



Epping Forest District Council

AUDIT & GOVERNANCE COMMITTEE **Monday, 13th February, 2023**

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

Council Chamber - Civic Offices
on **Monday, 13th February, 2023**
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 (Chairman), T Matthews, B Vaz, S Heap and M Owen

Independent: Mr A Jarvis

WEBCASTING/FILMING NOTICE

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If you have any queries regarding this, please contact the Corporate Communications Manager on 01992 564039.

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. 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/>

3. DECLARATIONS OF INTEREST

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

4. MINUTES (Pages 5 - 10)

To confirm the minutes of the meeting of the Committee held on 28 November 2022.

5. MATTERS ARISING

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

6. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME (Pages 11 - 12)

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

7. RISK MANAGEMENT (Pages 13 - 36)

(Strategic Director Corporate and Section 151 Officer) To consider and comment on the risk management report.

8. INTERNAL AUDIT PROGRESS REPORT (Pages 37 - 60)

(Chief Internal Auditor) To consider and comment on the Internal Audit Progress Report.

9. TREASURY MANAGEMENT POLICY AND PRACTICE

(Strategic Director Corporate and Section 151 Officer) To consider and comment on Treasury Management Policy and Practice (report to follow).

10. TREASURY MANAGEMENT STRATEGY (INCLUDING INVESTMENT STRATEGY) 2023/24

(Strategic Director Corporate and Section 151 Officer) To consider and comment on the Treasury Management Strategy (including Investment Strategy) 2023/24 (report to follow).

11. CAPITAL STRATEGY 2023/24 TO 2025/26

(Strategic Director Corporate and Section 151 Officer) To consider and comment on the Capital Strategy 2023/24 to 2025/26 (report to follow).

12. 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.

13. 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:	Monday, 28 November 2022
Place:	Council Chamber - Civic Offices	Time:	7.00 - 8.05 pm
Members Present:	Councillors P Bolton (Chairman), B Vaz, S Heap and M Owen		
Co-Opted Member Present	Mr A Jarvis		
Other Councillors:	Councillor J Philip		
Other Councillors (Virtual):	Councillor A Lion		
Apologies:	Councillor T Matthews		
Officers Present:	L Kirman (Democratic Services Officer), S Marsh (Chief Internal Auditor), M Crowe (Corporate Fraud Team Manager), S Linsley (Senior Auditor), A Small (Section 151 Officer), C Hartgrove (Interim Chief Financial Officer) and S Mitchell (PR Website Editor)		
Officers Present (Virtually):	V Messenger (Democratic Services Officer)		

26. 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.

27. DECLARATIONS OF INTEREST

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

28. MINUTES

Resolved:

That the minutes of the meeting held on 29 September 2022 be taken as read and signed by the Chairman as a correct record.

29. MATTERS ARISING

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

30. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME**Resolved:**

The Committee noted its Work Programme for 2022/23.

31. ISA 260 COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

The Strategic Director Corporate and Section 151 Officer, A Small, advised the Committee that the Draft ISO 260 report was the written conclusion of the Auditors findings for the 2020/21 accounts. Whilst there were no major issues to report, there was a national issue in relation to the treatment of infrastructure assets, it was anticipated that there would only be minor amendments before the report was finalised.

Mo Ramzan, Deloitte, provided further detail on the report. He advised the Committee the report had been issued as a draft progress position and the audit was substantially complete. He confirmed that formal guidance was expected in relation of infrastructure assets and this would be applied to the financial statements. The Value for Money (VfM) work was completed and there were no matters to report. It was anticipated that an unqualified and unmodified audit opinion, with no significant matters to highlight would be given. A final report would be issued and presented to the Committee in due course.

The Committee were advised that information relating to the subsidiary auditor would be included in a future report.

Resolved:

The Committee noted the draft report on the audit for the year ended 31 March 2021.

