll</p> <p>Housing Benefits and Local Council Tax Support - There are robust controls over the assessment and award of Housing Benefit and Local Council Tax Support and there is a clear management trail of action taken on all claims</p> <p>Treasury Management – The Treasury Management Strategy (TMS) includes all the elements as set out in CIPFA's Code and includes a Liability Benchmark which is a new requirement of the 2021 Code. It is overseen by the Audit and Governance Committee. There is a need for an operational Risk Register that details Treasury Management risks and the controls in place to mitigate and monitor risks, although this is partially addressed through the risks and control measures set out in the 2022/23 TMS</p> <p>Feeder system and reconciliations and debtor audits – currently in progress and will be reported as part of the 2022/23 Plan</p>	<p>Payroll – Substantial assurance</p> <p>Housing Benefits and Local Council Tax Support – Substantial assurance</p> <p>Treasury Management – Moderate assurance</p>

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
<p>IT Audits:</p> <p>IT Governance, IT Regulation, Security/Privacy, Business Systems, Disaster Recovery plan (DRP)/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects</p>	<p>Cyber security features on the corporate risk register</p> <p>Opportunity for IT to be an enabler for delivering the Council's priorities.</p>	<p>A specialist IT Auditor will be brought in as required for the more technical audits. Assessment in 2021/22 of the Council's MIMS which was introduced towards the end of 2020/21</p>	<p>IT Major Incident Management Strategy (MIMS) – a clear MIM document exists that follows good practice in terms of content, and testing confirmed that the Major Incident Process covers the identification, containment, resolution, and maintenance elements. Further work is required to ensure there is a manual process should the service desk become unavailable and back up processes around the MIMS are strengthened.</p> <p>ICT Asset Lists - Internal Audit took the lead on the production of a comprehensive Council-wide ICT asset list to be used by Insurance Services as part of the insurance tender process and by ICT Services as a complete and up to date asset register. This involved visiting the Council's sites to physically inspect and verify IT assets.</p>	<p>IT Major Incident Management Strategy – Moderate assurance</p>
Operational/service level audits				
<p>Economic and Partnerships includes</p> <ul style="list-style-type: none"> • Digital Gateway • Town Regeneration • Enterprise Zone Schemes • Sustainable Transport projects • Climate Emergency projects 	<p>Economic development and climate emergency feature on the corporate risk register</p>	<p>Internal Audit will focus on significant, longer term projects aimed at reinvigorating the local economy as part of the Council's Covid-19 recovery plans.</p>	<p>Town Centre Projects – delivery of the Town Centre action plans is subject to scrutiny by Cabinet and Stronger Place Select Committee and progress reported through the Project Management Office. Planned audit days have been used to provide assurances on Covid-19 grants awarded.</p>	<p>Assurances via reports to Cabinet and Stronger Place Select Committee</p>

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
<p>Contracts and Technical Services</p> <ul style="list-style-type: none"> • Commercial • Technical • Contracts • Procurement (covered earlier) • Public Safety Services • Community Resilience • Asset Management/ Estates 	<p>These services help deliver the Council's three priorities: stronger council, stronger communities and stronger place</p>	<p>The impact of Covid-19 and recovery from it will be the central theme of 2021/22 leisure management contract audit. It is the same audit as that detailed earlier under income streams.</p>	<p>The contract management audit is detailed earlier</p> <p>Leisure management contract audit – oversight through the Leisure Management Contract Partnership Board and performance measures is working well. (Partnership Board). There needs to be more formality around the operational monthly Leisure Contract Managers meetings and risk management processes.</p>	<p>Leisure Management Contract – Moderate assurance</p>
<p>Planning</p> <ul style="list-style-type: none"> • Planning Policy • Development Management • Private Sector Housing • Licencing • Building Control 	<p>Local Plan and Delays in Issuing Planning permissions both feature on the corporate risk register</p>	<p>The S106 audit will take into consideration planning permissions previously held up by habitats regulations and the need for a process for capturing money for mitigating impact on Epping Forest.</p>	<p>Processes around granting Houses in Multiple Occupation (HMOs) licences and planning applications were reviewed as part of two separate investigations</p> <p>The S106 audit in progress and will be reported as part of the 2022/23 plan.</p>	<p>Completed for 2021/22</p>

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
Community and Wellbeing <ul style="list-style-type: none"> • Homelessness and temporary accommodation • Housing register and allocations • Health, Well Being and Grants • Community and Culture • Heritage and Venues • Safeguarding 	These services help deliver the Council's stronger communities priority	An audit of safeguarding is proposed as responsibility for this has moved directorate. In addition, the contract management audit detailed earlier will also ensure our contractors have an embedded Safeguarding Policy for their staff.	Safeguarding audit: There is an up to date Safeguarding Policy in place supported by detailed procedures, which clearly define referral pathways for safeguarding concerns to be reported. The Safeguarding Policy and supporting procedures are available to staff and the wider public on the Council's website.	Safeguarding – Substantial assurance
HRA (Housing Revenue Account) <ul style="list-style-type: none"> • Council House Building • Home Ownership • Property Services • Housing Management • HRA Account • Older People Services 	These services support the Council's stronger place priority Housing capital features on the corporate risk register.	The 2021/22 housing repairs audit is Internal Audit's first operational audit of Qualis. This audit will seek assurances that the working relationship between the Council and Qualis is working as intended.	Housing Repairs audit in progress and will be reported as part of the 2022/23 plan.	In progress

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
<p>Customer Services</p> <ul style="list-style-type: none"> • Revenue and Benefits (covered under key financial controls) • Customer Services • Community data and insights • External communication 	<p>Welfare reform and financial resilience both feature on the corporate risk register</p>	<p>During 2021/22 both Internal Audit and Corporate Fraud will continue to actively support the Council's response in distributing central government's Covid-19 business grants and other initiatives</p>	<p>Covid-19 grants for businesses: Internal Audit and the Corporate Fraud Team continue in providing advice and assistance on the Omicron Hospitality and Leisure Grants. This includes performing pre-award checks using the Cabinet Office due diligence tool, spotlight, and assisting with the post payment assurance verification process required by the Department for Business, Energy, and Industrial Strategy.</p>	<p>Completed for 2021/22</p>
<p>Corporate Services</p> <ul style="list-style-type: none"> • ICT • Business Support • Accountancy • Legal (shared service) • People Team (HR) • Internal communication • Contingency Planning • Council Safety Officer 	<p>These services support the Council's stronger council priority</p>	<p>Many of the financial, business support, IT and H&S aspects are covered elsewhere in the plan. The 2021/22 staff recruitment audit will assess the success of the iTrent recruitment module introduced January 2020.</p>	<p>See earlier other audits in this area including IT and key financial controls.</p> <p>Staff Recruitment audit was not undertaken being a low risk area, no known areas of concern and personal experience of processes from an external candidates perspective has been obtained by one of the Internal Audit team.</p>	<p>Completed for 2021/22</p>

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2021/22	Year End position	Status / Assurance
<p>Strategy, Delivery & Performance</p> <ul style="list-style-type: none"> • Corporate Strategy & Policy • Programme & Project Delivery • Corporate Performance & Reporting • Accommodation Programme • Democratic Services Electoral Services 	<p>These services help the Council achieve its three priorities: stronger council, stronger communities and stronger place</p> <p>The accommodation project features on the corporate risk register</p>	<p>Internal Audit work in these areas is captured earlier in this plan. The Chief Internal Auditor meets regularly with the Strategy, Delivery & Performance Director to discuss up and coming issues.</p>	<p>Internal Audit attends the monthly Portfolio Steering Group which provides oversight of all the Council's projects.</p>	<p>Completed for 2021/22</p>
<p>Follow Up Audits</p> <p>Review of progress against recommendations on the tracker.</p>	<p>Tracker process ensures risks identified in audits have been managed to an acceptable level.</p>	<p>Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker</p>	<p>Implementation of all recommendations continues to be scrutinised as part of the tracker process.</p> <p>Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example council house building, treasury management and payroll</p>	<p>Completed for 2021/22</p>

Appendix 1 - Audit Plan Monitoring 2021/22
Year end position

Audit	Service	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High Priority Recs	Medium Priority Recs	Low Priority Recs
Housing H&S – gas safety	Housing and Property	15	Final report	■	■	■	substantial	0	3	1
Council housebuilding	Housing and Property	15	Final report	■	■	■	substantial	0	0	0
KFC: Payroll	Corporate Services	12	Final report	■	■	■	substantial	0	0	0
KFC: Housing Benefits	Customer Services	15	Final report	■	■	■	substantial	0	0	0
Safeguarding	Community and Wellbeing	10	Final report	■	■	■	substantial	0	0	1
Contract management	Contracts and Technical	20	Final report	■	■	■	moderate	0	3	1
Leisure Management contract	Contracts and Technical	12	Final report	■	■	■	moderate	0	4	0
IT Major Incident Management Strategy	Corporate Services	8	Final report	■	■	■	moderate	0	3	2
KFC - Treasury Management	Corporate Services	10	Final report	■	■	■	moderate	0	1	1
Feeder systems and reconciliations	Corporate Services	15	Draft report	■	■					
Qualis Management KPIs and payment mechanisms	Chief Executive	10	In progress	■						
Section 106 agreements	Planning Services	12	In progress	■						
KFC - Debtors	Customer Services	15	In progress							
Staff Recruitment	Corporate Services	15	Cancelled							
Town centre projects	Economic Development	20	Cancelled							
Contractor Health and Safety	Contracts and Technical	15	Cancelled							
TOTAL								0	14	6

Key
c/f = carried forward
H&S = Health and Safety
KFC = Key Financial Controls

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Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Internal Audit, Chief Executive**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Annual Report of the Chief Internal Auditor 2021/22**

Officer completing the EqlA: Tel: **01992 564446** Email: **smarsh@eppingforestdc.gov.uk**

Date of completing the assessment: **16/06/22**

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? N/A - this is the Chief Internal Auditor's annual report to Audit and Governance Committee on the Council's governance, risk management arrangements and control processes for 2021/22
2.2	Describe the main aims, objectives and purpose of the policy (or decision): For Audit and Governance Committee to note the annual report of the Chief Internal Auditor for 2021/22 What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A – Report is for noting only
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? N/A Will the policy or decision influence how organisations operate? N/A – report is not decision-based, it is for noting only.
2.4	Will the policy or decision involve substantial changes in resources? N/A – report is for noting only
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? N/A

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A – report is for noting only
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A – as above
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A – as above

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Sarah Marsh

Date: 16/06/22

Signature of person completing the EqlA: Sarah Marsh

Date: 16/06/22

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

Report to the Audit and Governance Committee

Report reference:

Date of meeting: 27 June 2022



**Epping Forest
District Council**

Portfolio: Leader of the Council
Subject: Annual Governance Statement 2021/22
Responsible Officer: Andrew Small (01992 564278).
Democratic Services Officer: L Kirman (01992 564243)

Recommendations/Decisions Required:

The Committee reviews and comments on the draft Annual Governance Statement for 2021/22

Executive Summary:

The Council's Statutory Statement of Accounts have to be prepared in accordance with the Accounts and Audit Regulations 2015. Within the Regulations, and in accordance with defined 'proper practice', there is a mandatory requirement to publish an Annual Governance Statement (AGS).