32. TREASURY MANAGEMENT MID-YEAR UPDATE 2022/23

Interim Chief Financial Officer, C Hartgrove, presented the report, he highlighted the mid year position for the period April to September 2022:

- The level of borrowing had marginally decreased by £0.7 million, from £269.0 million to £268.3 million, compared to the same position for 2021/22.
- There was a decrease in investments of £2.3 million, from £18.7 million to £16.4 million, with a wider spread of investments, compared to the same position for 2021/22.
- Commercial property investments achieved a total net income of £4.2m, compared to £3.768 million for the corresponding period in 2021/22. Income streams at North Weald Airfield had benefited due to the return of the Saturday Market following the disruption caused by the pandemic.
- There had been compliance with the Treasury Management indicators, except for a technical breach associated with the 50% upper limit of the maturity of loans between 15 and 20 years, which was at 58%. The Committee was advised that this was a legacy from the HRA self-financing exercise and would be addressed in the forthcoming Treasury Management Strategy for 20223/24.

The Committee queried the Council's cashflow position, asked about the £54m of short-term borrowing that would expire within 120 days and challenged the efficacy of the interest rate indicator. C Hartgrove advised the income and outgoings could be in the region of millions of pounds on a daily basis, most of the short term borrowing would need to be refinanced and options for long term borrowing could be considered. The indicator was based on investments and borrowing that the Council currently had and all the borrowing was on fixed rate, exposure to investment risk

low, but the indicator would be reviewed as part of the Treasury Management Strategy.

Resolved:

The Committee noted and recommended the Treasury Management Mid-Year Update 2022/23

33. PROPOSED CHANGE IN MINIMUM REVENUE PROVISION (MRP) POLICY

The Interim Chief Financial Officer, C Hartgrove, explained that the Minimum Revenue Provision (MRP) was a statutory requirement for councils to make a charge to its General Fund to provide for the repayment of past capital debt and other credit liabilities. The proposal was to change the method of calculation of MRP from 'Asset Life Straight Line' method to the 'Asset Life Annuity' method. This was fully compliant with statutory guidance and would change from equal instalment over the life of the asset to a repayment profile based on how the benefits of the asset were consumed over its useful life. This change would result in a lower revenue charge to the General Fund in the short and medium term.

The Committee challenged the change of approach, questioned the assurance of funds being set aside for this purpose, and raised concerns in relation to the future rates and forecasts for annuities which could create a future issue. C Hartgrove advised that there was a budget for MRP and as part of the year end accounting process a journal for the transfer to the capital finance reserve was covered by the annual audit. The annuity rates were updated twice daily by the PWLB and this would be reflected and updated in calculations, and a full provision would be made over time, with annual adjustments if required. Andrew Small confirmed that adequate provision was being made and that the auditors would raise as an issue to the Committee if there were any concerns.

It was noted that Cllr Owen did not support the change.

Resolved:

The Committee noted and recommended to full Council the change to the Minimum Revenue Account (MRP) Policy with effect from 2023/24.

34. RISK MANAGEMENT

The Strategic Director Corporate and Section 151 Officer, A. Small, introduced the risk report and highlighted that non-compliance with Health & Safety Regulations had been added to the risk register as new regulations had come into force. Work to comply with The Building Safety Act 2022 and Fire Safety Act 2021 had commenced and this should reduce the risk rating. The risk associated with Cyber security had also increased.

The Committee received confirmation that the new regulations applied to buildings for the Council's own use and community use.

Resolved:

The Committee reviewed and endorsed the risk register.

35. 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. The 'feeder systems and reconciliations' audit had received limited assurance; the associated recommendations were being progressed. There were seven overdue items on the recommendation tracker, all of which were medium priority.

S Linsley introduced the Whistleblowing Policy and highlighted the minor revisions to the policy for safeguarding reporting and changes in contact details of staff. She advised the Committee that had been some minor changes around types of fraud in the updated Anti-Fraud and Corruption Strategy. A review of the current Internal Audit Charter had confirmed it was fit for purpose and fully compliant with the Public Sector Internal Audit Standards (PSIAS) and no changes were proposed.