The production of an AGS enables the Council to use the review process positively and proactively to deliver assurance about governance arrangements within the Council to stakeholders, and to develop better arrangements where the review finds areas in need of improvement. The process involves a comparison of achievements against the principles set out in the Council's Local Code of Governance and supports an intention and commitment to provide good governance.

Reasons for Proposed Decision:

Although the AGS is not subject to audit by the external auditors, it is a public document and auditors form a view of governance arrangements by comparing statements with their accumulated knowledge of systems and controls. Any significant differences between the two are likely to raise questions about the Council's willingness to acknowledge and address problem areas.

Approval of the AGS should be at a corporate level and should be confirmed by the most senior Officer and Councillor signing the Statement on behalf of the Council. It is good practice for the Council to review and approve the AGS separately from the accounts, as proposed in this report, as this helps to ensure its robustness and reinforce its corporate standing. As the AGS is published, it is an opportunity to demonstrate that the Council is self-aware and has set a transparent agenda for improvement.

Other Options for Action:

No other options.

Report:

Background

1. The CIPFA/SOLACE document *Delivering Good Governance in Local Government Framework* (2016) defines the principles that should underpin the governance of each local government organisation and has been followed in preparing the AGS. In accordance with good practice the governance statement has included the following information:
 - (a) an acknowledgement of responsibility for ensuring there is a sound system of governance.
 - (b) an indication of the level of assurance that the systems and processes that comprise the Authority's governance can provide.
 - (c) a brief description of the key elements of the governance framework, including reference to group or partnership activities where those activities are significant.
 - (d) a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements; and
 - (e) an outline of the actions taken, or proposed, to deal with significant governance Issues.
2. The Council must review its systems of internal control and governance annually and assure itself that its internal control environment is effective. Various sources of assurance are relied upon to enable the preparation of the AGS. These include:
 - work of the internal auditors
 - work carried out by the external auditors
 - reports from other review agencies and inspectorates (if applicable).
3. The AGS is derived partly from detailed reviews by all Directors of the effectiveness of the governance arrangements operating within their service areas, by reference to a detailed checklist incorporating the key elements within the Local Code of Governance. As part of this process Directors have considered available evidence to demonstrate that these governance systems and processes are working effectively and as intended. All Directors have provided assurance statements indicating the level of assurance that can be placed on the effectiveness of key controls operating at service level. These statements are intended to be a balanced representation of the arrangements in place during the year, and to highlight those areas where improvement is required. Significant issues are commented upon in the Governance Statement.
4. Internal Audit focuses its work on providing an independent and objective opinion on the Council's internal controls and submits an annual report and quarterly monitoring reports to this Committee, where significant audit findings and improvement areas are highlighted. The Chief Internal Auditor is required to include in the annual audit report an opinion on the overall adequacy and effectiveness of the Council's internal control environment, drawing attention to any issues that are relevant to the preparation of the Governance Statement. The annual audit report for 2021/22 forms part of the June 2022 agenda of the Audit and Governance Committee
5. The AGS covers all significant corporate systems, processes, and controls, spanning the whole range of the Council's services, including those designed to ensure that:
 - the Council's policies are implemented in practice

- high quality services are delivered efficiently and effectively
 - the Council's values and ethical standards are met
 - laws and regulations are complied with
 - required processes are adhered to
 - financial statements and other published performance information is accurate and reliable
 - human, financial, environmental, and other resources are managed efficiently and effectively
6. The AGS is required to disclose any governance issues which may impact on the Council being able to achieve its corporate objectives. These are set out towards the end of the AGS, together with proposed actions to address these concerns and improve performance. The AGS also reflects the way the Council has had to adapt its governance arrangements during 2021/22 as a result of the impact of Covid-19.
 7. Preparation of the AGS has been managed by the Council's Corporate Governance Group, and a draft of the AGS was considered by them. This Corporate Governance Group will continue to monitor the actions set out in the AGS, along with other work that is relevant to governance. This will include, but is not limited to, managing the audit recommendation tracker, and reviewing progress with risk and performance management.
 8. The AGS should be produced at the same time as the draft accounts and needs to be up to date at the time of publication. A draft AGS is presented to the Committee for their review and comment, however, the final (signed) version will come back to the Committee with the draft accounts. This will ensure it will account for (if appropriate) any significant event that affects the assessment of the Council's governance arrangements that might occur from April 2022 onwards.

Resource Implications:

From existing resources.

Legal and Governance Implications:

Completion and approval of the Annual Governance Statement is required by the Accounts and Audit (England) Regulations 2015.

Safer, Cleaner and Greener Implications:

No specific implications.

Consultation Undertaken:

Corporate Governance Group and Directors.

Background Papers:

The following papers referred to in the preparation of the report are not attached as appendices but are available for public or Councillor study:

Accounts and Audit (England) Regulations 2015

Delivering Good Governance in Local Government (Framework and

Guidance Note for English Authorities) CIPFA/SOLACE (2016 Edition)

Risk Management:

The risk management arrangements that the Council has in place are a fundamental element of the assurance framework and the AGS is based extensively on these. However, despite the work undertaken, the Council's review of its internal control and governance environment may not identify all of the internal control issues that exist.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 2 to the report.

EPHING FOREST DISTRICT COUNCIL

Annual Governance Statement 2021/22

1. Scope of responsibility

Epping Forest District Council (EFDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Local Code of Governance (last reviewed November 2021), which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the Council's Constitution. A copy of the Code is on our website at www.eppingforestdc.gov.uk. The code is aligned to the 2016 edition of the CIPFA/SOLACE framework.

This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6(1) of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an annual governance statement (AGS).

2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. It is also responsible for evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council's Code of Governance recognises that effective governance is achieved through the following seven CIPFA/SOLACE principles.

- (i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

- (ii) Ensuring openness and comprehensive stakeholder engagement.
- (iii) Defining outcomes in terms of sustainable economic, social and environmental benefits.
- (iv) Determining the interventions necessary to optimise the achievement of intended outcomes.
- (v) Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- (vi) Managing risks and performance through robust internal control and strong public financial management.
- (vii) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

It is important the Council can demonstrate that its Annual Governance Statement is aligned with its Local Code and the seven CIPFA/SOLACE principles and this is set out in Appendix 1.

The table below summarises the Council's Governance Framework (which includes the system of internal control) for the year ending 31 March 2022 and up to the date of approval of this Statement and the Statement of Accounts.

	The Governance Framework
	The key elements of the Council's governance arrangements for 2021/22 were:
1	The corporate plan covering 2018-2023, setting out the Council's priorities and defining the goals to be achieved
2	The Constitution, which is revised each year: <ul style="list-style-type: none"> 2.1 sets out the Council's decision-making framework; 2.2 gives a clear definition of the roles and responsibilities of members, committees, and the statutory officers (Head of the Paid Service, Section 151 Officer and Monitoring Officer); 2.3 includes a scheme of delegation of responsibility, Financial Regulations and Procurement Rules; and 2.4 defines codes of conduct for members and officers, and a protocol for how the two work together.
3	The Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios. The Council's Local Code of Governance was reviewed and approved by the Audit and Governance Committee January 2022.
4	There are three Select Committees to cover the Council's corporate ambitions being Stronger Communities, Stronger Place and Stronger Council. In addition, Task and Finish Panels undertake specific reviews and there is a co-ordinating Overview and Scrutiny Committee.
5	A Standards Committee
6	An Audit and Governance Committee
7	A Leadership Team consisting of the Chief Executive, Strategic Director, and a Chief Operating Officer. The Chief Executive as Head of Paid Service is supported by the Council's Monitoring Officer and Section 151 Officer
8	A Corporate Governance Group consisting of the Chief Executive, Section 151 Officer, Monitoring Officer, the Chief Operating Officer, the Strategy, Delivery & Performance Director, the Chief Internal Auditor, and other senior officers as required depending on the

9	agenda, meeting monthly A Corporate Risk Strategy overseen by a Risk Management Group meeting quarterly
10	A standard committee report format that includes specific consideration of all legal, financial, professional, technical, risk management and equalities implications
11	A Medium Term Financial Plan which informs service planning and budget setting, and a Finance and Performance Management Cabinet Committee that meets regularly
12	A comments, compliments, and complaints procedure
13	A risk-based approach to internal audit, emphasising the need for sound control, governance and risk management arrangements
14	A robust whistle blowing policy and process (reviewed and last updated November 2021) along with an anti-fraud and corruption strategy (which was reviewed and approved by the Audit and Governance Committee in November 2021) outlining the Council's zero tolerance approach to fraud and corruption and include anti-bribery and anti-money laundering policies.

3. Review of effectiveness

The Council is responsible for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the various sources noted below and concludes that the arrangements continue to be regarded as fit for purpose in accordance with the Council's governance framework:

The Chief Executive and Service Director governance statements, which provide appropriate management assurance that the key elements of the system of internal control are operating effectively.

Documentary evidence of processes, procedures, and standards.

A Corporate Fraud Team, which supports the Council's counter fraud and corruption framework in taking action to prevent, detect and investigate fraud.

The Chief Internal Auditor's annual opinion on the Council's control environment, delivered to the Audit and Governance Committee, as the body charged with governance. Audit reports issued along with the assurance ratings of, substantial, moderate, limited or no assurance, on the adequacy and effectiveness of the Council's control environment, including key financial systems.

The work undertaken by the External Auditor reported in their annual audit and their Communication With Those Charged With Governance (ISA260) and other review reports;

Significant governance issues from previous years and from 2021/22.

4. Impact of coronavirus on the Council's governance arrangements for 2021/22

As a result of the pandemic during 2020/21 the majority of staff worked from home. and Council meetings were held virtually and were still open to the public. Regulations which allowed authorities to meet remotely ceased after 06 May 2021, and since then all decision making meetings have been held in person.

During 2021/22 the majority of staff have continued to work from home but since April 2022 there has been expectation that staff come into the office two to three days a week.

Similar to 2020/21, throughout 2021/22 key Council services, including all statutory ones, continued during lockdown although some processes were amended to allow for remote working, for example allowing approval by email instead of a wet signature and discussed with Internal Audit first. Some services continued to be paused during the first part of 2021/22 for example leisure services. Some new activities started in 2020/21 continued, for example distribution of the government's Covid-19 related business grants by the Revenues and Benefits service.

5. Overall opinion of Epping Forest's governance arrangements

Despite coronavirus this AGS demonstrates that the Council's governance arrangements have remained fit for purpose. There has been no significant detriment on the Council's ability to deliver its services.

The Corporate Governance Group has undertaken an assessment of the arrangements for governance during 2021/22 including a review of the assurance checklists and statements submitted by managers. It has concluded that arrangements are fit for purpose and working effectively, and this has been endorsed by SLT (Senior Leadership Team). As a result of this assessment, a small number of other governance issues have been identified to further strengthen arrangements, as detailed in table two.

6. Significant governance issues

This final part of the Annual Governance Statement (AGS) outlines the actions taken, or proposed, to deal with significant governance issues or risks. The Council's Corporate Governance Group, who monitor and review the corporate governance framework, has ensured that the issues raised in the previous AGS have been addressed as detailed in Table one below.

Table One: Progress on significant governance issues identified in the 2020/21 AGS

No.	Significant issue identified in 2020/21 AGS	Action taken in 2021/22 to address the issue
1	<p>Ensuring the health and safety of staff, partners, and the public in the way it delivers its services</p> <p>As in 2020/21 the Council will keep under review Health and Safety measures both within the Council and across the district to ensure government legislation and guidance is being followed regarding the country's recovery from Covid-19, especially where the Council is delivering its services.</p>	<p>The Council keeps Health and Safety measures both within the Council and across the District under constant review through the Senior Leadership and Wider Leadership Team.</p>
2	<p>Financial Management Code review</p> <p>2020/21 saw the introduction of CIPFA's Financial Management Code 2019. A key goal of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management.</p> <p>An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. If there are</p>	<p>This is programmed in for 2022/23.</p>

	deficiencies, an action plan will be developed to address these	
4	<p>Statement of Accounts</p> <p>Due to both technical and resource issues (due to Covid-19) there has been a delay in the final approval of the 2018/19 and 2019/20 accounts. This may impact on the approval of the final accounts for 2020/21, the date of publication (which is also the target date for the completion of the external audit) is 30 September 2021.</p> <p>A restructure of the accountancy team and a review of Council processes will be undertaken to mitigate the risk of future delays for subsequent years production and approval of the Council's Statement of Accounts</p>	<p>The Statement of Accounts for 2018/19 and 2019/20 have been signed off with the external auditor issuing an unqualified audit opinion in both cases</p> <p>The Council continues to work with its External Auditors to resolve final issues from this year's audit.</p> <p>The restructure of the Finance Team is complete and year end processes in place.</p>
5	<p>Disaster recovery (DR)</p> <p>An Internal Audit found significant deficiencies in the Council's IT Disaster Recovery management control framework, which led to the Chief Internal Auditor's giving a qualified opinion for 2020/21. This is a known problem and extensive work commenced prior to the audit to strengthen this.</p> <p>Progress against the recommendations made will be closely monitored by the Corporate Governance Group and any slippage reported to the Audit and Governance Committee.</p>	<p>An IT disaster recovery plan has been prepared and tested.</p> <p>In addition to loss of key Council sites, provision has been made for loss of internet connectivity. A contracted disaster recovery provider is in place and data is replicated across two sites.</p>
Common themes from the Service Assurance Statements were:		
6	<p>Risk management and business/service planning</p> <p>Work commenced in 2020/21 to better align service/business plans and risk management processes. This will continue in 2021/22</p>	<p>A Risk Management Working Group has been established to help move risk management forward in the Council. The Group is reviewing the Risk Management Framework and to align this with service planning and project management.</p>
7	<p>Financial Regulations</p> <p>Financial Regulations are due to be reviewed in 2021/22. There was a consensus that officers would welcome guidance and training on the Council's Financial Regulations. There will be a joined-up approach between Finance, HR and Internal Audit to ensure this is both proportionate and targeted.</p>	<p>Financial Regulations were due to be revised in quarter four 2021/22 but this has slipped into 2022/23. Following the review, appropriate and relevant training will be provided to staff.</p>

In preparing this statement and reviewing the effectiveness of the Council's governance arrangements, the following areas have been identified for improvement or require careful monitoring. These are set out in the table below, together with the steps to be taken to address them.

Table Two: Areas for improvement or monitoring during 2022/23

No.	Objective	Risk area/action plan for 2022/23
1	<p>Economic issues</p> <p>At the time of writing this AGS, both national and global events have led to a very volatile economic situation. Unprecedented increases in inflation compared to previous years are being seen and availability of raw materials etc. is a problem globally. This has a direct impact on the Council in terms of potential cost increases including major works and projects. There may also be an indirect consequence with a potential increase in demand by those accessing Council services</p>	<p>Implications are being monitored with mitigating strategies being developed and implemented by the Senior Leadership Team and will feature as key considerations in the reports presented to Cabinet through 2022/23 and in the development of the MTFP (Medium Term Financial Plan) for 2023/24 and future years.</p>
2	<p>Statement of Accounts</p> <p>As reported in last year's AGS, due to technical and resource issues (mainly with the External Auditor) there has been a delay in the final approval of the 2020/21 accounts. Nationally, there has been an ongoing issue with councils being unable to get their final accounts audited. This will have a knock effect on the 2021/22 Accounts</p>	<p>The Council continues to work with its External Auditors to resolve the current issues. Once resolved a timetable will be agreed regarding the outstanding accounts. The Audit and Governance Committee will be kept abreast on progress.</p>
3	<p>Financial Management Code review</p> <p>Carried over from last year's AGS action plan</p>	<p>An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, develop an action plan to address these</p>
Common themes from the Service Assurance Statements were:		
4	<p>Business Continuity</p> <p>As we emerge from the pandemic there is a need to revisit and maintain service business continuity plans. As well as ensuring staff are aware of the business continuity arrangements and testing the plans.</p>	<p>A business continuity project is being initiated to review the business continuity framework and processes and will progressed during the year, overseen by the officer Corporate Governance Group (which is chaired by the Chief Executive)</p>
5	<p>Financial Regulations</p> <p>Carried over from last year's AGS</p>	<p>Financial Regulations</p> <p>Once Financial Regulations have been reviewed, Finance, with the assistance of HR and Internal Audit, will ensure training provided is both proportionate and targeted</p>

We propose over the coming year to continue to improve matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for any improvements that

were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Georgina Blakemore
Chief Executive

Signed

Councillor Chris Whitbread
Leader of the Council

Appendix 1 Epping Forest Code of Governance

INTEGRITY	OPENNESS	VISION	OUTCOMES	CAPACITY & CAPABILITY	PERFORMANCE	ACCOUNTABILITY
Behave with integrity, demonstrating a strong commitment to ethical values and respect the rule of law.	Ensure openness and comprehensive stakeholder engagement	Define outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of intended outcomes	Develop the Council's capacity, including the capability of its leadership and the individuals within it.	Manage the Council's risk and performance through robust internal control and strong public financial management.	Implement good practice in transparency, reporting and audit to deliver effective accountability.
Examples supporting the Annual Governance Statement (AGS) 2020/21						
<p>Constitution sets out code of conduct for Members and staff.</p> <p>Regularly publicised whistleblowing policy. Zero tolerance to anti-fraud and corruption.</p> <p>Clear and transparent decision making process. Section 151/Monitoring Officer part of report clearing process.</p> <p>Standards Committee</p>	<p>Published Freedom of Information and complaints/ compliments scheme. Publicly available agenda and minutes of meetings.</p> <p>Monitoring and maintaining a record of partnerships. Member appointment to community organisations.</p> <p>Active consultation through the Council's Consultation policy and plan</p> <p>'Critical friend' challenge through the Council's scrutiny process.</p> <p>Revised and updated Code of Governance</p>	<p>2018-2023 Corporate Plan which is supported by service/operational plans.</p> <p>Draft Local plan that supports the Council's vision.</p> <p>Decision making process that take into account these effects on its residents, paying due regard to the public sector equality duty.</p> <p>Providing fair access to Council services offered.</p> <p>Economic Development Strategy</p>	<p>Open and transparent reporting of Key Performance Indicators and action plans for indicators that are out of tolerance.</p> <p>Decision making processes that receive objective and rigorous involvement including involvement of the Monitoring and Section 151 Officers</p> <p>Anti-Fraud and Corruption strategy.</p>	<p>People Strategy</p> <p>Established induction and training programme for existing and new Councillors. Process includes mentoring and training events.</p> <p>Induction process for staff, access to personal development appropriate to their roles. Formal Personal Development Review (PDR) for staff and access to health and wellbeing opportunities.</p>	<p>Risk management is an integral part of the council's activities and decision making.</p> <p>Internal Audit function that provide assurance on governance, risk management and controls reporting to the Audit and Governance Committee</p> <p>Active corporate fraud team</p> <p>Medium Term Financial Plan.</p>	<p>Defined process to ensure reports for the public/stakeholders are fair, balanced, easily accessible and understandable. Reporting regularly on performance and on the use of resources.</p> <p>Processes to ensure external/internal audit recommendations are acted upon.</p> <p>Requirement for Service Directors to produce annual assurance statements which feed into the AGS</p>
An active Corporate Governance Group which takes charge of the Annual Governance Statement						

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Internal Audit**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Annual Governance Statement**

Officer completing the EqlA: Tel: **01992 564449** Email: **slinsley@eppingforestdc.gov.uk**

Date of completing the assessment: 16/06/22

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? N/A - report is approval of the Annual Governance Statement (AGS) by the Audit and Governance Committee
2.2	Describe the main aims, objectives and purpose of the policy (or decision): For Audit and Governance Committee to approve the Council's governance arrangements What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? Approval of AGS
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? N/A Will the policy or decision influence how organisations operate? N/A
2.4	Will the policy or decision involve substantial changes in resources? N/A
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? N/A

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Sarah Marsh

Date: 16/06/22

Signature of person completing the EqlA: Sue Linsley

Date: 16/06/22

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

Date of meeting: ***27 June 2022***

Portfolio: **Leader of the Council**

Subject: **Audit and Governance Committee Annual Report for 2021/22**

Responsible Officer: **Sarah Marsh (01992 564446).**

Democratic Services Officer: **L Kirman**

Recommendations/Decisions Required:

That the Annual Report for the Audit and Governance Committee for 2021/22 be agreed and the report be referred to the Council.

Executive Summary:

The Annual Report of the Audit and Governance Committee outlines the Committee's work and achievements over the year ending 31 March 2022. The Annual Report helps to demonstrate to residents and the Council's other stakeholders the vital role that is carried out by the Audit and Governance Committee and the contribution that it makes to the Council's overall governance arrangements.

Reasons for Proposed Decision:

To present the Audit and Governance Committee Annual Report for 2021/22 and to recommend that the report be referred to the Council.

Other Options for Action:

None.

Report:

The Committee is invited to comment on the report, in particular, whether the remit of the Committee is adequately reflected in this report. It is suggested that if any substantive changes are required these are agreed with the Chairman prior to the submission of the report to Council.

Resource Implications:

These have been included in the individual reports to the Committee throughout the year.

Legal and Governance Implications:

The effective operation of the Audit and Governance Committee forms a key element of the Council's assurance framework. By fulfilling its responsibilities as detailed in its annual report the Audit Committee helps the Council to maintain a high standard of corporate governance.