The Code of Corporate Governance was a statement of the systems by which the Council directs and controls the exercise of its functions and how it relates to the local community. The review has confirmed the Code was still up to date, in line with good practice and fit for purpose. Minor changes had been made to remove references to Covid-19 as the Council had moved out of the reactive phase of the pandemic into recovery.

An update on the work of the corporate fraud team and progress made against the issues identified in the Annual Governance Statement were detailed in the report.

The Committee sought assurance on that all data would be transferred to the cloud, whilst technical detail could not be provided A Small advised that this would be built into project structure and processes.

Resolved:

The Committee:

- noted the summary of the work of Internal Audit and the Corporate Fraud Team for the period September to November 2022
- noted the revised Whistleblowing policy
- approved and referred the revised Anti-Fraud and Corruption Strategy to full Council for approval
- approved the revised Internal Audit Charter, and
- approved the Code of Corporate Governance

36. ANY OTHER BUSINESS

No other business was raised for consideration by the Committee.

37. 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	Internal Audit Report -Cyber Security	3

38. INTERNAL AUDIT REPORT - CYBER SECURITY SUMMARY

Resolved:

The Committee noted the 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
- Treasury Management Outturn Report 2021/22
- Audit Report to Audit & Governance Committee for year ended 31 March 2021 (“ISA 260”) (Deloitte LLP) **CARRIED FORWARD**

28 November 2022

- Internal Audit Progress Report
- Risk Management Report
- Review of the Audit and Governance Committee Terms of Reference- deferred (date tbc) to be incorporated into workshop.
- Review of the Audit and Governance Committee Effectiveness- deferred (date tbc) to be incorporated into workshop.
- Review of the Anti-Fraud and Corruption Strategy (incorporated into the Internal Audit Progress Report)
- Treasury Management Mid-Year Report 2022/23
- Review of Code of Corporate Governance -
- Review of the Internal Audit Charter
- Review of the Whistleblowing Policy

13 February 2023

- Treasury Management Policy and Practice
- Treasury Management Strategy (including investment Strategy) 2023/24
- Capital Strategy 2023/24
- Internal Audit Progress Report.
- Risk Management Report

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: 13 February 2023

Portfolio: Leader of the Council

Subject: Risk Management

Responsible Officer: Andrew Small (01992 564278)

Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

- (1) 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 considered by the Council's Officer Risk Management Group at their meeting of 5 January 2023 where all risks were reviewed and challenged.
2. Three risks (risks 2, 9 and 11) have been renamed to reflect the risk to the Council more accurately.
3. Risk 3 (Financial Resilience) has been reduced to C1 following the achievement of budget reductions in balancing the draft budget for 2023/24.
4. The Council is continuing to closely monitor risk 2 (Increase in demand for housing assistance) although concluded that no change to the risk score is required at this stage.
5. The risk register was subsequently presented to the Corporate Governance Group (which includes the Chief Executive and the Section 151 Officer in its membership) for further

review and challenge. The narrative for each risk has been reviewed and, where appropriate, updated to reflect the current situation (appendix 1).

6. The table below outlines the direction of travel for each risk since it was updated for the November 2022 Audit and Governance Committee, with a brief commentary supporting each risk.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		November 2022	January 2023	
1	Local Plan	B1	B1	Awaiting the Inspector's timetable for any further changes and their final report, following which the Plan can be formally adopted by the Council.
2	Increase in demand for housing assistance (formerly increase in demand for financial and housing assistance)	B2	B2	Monitoring closely as the cost of living continues to rise. Monthly tracking for early identification of spikes in demand.
3	Financial Resilience	B1	C1	Following the achievement of budget reductions of £4.3 million in balancing the draft budget for 2023/24, the risk has been downgraded to C1, although continuing to monitor closely.
4	Economic Development	C2	C2	UK Shared Prosperity Fund year 2 delivery plan is in preparation. Continue to develop and secure opportunities from the visitor economy to support high streets and local businesses.
5	Data/information breach	C2	C2	A designated Data Protection Officer is in post and a system for data breach and subject access request monitoring is in place. Work programme monitored by the officer Information Governance Group.
6	Business continuity	C2	C2	Work is in progress to review the corporate business continuity (BC) plan and supporting departmental BC plans and business impact assessments
7	Cyber security	B2	B2	IT Security Officer is continually monitoring the situation and potential risks. Controls in systems have been strengthened in response to