There is no legal or constitutional requirement for the Committee to report to the Council on its work, however, it is considered good practice to do so.

Safer, Cleaner and Greener Implications:

No specific implications.

Consultation Undertaken:

Corporate Governance Group

Background Papers:

Minutes of the Audit and Governance Committee.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 1 to the report.

Glossary:

AGS – Annual Governance Statement

CIPFA – Chartered Institute of Public Finance and Accountancy

SOLACE – Society of Local Authority Chief Executives

EPPING FOREST DISTRICT COUNCIL

ANNUAL REPORT

OF THE

AUDIT AND GOVERNANCE COMMITTEE

2021/22

INTRODUCTION

The purpose of the Audit Committee is to:

- provide independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and
- independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

Whilst there is no statutory obligation for a local authority to establish an audit committee, they are widely recognised internationally across the public and private sectors as a key component of effective governance. Similarly, it is considered good practice for the Committee to report annually to the Council on its work.

The key benefits of an effective audit committee are:

- increasing awareness regarding the effectiveness and continued development of the Council's governance arrangements;
- providing additional assurance on the robustness of the Council's governance arrangements through a process of independent and objective review;
- reducing the risks of illegal or improper acts;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- contributing to performance improvements in assurance levels and awareness of the need for strong internal control including the implementation of audit recommendations; and
- reinforcing the importance and independence of internal and external audit and similar review processes.

1. ASSURANCE ACTIVITY 2021/22

To help the Committee draw conclusions about the effectiveness of the Council's internal control framework, governance and risk management it gained assurances from the following sources:

Internal Audit

The Accounts and Audit (England) Regulations 2015 require the Council to maintain an adequate and effective internal audit which is discharged by the Section 151 Officer. Internal Audit is a key source of assurance for both Members and management on the effectiveness of the control framework. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance and has worked with the Chief Internal Auditor to ensure the agreed Audit Plan for 2021/22 was delivered.

The Committee considered and agreed reports regarding the Internal Audit Strategy, Internal Audit Charter and Annual Plan 2021/22, and progress by management in implementing audit recommendations. It also received regular progress reports on the work and performance of Internal Audit. These reports have helped in ensuring that reported weaknesses have either been addressed or the identified risks

adequately mitigated by management and that there is an effective system of governance and internal control in place.

Assurance Framework / Annual Governance Statement

The Committee's terms of reference include advising on the effectiveness of the Council's assurance framework including the production of the Annual Governance Statement.

During the year, the Committee has received reports on the control framework and how the annual review and assurance process is undertaken. The Assurance Framework is compiled from various sources of assurance, for instance Directors and other key officers.

The Chief Internal Auditor provides an annual report and opinion regarding the Council's control framework. This opinion is considered by the Committee alongside other sources of assurance.

The Committee reviewed the Annual Governance Statement (AGS) for 2020/21 which identified governance issues requiring further ongoing improvement or oversight relating to:

- Ensuring the health and safety of staff, partners and the public in the way it delivers its services especially with regards to Covid-19
- Financial Management Code review
- Statement of Accounts
- Disaster recovery
- Risk management and service/business planning
- Financial regulations – training and awareness

The assurance framework remained unchanged during 2021/22. The Council's Code of Corporate Governance was reviewed by the committee in January 2022 to ensure it remains compliant with the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government. The review confirmed the Code is still up to date and fit for purpose and no changes were required.

The Committee was able to satisfy themselves that there is a robust assurance framework in place to safeguard the Council's resources through reliance on the annual review of the Council's system of internal control and the Chief Internal Auditor's annual opinion.

Anti-Fraud and Corruption

Countering fraud and corruption is the responsibility of every Member and officer of the Council. The Committee's role in this area has been to monitor and support the actions taken by officers to counter fraud, particularly as the Council has its own in-house Corporate Fraud Team, who work in tandem with Internal Audit.

The Committee receives reports and presentations on such work undertaken in the Council and proactive fraud work, for example participation in the National Fraud Initiative (NFI).

The Council continues to send out a strong message that fraud will not be tolerated and that where fraud is proven the strongest possible actions of redress will be taken.

Based on the work to date, coupled with no major incidences of internal fraud and corruption being highlighted by management, the Corporate Fraud Team or Internal Audit, the Committee concludes that there is a sound anti-fraud and corruption framework in place. The Council's anti-fraud and corruption strategy was approved

by Council, following approval by the Audit and Governance Committee in November 2021.

Risk Management

The Committee receives and discusses reports relating to risk management. Work continues to enhance monitoring and reporting mechanisms to ensure there is adequate scrutiny and challenge of risk across the Council and aligning this with the service planning process. Committee members are routinely presented with the corporate strategic risk register.

Treasury Management

In accordance with its Terms of Reference, the Committee reviewed the Council's Treasury Management Strategy and considered the risks associated with the Council's treasury activity and how these are managed. The Committee also considered progress reports on the treasury management function and performance against prudential indicators.

Statement of Accounts and External Auditors

At its July 2021 meeting the Committee reviewed and approved the 2020/21 Annual Governance Statement and the 2019/20 Statement of Accounts.

The Committee has been kept abreast during the year on issues regarding the 2020/21 Accounts, seeking explanations for the delay from both the External Auditors (Deloitte) and the Council's Section 151 Officer. The External Auditors will be on site at the end of July 2022 for the 2020/21 accounts directly followed by the 2021/22 accounts, and the Committee will be updated at the September 2022 meeting.

2. COMMITTEE WORKING ARRANGEMENTS

The Committee has a rolling and flexible programme of work for its main areas of activity which is proactively reviewed and amended throughout the year to reflect changes in policies, priorities and risks. The Committee met four times in 2021/22. The Committee considered items which are presented annually, such as audit results, the statement of accounts, the annual governance statement, and audit plans; as well as a number of other items including treasury management as this falls under the committee's remit.

The Committee's work plan is supplemented with periodic bespoke training which is open to all councillors. Training topics included anti-fraud and corruption, risk management and the role of the Audit Committee.

Members of the Committee have a wide range of both experience and professional knowledge which, coupled with it having two co-opted persons, has continued to help demonstrate its independence. One co-opted post has been vacant throughout the year with plans to have a recruitment campaign in 2022.²³

In November 2021 the Committee undertook its own effectiveness review and reviewed its Terms of Reference, the results of which concluded its Terms of Reference did not need updating and the Council was able to demonstrate compliance with recommended best practice for an effective Audit Committee.

The Committee has the benefit of being well supported by Council officers. This includes the Section 151 Officer, the Monitoring Officer, and the Chief Internal Auditor as well as the Council's external auditors.

There have been no reported major breakdowns in internal control, governance and risk management that have led to a significant loss in one form or another, nor any major weakness in the governance systems that has exposed, or continues to expose, the Council to an unacceptable level of risk.

The purpose, strategy and work programme of the Committee mitigates against any major failure by the Council to obtain independent assurance in relation to the governance processes underpinning:

- An effective risk management framework and internal control environment including audit;
- The effectiveness of financial and non-financial performance (to the extent that it affects exposure to risk and poor internal control); and
- The compilation and consideration of the Annual Governance Statement.

Outcomes / Achievements

Through its work, the Committee's main outcome is in the additional assurance provided of the robustness of the Council's arrangements regarding corporate governance, risk management and internal controls.

The Committee has added value through its activity and in particular:

- it has continued with the importance placed upon governance issues, particularly risk management, anti-fraud and the assurances sought that key risks are being mitigated; and
- it has continued to raise the profile of internal control issues across the Council and to seek to ensure that audit recommendations are implemented.

Conclusions

The Committee's remit is achieved firstly through it being appropriately constituted, and secondly by the Committee being effective in ensuring internal accountability and the delivery of audit and a robust assurance framework. The Committee has received and challenged reports including those from internal and external audit.

The agreed work programme enables the Committee to provide independent assurance to the Council as to the adequacy of the risk management framework and the associated control environment.

The Committee has continued to have a real and positive contribution to the governance arrangements of the Council. The Committee's key achievement is in the additional assurance provided of the robustness of the Council's arrangements regarding corporate governance, risk management and the control environment.

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Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Internal Audit**

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Annual Report of the Audit and Governance Committee 2021/22**

Officer completing the EqIA: Tel: **01992 564449** Email: **slinsley@eppingforestdc.gov.uk**

Date of completing the assessment: 16/06/22

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? N/A - report is a summary of the work of the Audit and Governance Committee for 2021/22
2.2	Describe the main aims, objectives and purpose of the policy (or decision): For noting the work and achievements of the Audit and Governance Committee for 2021/22 What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A – Report is for noting and recommending to Council only
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? N/A Will the policy or decision influence how organisations operate? N/A – report is not decision-based, it is for noting only.
2.4	Will the policy or decision involve substantial changes in resources? N/A – report is for noting only
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? N/A

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A – report is for noting only
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A – as above
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A – as above

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 7: Sign off I confirm that this initial analysis has been completed appropriately. (A typed signature is sufficient.)	
Signature of Head of Service: Sarah Marsh	Date: 16/06/22
Signature of person completing the EqlA: Sue Linsley	Date: 16/06/22

Advice
Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

Date of meeting: 27 June 2022

Portfolio: Leader of the Council

Subject: Internal Audit Monitoring Report June 2022

Responsible Officer: Sarah Marsh (01992 564446).

Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

The Committee notes the summary of the work of Internal Audit for the period March to June 2022

Executive Summary:

This report updates Members on the work completed by Internal Audit since the March 2022 Audit and Governance Committee and provides the current position in relation to overdue recommendations.

Reasons for Proposed Decision:

Monitoring report as required by the Audit and Governance Committee Terms of Reference.

Other Options for Action:

No other options.

Report:

2021/22 Internal Audit Plan

1. The audit plan for 2021/22 is almost complete and sufficient work has been undertaken in order for the Chief Internal Auditor to give their annual report and assurance opinion which is reported elsewhere in the agenda. Progress is being made on the 2022/23 Audit Plan as detailed in Appendix 1.
2. The following four final reports have been issued since the Committee received its last update in March 2022.

Council Housebuilding (substantial assurance)

Strategic oversight of the Council Housebuilding Programme is achieved through the Council Housebuilding Cabinet Committee which meets quarterly. The Terms of Reference for the Committee clearly defines its responsibility for the Council

Housebuilding Programme, and this is evidenced through the progress reports it receives which are scrutinised and challenged by its members.

The Housing Development team is comprised of suitably qualified Officers and the roles and responsibilities of the team members are clearly set out. Weekly Housing Development Team meetings along with weekly meetings with both the Employer's Agent and the Clerk of Works ensure the programme is successfully monitored at an operational level.

The Housing and Property service risk register was last updated in April 2022 and includes a specific risk relating to the Council House Building Programme, ensuring that appropriate mitigating actions are in place. Progress reports to the Council Housebuilding Cabinet Committee include risks associated with individual developments and considers risks highlighted by the contractors, Clerk of Works, and the Employer's Agent.