				specific occurrences.
8	Delays in issuing Planning Permissions	C2	D3	The backlog has been cleared except for a small number awaiting the applicant to sign s.106 agreements. This risk will no longer feature on the corporate risk register now it has a 'green' rating
9	Failure to achieve carbon emissions targets (formerly climate emergency)	B2	B2	The Climate Action Plan is being reviewed to identify priority actions. Specific climate work to be scoped and mapped.
10	Waste Management	B2	B2	Market engagement meetings with waste contractors have taken place to determine their interest. Procurement documents to go to market in February 2023. A feasibility report completed for a Council owned waste depot.
11	Failure to achieve regulatory/legal regulations (formerly non-compliance with statutory health & safety regulations)	A1	A1	Spreadsheets of compliance checks undertaken are maintained for each of the 'big six' (gas, electrical, fire, asbestos, legionella, lifting operations and lifting equipment regulations). A dashboard to provide up to date visibility and tracking their status is being implemented.

7. 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 considered 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 (FEBRUARY 2023)

LIKELIHOOD	A Very High				11
	B High			2 7 9 10	1
	C Medium			4 5 6	3
	D Low / Very Low		8		
		4 Insignificant	3 Minor	2 Moderate	1 Major
IMPACT					

Risk no.	Risk score	Description
1	B1	Local Plan
2	B2	Increase in demand for housing assistance
3	C1	Financial resilience
4	C2	Economic Development
5	C2	Data/Information breach
6	C2	Business Continuity
7	B2	Cybersecurity
8	D3	Delays in issuing planning permission
9	B2	Failure to achieve carbon emissions targets
10	B2	Waste Management
11	A1	Failure to achieve regulatory/legal regulations

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 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 continuation of application of the presumption in favour of sustainable development.</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 damage <p>An annual housing requirement of 963 homes per year (2021/22) far more than 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 with hearings 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 MMs were considered by the first Inspector but delayed before she was replaced by a new Inspector in May 2022 who indicated that further MMs are required. Consultation for the further MMs ran from 28 October - 9 December 2022.	VERY HIGH	MAJOR	A1	<p>1) Extensive work undertaken to respond to the post hearing Actions set out by the Plan Inspectors, MMs and further MMs produced and consulted upon in 2021 and 2022.</p> <p>2) Consultants in place to support Habitats Regulations Assessment, Sustainability Assessment statements required alongside the Local Plan adoption.</p> <p>4) Financial contributions towards mitigation and enhancements required by Interim Air Pollution Mitigation Strategy for the Epping Forest, Green Infrastructure Strategy and Epping Forest Strategic Access Management and Monitoring Strategy already being secured.</p> <p>5) Implementation Team well-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 and Cabinet.</p>	HIGH	MAJOR	B1	<p>1) Regular updates to be provided and posted on the Council's website.</p> <p>2) Representations received to the further MMs in December 2022 collated and uploaded to the Local Plan page of the Council's website within two weeks of the close of consultation. Await Inspector's timetable for any further changes and his final report. Following receipt of the Inspector's report, the Plan can be formally adopted by the Council if it makes the MMs recommended. We will report to Full Council for Member adoption in Q4 2022/23</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 housing assistance	<p>Vulnerability:</p> <p>Rising cost of living could significantly impact residents' ability to meet housing costs leading to increase in demand for homelessness assistance.</p> <p>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.</p> <p>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.</p> <p>Government's move to full dispersal model (asylum seekers) will inevitably put pressure on an already over stretched affordable private rented sector market and means the addition of yet another competing priority.</p>	<p>Fuel poverty crisis and general, significant, rise in living costs. Increasing competing priorities for finite number of affordable housing units.</p> <p>Consequences:</p> <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 • 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	<ol style="list-style-type: none"> 1. Virtual customer portal signposting access to a range of help, advice and support services (Frontline) 2. Breathing Space 3. Hub approach to service delivery centred at Civic Office with targeted holistic provision of services across the district (Waltham Abbey hub). 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 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. Funded (Changing Futures) Job Coach that will assist 60 clients over 2 years into sustainable employment (as prevention of homelessness measure) 	HIGH	MODERATE	B2	Tolerate risk – continue to closely monitor the situation	Interim Housing and Property Director	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 financial sustainability; this impacts on 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 Maintaining an ongoing balanced budget is contingent on the continuous identification of cashable efficiency savings. Current spending levels are not sustainable; and</p> <p>Financial Control Tighter financial control is essential in the more challenging financial environment that lies ahead.</p>	<p>Draft balanced budget prepared for 2023/24 (due to Cabinet 06/02/23). Updated Medium-Term Financial Plan (MTFP) for 2023 to 2028 (forecasting a cumulative deficit of £3.9 million by 31/03/28) now reflects budget.</p> <p>The economic turbulence experienced in 2022 appears to be calming with most commentators believing that the inflationary peak has passed and that the anticipated recession will not be as severe as originally feared. But inflation is still very high (December 2022 CPI was 10.5%) and the Bank of England raised the base rate to 4.0% on 02/02/23; increased interest rates are putting substantial strain on Council financing costs.</p> <p>The 2022/23 Quarter 3 General Fund forecast indicated an overspend of £1.313 million, which if it materialises will reduce the General Fund Reserve balance below the adopted minimum contingency level.</p> <p>Slippage on timetabled income from Qualis continues to be a risk, exacerbated by rising interest rates. Delays on Local Plan have held back receipts from Planning Applications (and Qualis loan margins).</p> <p>Heightened cost pressure on Waste Management service.</p>	VERY HIGH	MAJOR	A1	<p>Covid-19 Immediate pressure receded gradually in 2021/22. Medium/Long Term financial impacts being managed through MTFP (@ February 2023). Qualis Council's interests directly overseen and managed by Section 151 Officer with tailored support from specialist professional advisors. 25% contingency included in draft budget for 2023/24.</p> <p>Economic Turbulence Inflationary impacts (including interest rate increases) closely monitored and assessed by Section 151 Office through the ongoing Financial Planning process with contingencies in place in key problem areas.