Each contract has its own exit strategy in the event of contractor failure. The procurement process for each new contractor includes a financial viability check, and as most contracts are for just one year, it is unlikely the contractor will fail to deliver the development due to financial issues.

There are robust financial processes surrounding the Council House Building Programme, including monitoring the utilisation of the 1-4-1 right to buy receipts. Weekly meetings between the Service Manager – Housing Development and the Finance Business Partners ensure that financial issues are identified and addressed promptly.

Leisure Management Contract (moderate assurance)

A Leisure Management Contract Partnership Board (Partnership Board) provides strategic oversight and robust challenge over the contract, providing a mechanism for effective dialogue and resolution of issues at senior officer and Member level.

Operationally, the contract is managed through monthly Leisure Contract Managers meetings. To provide a record of key discussions, decisions and agreed actions should staff leave, and to refer to in the event of any queries or disagreements, notes of these meetings should be written up and retained in a central location.

The methodology for calculating the COVID-19 financial support payments to Places Leisure was agreed between the Council and contractor with advice from a consultant. Robust controls ensured support payments claimed by the contractor were accurate and supported by verified income and expenditure reports.

Contract performance is monitored through the Places Leisure monthly performance report. Performance indicators (PIs) are subject to effective scrutiny by Officers and Members, with explanations obtained for all significant variances and/or unexpected results.

Risk management processes should be strengthened through a review and discussion of both the Council's and contractor's risks at the monthly Leisure Contract Managers meetings to ensure that risks are identified and adequately managed. The financial viability of the contractor should be regularly assessed to further mitigate the risk of contractor failure as this is not happening at present.

An exit strategy should be prepared to ensure the Council can continue providing the same level of leisure services for the community in the event of contract failure.

Treasury Management (moderate assurance)

The Council has adopted the CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) and the Treasury Management Strategy 2022/23 and Investment Strategy 2022/23 were presented to the Audit and Governance Committee for approval on the 17 January 2022.

The Treasury Management Strategy includes all the elements as set out in the Code and includes a Liability Benchmark which is a new requirement of the 2021 Code. The Strategy is based on cash held and borrowing as of 31 December 2021 and future planned capital and revenue cashflow derived from budgets and the Medium Term Financial Plan.

There is no operational Risk Register that details Treasury Management risks and the controls in place to mitigate and monitor risks, although this is partially addressed through the risks and control measures set out in the 2022/23 Treasury Management Strategy. Risk Management arrangements are being strengthened during 2022/23 through the work of the Corporate Risk Management Working Group and a risk register for Treasury Management will feed into this.

Procedure notes have been developed in 2021/22 and these will be further enhanced during 2022 to link to the Treasury Management practice notes and how processes ensure compliance at an operational level.

The Council's detailed cashflow forecasting spreadsheet is also being developed for 2022/23 to ensure that it is sufficiently detailed and robust.

IT Major Incident Management (MIM) Strategy (moderate assurance)

A clear MIM document exists that follows good practice in terms of content, and testing confirmed that the Major Incident Process covers the identification, containment, resolution, and maintenance elements. An IT Disaster Recovery plan also forms part of the strategy which provides more detail.

Incident management is handled via the Service Desk and defined processes are in place. A manual process to be followed in terms of tracking, logging, recording, and reporting should the service desk system be unavailable due to the incident has now been implemented.

Major Incident Management plans are documented and regularly tested. In addition, the Veeam data replication system has been deployed at the Council to manage daily (incremental) and weekly (full) backup routines. The Veeam application has been configured to report any security alerts including incomplete or failed backups. To protect backup data from unauthorised access and/or ransomware infection data, encryption of the Veeam Backup and Replication system will be implemented, and access rights kept under review.

A formal documented Data Backup Policy will be produced to define all key data replication tasks and a proposal to increase backup retention periods will be taken to the Council's officer Information Governance Group for approval.

Recommendation Tracker

3. The Audit and Governance Committee continues to receive details of all overdue

recommendations, plus any high priority recommendations from final reports regardless of whether they are overdue or not.

4. The current tracker is shown at Appendix 2 and contains seven medium and one low priority recommendations which have passed their due date.

Table 1. Summary of tracker in June 2022

Recommendation type	Number (June 2022)	Number (March 2022)	Number (January 2022)	Number (November 2021)	Number (September 2021)	Number (July 2021)
High Priority not yet passed its due date	0	0	0	1	2	2
High Priority passed its due date	0	0	1	1	2	2
Medium Priority passed its due date	7	8	12	9	4	5
Low Priority passed its due date	1	1	3	5	4	0
Total	8	9	16	16	12	9

Other Internal Audit activities

5. Internal Audit has continued to provide advice and guidance in several business areas:

Service Assurance Statements: Completed the annual service assurance exercise consulting with Directors and Service Managers as part of the annual governance process, to provide assurance to the Council and its stakeholders that good governance arrangements are in place. The results of which have been fed into the draft Annual Governance Statement which is elsewhere on the agenda.

Risk Management: The Risk Management Working Group continues to help move risk management forward in the Council. The Group is reviewing and revising the Risk Management Policy, Strategy and Framework, to align this with service planning and project management and embed at an operational level.

Health and Safety (H&S): Internal Audit is assisting in strengthening the H&S framework and the role of the Strategic Safety Group. This has included a review of the Council's Health and Safety policy and strategic H&S action plan.

Information Governance: Internal Audit is actively involved in both the Strategic Information Governance Group (SIGG) and the operational Information Asset Owners Group, feeding back to the Corporate Governance Group. Internal Audit resource is being provided to lead on a review of the service Record of Processing Activities (RoPA's) which will identify any gaps in General Data Protection Regulation requirements.

Council Tax Energy Rebates: Advice and guidance is being provided with regards to the Government's Council Tax Energy Rebates scheme and assistance will be given to performing eligibility checks using the Spotlight verification tool.

Decision Making Accountability (DMA): Internal Audit is developing a schedule of responsibilities for staff below the management spine to ensure there is clarity and consistency of decision making at each level with responsibility attached to the role and not the individual. This is being coordinated with a review of the Council's Financial Regulations.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2021/22 Audit Strategy and Plan

Risk Management:

Failure to achieve the audit plan and poor follow up of audit recommendations may lead to a lack of assurance that internal controls are effective and risks properly managed, which ultimately feeds into the Annual Governance Statement.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 3 to the report.

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Appendix 1 - Audit Plan Monitoring 2022/23
Progress as at June 2022

	Service	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High Priority Recs	Medium Priority Recs	Low Priority Recs
Finish 21/22 Council housebuilding	Housing & Property	5	Final report	■	■	■	substantial	0	0	0
Finish 21/22 KFC Treasury Management	Corporate Services	5	Final report	■	■	■	moderate	0	1	1
Finish IT Major Incident Management Strategy	Corporate Services	5	Final report	■	■	■	moderate	0	3	2
KFC Debtors	Customer Services	15	Draft report	■	■					
Finish 21/22 audit Qualis (repairs)	Housing & Property	5	In progress	■						
Data analytics - Compliance with the Procurement Rules	Contracts and Technical	20	In progress	■						
Climate emergency action plan	Economic Development & Partnerships	12	Scoping							
Qualis Commerical	Chief Executive	12								
Corporate KPIs (underperformance)	Strategy Delivery & Performance	15								
Council housebuilding	Housing & Property	15								
Commerical rent and leases	Housing & Property	20								
Declarations of Interest	Corporate Services	5								
H&S assurance mapping	Corporate Services	20								
KFC General ledger	Corporate Services	12								
Cyber security	Corporate Services	10								
KFC Cash and banking	Customer Services	15								
Delivery of the Local Plan	Planning Services	15								
Community Grants	Community Culture & Wellbeing	12								
TOTAL								0	4	3