</p> <p>Efficiency Savings and Service Cuts Cashable savings of £4.3 million were identified in order to achieve the draft balanced budget for 2023/24. Substantial further savings will be required in 2024/25 and beyond, with transformation projects seen as the key enabler. Forecast budget deficit for 2024/25 now £2.4 million. Future savings likely to be harder to achieve with 'low hanging fruit' realised in preparing 2023/24 draft budget.</p> <p>Financial Control Process improvements continuing to be rolled out by Deputy S151. Corporate Finance function fully resourced (since September 2022), with added focus on internal financial control procedure and increasing leadership of improvements in wider financial support services.</p>	MEDIUM	MAJOR	C1	<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>Continue to deploy mitigating strategies with the aim of trying to control net expenditure within budget in 2022/23. Key areas to focus on include pay (vacancy control), energy, major contracts (Waste Management and Leisure) and major capital projects (Epping Leisure Centre, HRA housebuilding).</p> <p>Urgently 'ramp up' transformation initiatives ahead of the 2024/25 budget preparation process (the forthcoming budget deficit for 2024/25, identified in the February 2023 updated MTFP, is already known about).</p> <p>In the medium-term, continue cultural change process and improve efficiency and effectiveness. This includes prioritising, promoting, and supporting, the further development of the Council's medium and long-term transformation plans.</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	<p>Vulnerability: An economic downturn will have significant impacts on the health and wellbeing on the area and the Council's financial position in terms of commercial activity and greater calls on council resources.</p> <p>Consequence:</p> <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>Economic conditions are challenging at the moment. It is anticipated that unemployment will begin to rise with a very challenging trading environment for local businesses caused by the cost-of-living crisis, impact on disposable income and other issues. This can have an impact on the Council's commercial activities in traded services, the demand on council services and business support to enable businesses to trade through the difficult conditions.</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 until May 2025.</p> <p>A completely new action plan was developed and deployed for recovery of local high streets.</p> <p>The government announced in 2022 a new UK Shared Prosperity Fund (UKSPF) and the Council has secured £1 million of funding following a successful submission. Final quarter spend for UKSPF is now in delivery (£70k). A new inward investment site (Invest Epping Forest) has been produced and is live and awaiting formal launch.</p>	MEDIUM	MODERATE	C2	<p>Ensure full delivery of inward investment site and loyal free.</p> <p>Support development at North Weald for maximum return in jobs and investment.</p> <p>Remainder of £30k linked to UKSPF year 1 funding is capital support and will be deployed for playground enhancements with support of HRA team by end of March 2023.</p> <p>UK Shared Prosperity Fund year 2 delivery plan is in preparation and year 3 discussions with neighbouring authorities on skills provision schemes are being initiated.</p> <p>Awaiting confirmation from DLUHC and approval of UK Rural Prosperity Fund submission for £436k. Outline delivery plan is in place. Will need to be reviewed following award.</p> <p>Continue to develop DIZ, market digital economy, target public and private sector funding for enhanced infrastructure. New initiatives around enhanced 5G connectivity, SME digital clusters and support on environmental sustainability underway.</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 has been completed. Formal relaunch is now being programmed.</p> <p>New programme of town centre support contained in UKSPF delivery plans.</p>	<p>Chief Operating Officer via 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 breach	<p>Vulnerability: The authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.</p> <p>Consequence:</p> <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 	<p>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.</p> <p>The work programme for the Information Governance Group, who oversees this risk, is comprehensive but has limited resource to progress the work.</p>	HIGH	MAJOR	B1	<p>The Council continues to have a designated Data Protection Officer in post and a system of data breach and subject access request monitoring is in place.</p> <p>A Senior Information Risk Owner has been identified and an Information Governance Group (IGG) has been formed. In addition, an operational Information Asset Owner Group has been set up.</p> <p>The Information Governance Group has put together a work programme and is updated quarterly.</p> <p>A Retention and Disposals Policy was launched Feb 2021.</p> <p>GDPR & Cyber security eLearning training on Litmos was provided during 2022.</p>	MEDIUM	MODERATE	C2	<p>The IGG Work Programme is being prioritised and is subject to ongoing review by SIRO and Chief Internal Auditor.</p> <p>A designated FOI Business Support Officer will be appointed.</p> <p>Information Governance policy review to be undertaken by Policy sub-group chaired by the SIRO. Executive Team Information Governance training to take place in 2023.</p> <p>FOI infographic eLearning on Litmos along with raising awareness communication and data governance will be rolled out during 2023. Redesign and populate the Council's 'Open Data' webpage to ensure EFDC is compliant with the Transparency Code 2015. Cleanse the Council's Z drive and review the Retention and Disposal Policy.</p> <p>Set up Teams channel and an action plan template circulated for Team Managers to manage their data overseen by the DPO Officer.</p> <p>Compiling/updating an information asset register/register of processing activities (RoPA).</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 (BC)	<p>Vulnerability: The Council is required to develop and implement robust Business Continuity Plans (BCP) in line with the requirements of the Civil Contingencies Act. Following the re-organisation and negative outcomes from Internal Audit's review plans needed to be updated and changes in responsibilities confirmed.</p> <p>Consequence:</p> <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 potential pandemics – staff availability to work ▪ Additional capacity needed for projects ▪ ICT restructure 	<p>An Internal Audit of Business Continuity arrangements identified a number of weaknesses which were addressed through the BC project in 2020.</p> <p>An external consultant was 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.</p>	VERY HIGH	MAJOR	A1	<p>Dedicated Contingency Planning and Council Safety Officer.</p> <p>Corporate BC Plan sits above all plans and is currently going through a refresh.</p> <p>Departments compiled their BC plans following the assistance provided by the external consultant in addition BC Plans in place for key suppliers e.g., waste contract.</p> <p>Departmental BC plans are underpinned by Business Impact Assessments.</p>	MEDIUM	MODERATE	C2	<p>Business impact assessments and departmental BC plans currently being updated.</p> <p>BCP Framework being worked on by BCP Officer and Service Director</p> <p>Service Director and BCP Officer forming Corporate Strategy Emergency Response Plan</p> <ol style="list-style-type: none"> i) Incident manager Civic ii) BCP 'Battle' Box iii) Service specific emergency response iv) Service Business Continuity Planning 	Service Director – Corporate Services	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 7 Cyber Security	<p>Vulnerability: The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.</p> <p>Consequence:</p> <ul style="list-style-type: none"> Loss of system access and/or data Unable to provide Council services Increased costs Reputation damaged Ransomware payment Corporate fines 	<p>Risk of data held by the Council ends up in inappropriate hands. System loss. However, no loss of data. Systems have remained protected from cyber-attack.</p> <p>EFDC is targeted directly. Unknown vulnerabilities in systems. Misconfigured systems. EFDC staff error. Disgruntled EFDC staff.</p> <p>System Loss, Data unavailable, Data stolen, Data changed,</p>	VERY HIGH	MAJOR	A1	<p>IT Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access. Controls in systems have been strengthened in response to specific occurrences. IT monitoring & installing system updates & patches All data back up now directly to the cloud. Considering extending to grandfather back-ups</p> <p>Latest windows major upgrade underway and on track (except GIS & M3 PP).</p> <p>An eLearning module provided by the National Cyber Security Centre has been rolled out across the Council.</p>	MEDIUM	MODERATE	B2	<p>Mystery Phishing campaign will commence February 2023. Security audit has been undertaken by Internal Audit. Microsoft security audit data collection has been undertaken over a number of weeks in Sept/Oct 22. A prioritised remedial action plan will be created, and resources planned to mitigate key risks found – commencing February 2023. PSN compliance check, both internal and external, are booked. Supplier staffing shortages has pushed this out to w/c 27th Feb. A remedial action plan will then be created for action from April 2023. The Council may benefit from further assessment in 2023/24 given that the likelihood of attack is continuing to increase. EFDC are discussing with the Essex Digital Partnership being a pilot for a Cyber Essentials + assessment. The assessment should consider key IT supply chains as more of the estate moves to the cloud. The Council should also consider assurances from key Suppliers in the supply chain as part of understanding their business continuity preparedness. An updated draft information security policy has been created. After feedback from the above compliance checks and tests it will be shared with the business in Q4 2022/23. This requires input from and ratification from the IGG.</p>	Service Director – ICT & PMO, Strategy & Policy	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 8 Delays in issuing Planning Permission	<p>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.</p> <p>Consequence:</p> <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. Development Management employed a senior planning officer specifically to clear this backlog.	MEDIUM	MODERATE	D3	<p>Mitigation strategy in place for both recreational pressure and air quality issues.</p> <p>Interim air pollution mitigation strategy has been agreed with Natural England and has been adopted by the Council through a PFH report which was called in to a Full Council meeting on 8 February 2021.</p> <p>The Interim Air Pollution Strategy was agreed by full Council on 8 February 2021 and opened the potential release of 260 planning permissions. Applications submitted after 8 February 2021 are being dealt with in a Business As Usual manner.