Key

c/f = carried forward

H&S = Health and Safety

KFC = Key Financial Controls

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EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Harlow Gilston Garden Town 2019/20 Issued July 2020 <div>Page 81</div>	1	To clarify the accountability and extent of any liability of each partner in the HGGT a signed overarching agreement between the councils should be prepared. This will include a data sharing agreement. Arrangements regarding the recovery of costs incurred by the councils should be agreed by all parties and included in the agreement.	Med	Work is now well underway on the next steps to establish Combined Delivery Service following Board decision on 10 Feb 2020. Legal work is underway to clarify arrangements and delegations for the CDS Link to HIG delivery and governance	HGGT Director HGGT Project Manager HGGT Programme Manager	Political and corporate agreement to proposals – 31/03/21 Shadow structures then up and running Formal decision making will need to follow the local election period – 30/09/21	31/03/22 31/12/22	May 21: HGGT Solicitors, Weightmans, are developing a partnership agreement between all the HGGT partners. Jul 21: Lead Members and Lead Officers of all five Partner authorities are meeting to progress this. Sep/Oct 21: An HGGT Governance Review Task and Finish Group has been established to take forward the formalisation of governance arrangements for HGGT. The Task and Finish Group agreed for further work to be undertaken towards the establishment of a Joint Committee. Jan 22: Work to put in place a Joint Committee continues to progress. Given the scale and complexity of the work, the timescales have been pushed back and we are now looking for formal approval in summer 2022 and for operation of the Joint Committee to commence in September 2022. The Partner Councils will be taking a stage 1 sign-off report through their formal decision making processes to seek agreement 'in principle'. Jun 22: The stage 1 governance report was approved by all five Partner	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
<div>Page 8 of 8</div> Key Financial Controls – Fixed Assets 2019/20 Issued November 2020								Councils and detailed work is progressing. It is anticipated that the Partnership will formally consult with Members in September 2022 with final draft proposals. An update report is being taken to the HGGT Board on 13 June 2022. The expectation is that the joint Committee will be formed and in place during 22/23. The establishment of the Joint Committee would include Inter Authority Agreements formally addressing cost and risk sharing.	
	3	Detailed Fixed Asset financial procedures be drafted, and to include a section on year-end processes.	Med	Detailed financial procedures will be developed and documented alongside updated Financial Regulations.	Chief Financial Officer	30/09/21	31/08/22	Nov 21/Feb 22: A Senior Finance Business Partner has been appointed to cover HRA, Capital and Projects. The Capital role includes responsibility for the Fixed Asset Register (FAR). Processes are being reviewed as well as understanding how the CIPFA asset system works and how it feeds into the year-end processes. Jun 22: Process notes will be compiled (including the roll forward of the FAR through to closedown). It will take time to do this and is dependent on how well the closedown goes.	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Active Directory Management 2020/21 Issued December 2020 Page 83	9	All unsupported Windows Server 2008 servers should be promptly replaced or decommissioned with a target set to achieve this.	Med	Accepted. An external Project Manager will be appointed to manage the identification and replacement of all unsupported Windows servers.	Interim IT Service Manager	30/04/21	31/07/21 31/12/21 31/01/22 30/08/22	Jun 21: A project to assess the 2008 servers and produce a technical plan for migrating or rebuilding has been started. Sep 21: A project is in flight with the IT company EACS. An initial review has been completed and currently agreeing statement of work. Nov 21/Jan 22: Project agreed with supplier and ready to instigate. Still awaiting kick off date for work. Jun 22: EACS are working through servers, although the work is moving slower than expected.	Overdue
Accounts Payable 2020/21 No. 04.20/21	1	Financial Regulations are formally reviewed, updated, and approved. Once approved the new Financial Regulations be made available to all staff electronically and staff notified of the key changes.	Med	This will be actioned after the implementation of the new Corporate Finance function, which will impact on some of the details within Financial Regulations.	Chief Financial Officer and Deputy S151 Officer.	31/03/22	31/03/23	Jun 22: The new Corporate Finance function has recently been Implemented, although a further – relatively short – pause has been introduced pending completion of the ongoing service structure review, to ensure that the updated Financial Regulations accurately reflect the Council's future financial governance needs in the light of any amendments to wider financial procedure (if applicable).	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Qualis Group Governance Issued July 2021	6	The Shareholder Agreement should be amended to reflect that a four-year rather than six-year business plan will be prepared and include the revised reporting requirements once agreed.	Low	The shareholder agreement will be reviewed in September 2021 and the issues raised will be dealt with in the update.	Qualis Managing Director	31/10/21	31/03/22 30/09/22	Oct 21: The review has been put on hold due to competing priorities. Jun 22: This will be formalised through the Council's S151 Officer's Cabinet report in September 2022.	Overdue
Gas Safety Issued August 2021	1	1. Update and finalise the Gas Safety Policy, ensuring the policy is reviewed and updated on a regular (annual) basis in line with current Gas Safety legislation. 2. Review other council's Gas Safety Policy's and adopt best practice, e.g. including details on governance and assurance (i.e. monitoring of gas safety compliance, roles and responsibilities and key performance indicators) and equality and diversity considerations	Med	Agreed	Head of Asset Strategy	30/09/21	31/12/21 31/03/22	Oct 21/Jan 22: Revision of the policy has not yet been completed due to competing priorities. The existing policy is in line with Gas Safety legislation and is being updated to reflect current council procedures and best practice. Once finalised and approved it will be communicated to relevant staff and published on the Council's website. Jun 22: 1. Policy has been reviewed but now needs to be reviewed again largely because the contract is now being run by Qualis Management and we need to ensure that the details match what has been agreed with Qualis in contract meetings. 2. Key performance indicators have been re-assessed in line with both EFDC/Qualis management requirements.	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Page 85		<p>3. Publish the Gas Safety Policy on the Council's website</p> <p>4. Notify key officers of the update Gas Safety Policy ensuring they are kept informed of changes in the policy and gas safety legislation and save the policy on the Council's network that is accessible to key officers.</p>						<p>Agreed KPIs will be submitted as part of a change control note for amendment on the SLA with Qualis. Once the change control has been signed off, we will make the changes to the policy.</p> <p>3. This forms part of a larger piece of work that housing and property are starting in order to publicise all safety information to residents.</p> <p>4. Key stakeholders to the Gas servicing contract and policy have been involved in the transfer and mobilisation of service from the old contractor to Qualis. This information is communicated through regular meetings.</p>	
	2	<p>1. Update the no access procedure and review it on a regular (annual) periodic basis. Share the updated no access procedure with the contractor.</p> <p>2. The process of KPI collation, calculation, and reporting should be formally documented.</p>	Med	Agreed	Head of Asset Strategy	30/09/21	31/12/21 31/03/22	<p>Oct 21/Jan 22: Update of the no access procedure and documentation of the KPI process have not yet been completed due to competing priorities. The contractor is aware of the current (2019/20) no access procedure which requires updating with some contact details.</p> <p>Jun 22: This is now being reworked due to the transfer of services over to Qualis. Qualis need to work things slightly differently to the</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: 13 June 2022

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
								previous contractor. We are currently working closely to iron out issues that have arisen.	
Gas Safety Issued August 2021 Page 86	3	Full reconciliations between the Gracelands gas safety database (Job Logic) and OHMS/CIVICA (Housing system) to completed at least annually to ensure that information held on the gas safety database is accurate (particularly focusing on sold, new and brought back properties).	Med	Agreed	Head of Asset Strategy	30/09/21	31/03/22	Oct 21/Jan 22: A full reconciliation between Job Logic and OHMS was performed as part of the audit (August 2021), at which time differences due to sold properties were identified. Processes were improved during the audit to ensure the database is updated promptly with sold properties. A reconciliation will be completed at the year end and then at least annually. Jun 22: The reconciliation was started (this was essential to the transfer of the service to Qualis) but identified some issues with the quality of the data the Council holds. Qualis have undertaken their own data validation which we will then reconcile with the Council's records. We are working with a Data specialist to look to consolidate data from the spreadsheet to be able to manage the data within Ohms and reformat it so that is can ultimately be uploaded to the new system Civica.	Overdue

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
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 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Internal Audit, Chief Executive**

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Internal Audit Monitoring Report**

Officer completing the EqIA: Tel: **01992 564446** Email: **smarsh@eppingforestdc.gov.uk**

Date of completing the assessment: 16 June 2022

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? Report is an update to Audit and Governance Committee on the work of Internal Audit Service
2.2	Describe the main aims, objectives and purpose of the policy (or decision): For Audit and Governance Committee to note the work of Internal Audit Service What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? N/A Will the policy or decision influence how organisations operate? N/A
2.4	Will the policy or decision involve substantial changes in resources? N/A
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? N/A

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 7: Sign off I confirm that this initial analysis has been completed appropriately. (A typed signature is sufficient.)	
Signature of Head of Service: Sarah Marsh	Date: 16/06/22
Signature of person completing the EqlA: Sue Linsley	Date: 16/06/22

Advice
Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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Report to the Audit and Governance Committee

Report reference:

Date of meeting: 27 June 2022



**Epping Forest
District Council**

Portfolio: Leader of the Council
Subject: Risk Management
Responsible Officer: Andrew Small (01992 564278)
Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

To review the current risk register and consider whether there are any new or emerging risks that are not on the current Corporate Risk Register that should be referred to the officer Risk Management Group

Executive Summary:

This report gives the Audit and Governance Committee the opportunity to comment on and suggest new risks for inclusion on the Corporate risk register or changes to the scoring of existing risks.

Reasons for Proposed Decision:

To enhance the Council's risk management framework.

Other Options for Action:

None. Formal responsibility for making recommendations to Cabinet on risk management issues lies with the Audit and Governance Committee. Members may suggest new risks for inclusion or changes to the scoring of existing risks.

Report:

Corporate Risk Register

1. The corporate risk register was reviewed by the Council's Officer Risk Management Group at their meeting of 24 May 2022, where all risks were reviewed and challenged and was subsequently presented to the Corporate Governance Group (which is Chaired by the Section 151 Officer) for further review and challenge. The narrative for each risk has been reviewed and, where appropriate, updated to reflect the current situation (appendix 1).
2. The table below outlines the direction of travel for each risk since it was updated for the March 2022 Audit and Governance Committee, with a brief commentary supporting each risk.
3. The risk around the increase in demand for financial and housing assistance (risk 2) has increased to B2 due to the emerging fuel poverty crisis and general, significant, rise in living costs. Scores for all other risks remain the same.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		March 2022	June 2022	
1	Local Plan	B1	B1	The Council is still waiting for the Inspector's report outlining their final recommendations following which the Main Modifications can be made and the Plan formally adopted by the Council.
2	Increase in demand for financial and housing assistance (previously Welfare Reform)	C2	B2	Emerging fuel poverty crisis and general, significant, rise in living costs has increased the likelihood of this risk materialising.
3	Financial Resilience	B1	B1	Inflationary impacts are being closely monitored and assessed by Section 151 Officer. Mitigating actions being developed and implemented by Senior Management with higher value expenditure areas (such as pay, contracts and construction projects) being targeted.
4	Economic Development	C2	C2	A new inward investment site (Invest Epping Forest) has been produced and is awaiting launch and the Kickstart programme has been launched to help improve employment and skills. The Council will continue to develop and secure opportunities from the visitor economy to support high streets and local businesses.
5	Data/information	C2	C2	The Information Governance (IG) workplan has been prioritised. Work has begun to redesign the Council's 'Open Data' webpage and populating with information required by the Code. Work will soon begin to cleanse the Council's Z drives and review the Retention and Disposal Policy.
6	Business continuity	C2	C2	Improvement of current business continuity (BC) management arrangements is in progress. A review and update of the Corporate and service BC plans is being coordinated.

7	Cyber security	C2	C2	Continually monitoring situation and potential risks. Controls in systems have been strengthened in response to specific occurrences.
8	Delays in issuing Planning Permissions	C2	C2	Planning applications continue to be reviewed and released as appropriate.
9	Climate emergency	B2	B2	Cabinet approved the final version of the Climate Action Plan in April 2022 and agreed to continue the DaRT87 (Demand Responsive Transport service) in March 2022.

4. Members are asked to consider the attached updated Corporate Risk Register (Appendix 1) and whether the risks listed are scored appropriately and whether there are any additional risks that should be included. Appendix 2 sets out Council's risk assessment matrix and is used to determine individual risk scorings.

Resource Implications:

Within the report

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and Leadership Team were involved in the process.

Background Papers:

CIPFA audit committees – practical guidance for Local Authorities and Police 2018 edition

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately. In addition, new or emerging risks are not considering which could threaten achievement of the Council's corporate objectives.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as appendix 3 to the report.

CORPORATE RISK REGISTER (MAY 2022)

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LIKELIHOOD	A Very High				
	B High			2 9	1 3
	C Medium			4 5 6 7 8	
	D Low / Very Low				
		4 Insignificant	3 Minor	2 Moderate	1 Major
		IMPACT			

Risk no.	Risk score	Description
1	B1	Local Plan
2	B2	Increase in demand for financial and housing assistance
3	B1	Financial resilience
4	C2	Economic Development
5	C2	Data/Information
6	C2	Business Continuity
7	C2	Cybersecurity
8	C2	Delays in issuing planning permission
9	B2	Climate emergency

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION ON REVIEW DATE
Risk No 1 Local Plan	<p>Vulnerability: Deadline of December 2023 for all authorities to have up-to-date Local Plans in place. Delays in the adoption of the Local Plan (LP) and failure to meet the Housing Delivery Test will delay the implementation of the Local Plan Strategy and lead to the presumption in favour of sustainable development being applied.</p> <p>Consequence: Delays in granting consent for planned new homes, affordable housing and jobs because of delays in implementing the spatial approach including strategic housing and employment sites.</p> <ul style="list-style-type: none"> • Vulnerable to ad hoc planning applications and appeal decisions • Loss of associated New Homes Bonus, Business Rates tax base growth and S106 monies to support key infrastructure projects. • Reputational damaged • An annual housing requirement of 953 homes per year (2020/21) far in excess of the Local Plan annual average of 518 dwellings per year. 	<p>Local Plan Submission Version 2017 agreed by Council Dec 2017 and published. Following the Judicial Review (JR) the plan was submitted for examination which took place between Feb & June 2019. The Inspector identified 39 Actions for the Council to complete in August 2019. The Council's response to these actions resulted in proposed amendments to the Plan (Main Modifications) in July 2021. The comments on these MM's are considered by the Inspector who will make her recommendations in due course.</p>	VERY HIGH	MAJOR	A1	<p>1) MMs consultation ended on 23rd September 2021 and summary of responses sent to The Inspector.</p> <p>2) Consultants in place to support Habitats Regulations Assessment, Sustainability Assessment statements required alongside the Local Plan adoption.</p> <p>3) Considering detailed transport models and enhancement plans with stakeholders to demonstrate the effectiveness of policies.</p> <p>4) Financial contributions towards mitigation and enhancements required by Interim Air Pollution MS and Green Infrastructure Mitigation Strategy already being secured.</p> <p>5) Implementation Team established to accelerate delivery of strategic site allocations</p> <p>5) Regular reports at officer and Member level through the Cooperation for Sustainable Development Group.</p>	HIGH	MAJOR	B1	<p>1) Regular updates provided and posted on the Council's website. Latest posted 6 May 2022 informing of new Inspector to complete the examination and further updates to be announced.</p> <p>2) Once the Inspector has considered the responses, including the evidence presented throughout the duration of the Examination, he will determine whether the Local Plan is 'sound' and produce a written report outlining his final recommendations. Following receipt of the Inspector's report, the Plan can be formally adopted by the Council if it makes the MMs recommended. Inspector Report anticipated as soon as possible.</p> <p>3). Scrutiny Function undertaken by Stronger Place Select Committee.</p>	Service Director – Planning Services	Regular programme meetings (but at least monthly)

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 2 Increase in demand for financial and housing assistance	Vulnerability: Rising cost of living could significantly impact residents' ability to meet housing costs leading to increase in demand for homelessness assistance. Tenants' inability to pay rent resulting from rising cost of living could impact HRA revenue having negative consequences for HRA investment and the 30-year business plan. Ukrainian refugee schemes could result in increased demand for homelessness assistance directly affecting the general fund by increasing numbers in and cost of temporary accommodation. Increasing demand for homelessness assistance also poses significant risk in terms of staffing resources which meet current need, but which do not have any capacity for increased demand.	Emerging fuel poverty crisis and general, significant, rise in living costs (May 2022). Consequences: <ul style="list-style-type: none"> Tenants no longer able to afford current/new tenancies. Residents no longer able to afford mortgages Increase in evictions and homelessness Increased costs of temporary accommodation Unable to secure similar level of income due to payment defaults Increase in rent and Council Tax arrears Public dissatisfaction Criticism of the Council for not mitigating the effects for residents. Rise in mental health impacts Rise in safeguarding issues 	HIGH	MAJOR	B1	1.Virtual customer portal signposting access to a range of help, advice and support services 2.Breathing Space 3.Hub approach to service delivery centred at Civic Office with plans to ensure targeted holistic provision of services across the district. 4.Dedicated private sector lettings resource to increase prevention of homelessness, reduce demand for Temporary Accommodation and instances where a full rehousing duty would otherwise be owed 5.RSI funding secured enabling enhanced targeted response to single homelessness including creation of a mental health navigator embed within the homelessness team (should hear about 22/23 funding soon & this will yield further mitigating actions) 6.Domestic Abuse (DA) Navigator and specialist DA safeguarding officer provide expert support and lead through DAHA accreditation ensuring a whole housing approach to DA 7.Additional £57K funding secured for DA work 8.Monthly tracking for early identification of spikes in demand 9.£117K additional homelessness prevention grant to assist with homelessness prevention specifically for private renters affected by Covid-19 10. Successful Changing Futures grant £72K for Job Coach programme that will assist 60 clients over 2 years into sustainable employment starting 22/23 11. Distribution of £5m in Council Tax Energy Payments	HIGH	MODERATE	B2	Revs and Benefits staff attendance at the Waltham Abbey Hub. Hold some evening surgeries for people who find themselves struggling.	Service Director - Customer Services and Community and Wellbeing	Monthly

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 3 Financial Resilience	<p>Covid-19 (Legacy) The impact of Covid-19 (including long-lasting, or permanent legacy issues) has added to a recent downward trajectory in available reserves, as income is struggling to keep pace with expenditure</p> <p>Qualis Income Securing planned income returns from LATCO initiative is vital to maintaining financial self-sufficiency and minimising expenditure reductions</p> <p>Economic Turbulence Recent volatility in the worldwide economy, including sharply rising inflation and increasing interest rates poses a substantial threat to the Council's adopted Medium-Term Financial Plan; this threatens general expenditure costs (especially on pay and major contracts) and interest costs incurred on Qualis 'on-lending, as well as major capital projects (impacted by the increasing cost of building materials especially)</p> <p>Efficiency Savings The medium-term financial outlook means that setting a balanced budget for 2023/24 will be a challenging process, with the realisation of cashable efficiencies an overwhelming priority; and</p> <p>Financial Control Tighter financial control is essential in the more challenging financial environment that lies ahead.</p>	<p>Balanced budget now set for 2022/23 (approved by full Council in February 2022). In addition, the Medium-Term Financial Plan (MTFP) for 2022 to 2027 was adopted alongside the budget.</p> <p>The adopted MTFP is forecasting a cumulative budget deficit of £4.2 million by 31st March 2017. However, economic circumstances and forecasts have recently changed rapidly, especially following the Russian Invasion of Ukraine in February 2022, with the inflationary assumptions especially that were included in the MTFP – with the benefit of hindsight – now looking over-optimistic.</p> <p>Slippage on the timetabled income and benefits from Qualis continues to be a risk. Although net income expectations from Qualis were purposely reined in as part of developing the 2022/23 budget, the rapidly rising interest rates during the spring/summer of 2022 were not anticipated.</p> <p>CIPFA Financial Management Code effective from 1 April 2021: further improvement required to achieve full compliance.</p>	VERY HIGH	MAJOR	A1	<p>Covid-19 Immediate pressure receded gradually in 2021/22. Medium/Long Term financial impacts being managed through updated MTFP (@ February 2022).</p> <p>Qualis Council's interests directly overseen and managed by Section 151 Officer with tailored support from specialist professional advisors</p> <p>Economic Turbulence Inflationary impacts (including interest rate increases) being closely monitored and assessed by Section 151 Officer. Mitigating actions being developed and implemented by Senior Management with higher value expenditure areas (such as pay, contracts and construction projects) being targeted.</p> <p>Efficiency Savings Potential for cashable efficiency savings for 2022/23 now being vigorously pursued with full Leadership Team support.</p> <p>Financial Control Process improvements continuing to be rolled out by Deputy S151. Corporate Finance function now (since summer 2022) fully resourced, with added focus now on internal financial control procedure and increasing leadership of improvements in wider financial support services.</p>	HIGH	MAJOR	B1	<p>Complete transformation of Corporate Finance functions, utilising the benefits of a fully resourced Finance Team.</p> <p>Further develop wider leadership role of Corporate Finance Team, ensuring that improvements are achieved in financial process across the Council.</p> <p>Urgently implement mitigating strategies with the aim of controlling net expenditure within budget in 2022/23 and developing a balanced budget for 2023/24. Key areas to focus on include pay (e.g. vacancy control), contracts (e.g. Waste Management and Leisure) and major capital projects (e.g. Epping Leisure Centre, HRA housebuilding).</p> <p>Ensure cashable efficiencies are given the highest priority for the remainder of 2022/23 and in preparing the 2023/24 budget.</p> <p>In the medium-term, continue cultural change process and address current deficit in efficiency and effectiveness.</p>	Strategic Director & 151 Officer	Monthly

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 4 Economic Development	Vulnerability: Economic development and employment are very important to the Council particularly in the post Covid-19 economic climate. The Council needs to be able to stimulate opportunities for economic development and employment (especially youth employment and those seeking local career progression) in the District in line with the Local Plan. It is recognised that the current economic shocks increase uncertainty but do however also provide opportunities through increased home working and local manufacture and trade. Consequence: <ul style="list-style-type: none"> Unable to secure sufficient employment opportunities Local area and people lose out Insufficient inward investment Impact on economic vitality of area Loss of business rate revenue Increased economic cost to the council 	<p>Risk that Council loses out to other authorities in terms of attracting business, employment and other Place opportunities. All of which would financially impact on the Council (e.g. loss in business rates, and residents/visitor spending power. E.g. leisure centres.</p> <p>Cost of living crisis can impact on disposable income with knock-on effects on the local economy/businesses.</p> <p>Unemployment has tracked back down to below national and regional levels but is still higher than pre pandemic levels.</p> <p>Good use has been made by the Council of government and County Covid-19 funding including business grants. (Bulk of Government schemes ended, legacy schemes still in operation).</p> <p>Demand for industrial and retail assets in the district remains high.</p> <p>Digital transformation continues to reshape much of the local economy and employment and income generation opportunities. This has implications for future skills provision and inward investment.</p>	VERY HIGH	MAJOR	A1	<p>Economic Development Plan (Nurturing Growth) in place and flexed to take account of Covid-19 and post pandemic issues.</p> <p>With the impact of Covid-19 a completely new action plan has been developed which considers a range of options for recovery of local high streets as this is now seen as the priority for Economic Development.</p> <p>Cabinet in July 2021 approved six town centre action plans to help support and improve economic viability of town centres across the district. Significant work has already been undertaken to deliver these. Vacancy rates in high streets have not dramatically increased but demand remains strong.</p> <p>A new inward investment site (Invest Epping Forest) has been produced and is awaiting launch. Loyal Free has been purchased and is being rolled out. Huq has been purchased and is in operation monitoring footfall.</p> <p>The Council has launched its Kickstart programme and development hub to help improve employment and skills. NWA Business Zone and possibly freepoint development linked with other employment sites.</p> <p>Engendering and supporting work from home and work local approaches through the support/creation of work hubs reducing the need to travel and commute and having environmental as well as economic benefits.</p>	MEDIUM	MODERATE	C2	<p>Ensure full delivery of inward investment site and loyal free. Support development at North Weald for maximum return in jobs and investment.</p> <p>Prepare for successful business plan to allocate shared prosperity funding (£1 million) to support key priority areas. Business plans to be submitted by end of July 2022 following consultation.</p> <p>Continue to develop DIZ, market digital economy, target public and private sector funding for enhanced infrastructure.</p> <p>Continue to develop and secure opportunities from the visitor economy to support high streets and local businesses. Upgrade and re-launch Visit Epping Forest website by the end of June 2022.</p> <p>Rescale town centre initiatives following withdrawal of resource.</p> <p>Review economic impact of RideLondon 2022.</p>	<p>Chief Operating Officer via</p> <p>Economic Development and Planning</p>	Monthly

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 5 Data / Information	Vulnerability: The authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised. Consequence: <ul style="list-style-type: none"> Breach of the 2018 Data Protection Act (DPA) and the General Data Protection Regulations leading to significant fines or/and intervention by the Information Commissioner's Office (ICO) Increased costs and legal implications Reputation damaged and loss of public confidence 	Risk of data held by the Council ends up in inappropriate hands. System loss. Generally effective to date, with no significant lapses since the introduction of the 2018 DPA. The work programme for the Information Governance Group, who oversees this risk, is comprehensive but has limited resource to progress the work.	HIGH	MAJOR	B1	<p>Significant work was undertaken by the Council to ensure it was compliant in time for the introduction of the GDPR in May 2018. This included review of policy and procedures, staff and Member training and awareness, completing an information asset register/register of processing activities and reviewing security of data arrangements.</p> <p>The Council continues to have a designated Data Protection Officer in post and a system of data breach and subject access request monitoring in place.</p> <p>A recent audit on data retention and disposals has been completed which identified a number of actions.</p> <p>A Senior Information Risk Owner has been identified and an Information Governance Group (IGG) has been formed. In addition, an Information Asset Owner Group has been set up.</p> <p>The Information Governance Group has put together a draft work programme and other actions will be reviewed and monitored through this Information Governance Group. A review of the work programme took place by IGG in their meeting</p> <p>A Retention and Disposals Policy was launched Feb 2021.</p>	MEDIUM	MODERATE	C2	<p>Continue working with the Information Asset Owner Group to embed understanding of the importance of information governance across the authority.</p> <p>The IGG Work Programme is being prioritised and is subject to ongoing review by SIRO and Chief Auditor.</p> <p>Information Governance policy review to be undertaken by. policy sub-group chaired by the SIRO.</p> <p>FOI infographic and eLearning- Use Litmos and plan for launch in February 2022</p> <p>Executive Team Information Governance training to take place in 2022.</p> <p>The IAOG reminded of their responsibilities of implementing the Retention & Disposal Policy. Audit to discuss Policy with service areas to ensure periods are appropriate.</p> <p>Work has begun to redesign the Council's 'Open Data' webpage and populating with information required by the Code. Webpage to be finalised and launched by 30 June 2022.</p> <p>Work will soon begin to cleanse the Council's Z drive and review the Retention and Disposal Policy. End date for this project is 30 November 2022.</p>	Service Director- Corporate Services (SIRO)	Quarterly

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 6 Business Continuity	Vulnerability: The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act. Following the re-organisation and negative outcomes from Internal Audit's review plans need to be updated and changes in responsibilities confirmed. Consequence: <ul style="list-style-type: none"> Services disrupted / Loss of service Possible loss of income Staff absence Hardship for some of the community Council criticised for not responding effectively Strain on/or lack of staff resources. Increased sickness absence due to Covid19 – staff availability to work Additional capacity needed for projects ICT restructure 	An Internal Audit of Business Continuity arrangements identified a number of weaknesses which were addressed through the BC project. An external consultant has been engaged to develop the strategy and provide coaching to staff to develop plans. This has largely been completed and an exercise to test was undertaken in Feb 2020. All departments now have their own departmental BC plans Corporate strategy now sits above all plans and has been tested. Currently, the organisation is continuing to deliver services to a high standard, working remotely, in new ways etc, however there are strains on project delivery and in some areas BAU due to staff absence, restructures, turnover. The current ICT DR solution is not fully tested, and therefore might not deliver the expected benefits.	VERY HIGH	MAJOR	A1	Improvement of current business continuity (BC) management arrangement is currently in progress. Our organisational response to the current covid-19 emergency demonstrates a generally effective BCP with essential services / critical functions continuing. Next phase is to co-ordinate the review and updating of plans on an ongoing progressive program. Mitigation re staff resources: <ul style="list-style-type: none"> New recruitment process and careers page to attract new candidates. More efficient and less bureaucratic processes The category A, B, C list of staff availability has recently been reviewed ICT Portfolio Governance Group is established Flexible use of salary budget to plug short term gaps Business DR testing successfully completed over 3 days.	MEDIUM	MODERATE	C2	Chelmsford Council has agreed to provide templates including a Business Impact Analysis tool. The outcome of which will assist EFDC to develop a work programme/service plan. Initial meeting took place with Chelmsford on 17 January 2022. A small group will be tasked to review process/next steps. Senior managers to keep situation under regular review. Staffing issues is a standing item on fortnightly Wider Leadership Team Meeting.	Service Director – Corporate Services	Quarterly

[illegible]

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 8 Delays in issuing Planning Permission	Vulnerability: Delays in issuing around 260 Planning Permission for development following objections by Natural England regarding the impact of development on air quality in Epping Forest SAC. Consequence: <ul style="list-style-type: none"> Delays in granting Planning Permission in the District and house building to create new homes. Loss of New Homes Bonus Restricted Business Rates tax base growth Reputation damaged 	The Habitats Regulations Assessment (HRA) January 2019 found that the Plan would be likely to have a significant effect upon the Epping Forest Special Area of Conservation (the SAC) in respect of both atmospheric pollution and disturbance from recreation & urbanisation.	VERY HIGH	MAJOR	A1	Regular meetings held with key stakeholders including Natural England to update the HRA and develop a mitigation strategy. Interim mitigation strategy (SAMMS) was agreed by Council in October 2018 to mitigate the impact of recreational pressure on the Forest and Natural England have confirmed it is appropriate. The outstanding concerns in relation to the Green Infrastructure Strategy/ SANG strategy and the need for site specific projects to mitigate the impact of recreational pressure associated with growth in the South of District has been addressed in the GI Strategy approved at Cabinet on 20 April 2021. A Draft Air Pollution Strategy was agreed by Cabinet in July 2020 for further consultation with Natural England. An updated strategy has been prepared and was adopted by Council on 8 February 2021 following confirmation from Natural England that the strategy was agreed.	MEDIUM	MODERATE	C2	Mitigation strategy in place for both recreational pressure and air quality issues. Interim air pollution mitigation strategy has been agreed with Natural England and has being adopted by the Council through a PFH report which was called in to a Full Council meeting on 8 February 2021. The Interim Air Pollution Strategy was agreed by full Council on 8 February 2021 and opened the potential release of 260 planning permissions. To date, 163 planning permissions have been successfully released equating to 261 dwellings. 21 applications have been withdrawn and 17 have been refused planning permission. A number are still awaiting the completion of s106 agreements to accompany the planning permission. Applications submitted after 8 February 2021 are being dealt with in a Business As Usual manner.	Service Director - Planning Services	Monthly – regular updates are being provided to the inspector

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 9 Climate Emergency	Vulnerability: The Council declared a climate emergency and has pledged to do everything within its power to make the Epping Forest District carbon neutral by 2030. The Council has identified a number of initial areas of focus, including: Local Plan site allocations achieving high standards of sustainability; carbon reduction of council owned properties; the promotion of sustainable transport and implementing an air quality strategy. Consequence: <ul style="list-style-type: none"> • Reputational damage • Greatly increased costs from Climate Change Adaptation requirements 	Failure in achieving identified carbon reduction targets and taking action to reach the carbon neutral District by 2030 pledge. Contracts of both the Climate Change Officer and the Sustainable Transport Officer have been made permanent. Climate Change Officer now on maternity leave.	VERY HIGH	MODERATE	A2	The Climate Change and Sustainable Transport Officer developed a draft action plan with the overall objective of becoming carbon neutral by 2030. It covers all service areas and the wider District emissions. The draft Climate Change Action Plan went for public consultation, finishing on 26 th November 2021. A report of the findings from the consultation went to Overview and Scrutiny at the end of March 2022. Final version of Climate Action Plan submitted and approved by Cabinet in April 2022 DaRT87 launched in Jan 2021 as an emergency hybrid Demand Responsive Transport (DRT), had been hit by the effects of the pandemic with continued WFH work patterns suppressing demand for tube journey links and older/concessionary pass holders remaining cautious about using public transport (confirmed in ECC and national stats). Cabinet in March 2022, agreed in its current form and cost to continue the service.	HIGH	MODERATE	B2	The move to staff working from home and covid-19 associated projects including increasing active travel as part of the Safer Places project for High Street recovery, will contribute towards a positive impact on carbon reduction. Climate Change Officer on maternity leave until 2023. Essex CC have formed a Climate Action Team and discussions underway to provide interim support. DaRT87 - further funding merited due to extreme challenges posed by Covid-19 conditions – as one third of interest had been from Harlow residents, Harlow's (and ECC's) financial support should also be sought in 22/23.	Chief Operating Officer	Quarterly

Risk Assessment Matrix

Likelihood	Definite >90% has happened or has happened on a regular basis over the last 12 months	A Very high (Almost certain)	A4	A3	A2	A1
	Occurs in most circumstances 55% to 90%. Or has happened once or twice in the last 2 years	B High (Likely)	B4	B3	B2	B1
	Occurs in certain circumstances 10% to 55% or has happened once or twice in the last 5 years.	C Medium (Possible)	C4	C3	C2	C1
	Occurs exceptionally/very unlikely <10% or has not happened in the last 5 years	D Low/very low (Unlikely/rare)	D4	D3	D2	D1
			4 Low	3 Medium	2 High	1 Very high/ critical
Impact		Financial	Loss/overspend under £10K	Loss/overspend £10K-£250K	Loss/underspend £250K-£1M	Loss/underspend over £1M
		Service	Marginal disruption to service capability	Short term disruption to service or marginal reduction in service. Objectives of one section not met.	Short term loss of service or significant reduction service. Directorate objectives not met.	Medium/longer term loss of service. Failure to deliver at least one the Council's corporate objectives.
			Unlikely to cause complaint/litigation	High potential for complaint with possible litigation	High potential for complaint with probable litigation	Litigation almost certain and difficult to defend.
		Reputation	No adverse publicity	Minor adverse publicity	Adverse national publicity/significant adverse local publicity	Significant adverse national publicity
		Legal/regulatory	Breaches of local procedures/standards	Breaches of regulations/standards	Breaches of law punishable by fines	Breaches of law punishable by imprisonment
		Environmental/Public Health	Incident with no lasting effect	Short term incident (weeks)	Medium term major incident (1 month – 1 year)	Long term major incident (1 year +)
		Health and Safety	'First Aid' level injury	Medical treatment required – long term injury	Extensive permanent injury – long term absence	Fatality

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Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Strategic Director**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team:

Title of policy or decision: **Risk Management report**

Officer completing the EqlA: Tel: **01992 564446** Email: **smarsh@eppingforestdc.gov.uk**

Date of completing the assessment: 16/06/22

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? No; an update of risk management to Audit and Governance Committee
2.2	Describe the main aims, objectives and purpose of the policy (or decision): N/A What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? N/A Will the policy or decision influence how organisations operate? N/A
2.4	Will the policy or decision involve substantial changes in resources? N/A
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? N/A

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? N/A
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: N/A

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: Andrew Small

Date: 16/06/22

Signature of person completing the EqlA: Sarah Marsh

Date: 16/06/22

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.