</p> <p>Apart from a handful of applications awaiting the applicant to sign a s.106 agreement and therefore issue the planning permission, then can confirm that the backlog has been removed and as a result, the senior planning officer specifically brought in for this purpose finished his employment with us on 23 December 2022.</p>	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 Failure to achieve carbon emissions targets	<p>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.</p> <p>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.</p> <p>Consequence:</p> <ul style="list-style-type: none"> Reputational damage Greatly increased costs from Climate Change Adaptation requirements 	<p>Failure in achieving identified carbon reduction targets and taking action to reach the carbon neutral District by 2030 pledge.</p> <p>Contracts of both the Climate Change Officer and the Sustainable Transport Officer have been made permanent.</p> <p>Climate Change Officer returns from maternity leave in early Feb 2023</p>	VERY HIGH	MODERATE	A2	<p>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 26th November 2021.</p> <p>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</p> <p>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).</p> <p>Cabinet in March 2022, agreed in its current form and cost to continue the service.</p>	HIGH	MODERATE	B2	<p>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.</p> <p>The Climate Action Plan reviewed to identify what is Business as Usual and what are priority actions. Findings will be reported back to the PMO Steering Group. Climate work to be scoped and mapped.</p> <p>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.</p>	Interim Strategic Director	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 10 Waste Management	<p>Vulnerability: Failure of Waste Contract Inability of the Council's partnering contractor, Biffa Municipal Limited to provide waste collection services as specified in Contract.</p> <p>Failure to procure new Waste Contractor to commence in Nov 2024</p> <p>Consequence:</p> <ul style="list-style-type: none"> • Reputational damage to the Council • Significant additional costs to the Council • Environmental impact – increased rubbish on street, health issues if waste left out too long before collected • Ongoing service delivery issues 	<p>There has been significant increase in volume and frequency of missed collections, which has led to district wide disruption and complaints. This is due to staff shortages (particularly drivers) and vehicle breakdowns due to age of fleet.</p> <p>The Council was in discussion with Biffa regarding a contract extension, however a Cabinet decision has been made to run a procurement exercise for the new waste contract. The contract extension talks have stopped due to failure to agree on the costs of the Contract and EFDC's ability to demonstrate value for money.</p>	HIGH	MAJOR	B1	<p>Daily communications with Biffa, keeping members and residents informed.</p> <p>New management team at Biffa, Waltham Cross (Depot). Biffa have agreed a further 2-year pay deal with the GMB. Biffa have already managed to recruit an additional 6 drivers who will commence employment shortly.</p> <p>Biffa are currently sourcing newer / more reliable narrow access vehicles for the Contract, this should be finalised within the next 4 weeks.</p> <p>Biffa St Albans now providing further additional support for vehicle maintenance in Epping. Waste Management team have a vehicle and crew from another contractor which is being used as and when required to clear missed collections.</p> <p>A PIN (Prior Information Notice) was issued on 24th August. This is a soft market testing exercise which legally allows us to speak to waste contractors to ascertain if they would be interested in the contract should we go to market rather than extend the contract with Biffa. To date we have a number of waste contractors' express interest and market engagement meetings took place in September.</p>	HIGH	MODERATE	B2	<p>Continue to work with Biffa to resolve the issues. Issue Contract Defaults where necessary until issues are resolved.</p> <p>Continue to keep members and residents up to date.</p> <p>Market engagement meetings with waste contractors have taken place to find out their interest in the Waste Contract.</p> <p>Cabinet decision to go out to procurement for the waste contract was agreed in October. Procurement documents will go to market on 1st Feb 2023</p> <p>A Waste Management Portfolio Holder Advisory Group was agreed by Cabinet in November to look at current issues and service improvements.</p> <p>A feasibility report has been completed for an EFDC owned waste depot.</p> <p>Recommendations from feasibility report and next steps for an EFDC owned waste depot will go to Cabinet in Feb 23.</p>	Service Director – Contracts	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 11 Failure to achieve regulatory/legal regulations	If the Council, as a social housing landlord, is unable to demonstrate compliance with statutory H&S regulations, then it could be open to unlimited fines and/or adverse publicity.	Building Safety Act 2022 – HSE is now the new regulator and whilst currently applies to 7 storeys and above intention is to reduce this down to lower storey blocks. Requires a competent person to be formally appointed and 'golden thread' of records and retention of documents. Applies to building control function who now have enhanced duties. Fire Safety Act 2021 – applies to EFDC from January 2023 and will amend the existing regulatory (reform) Fire safety order 2005. Applies to all buildings not just housing. The Council must self-refer if not compliant. Fire Safety (England) Regulations 2022	VERY HIGH	MAJOR	A1	Spreadsheets of compliance checks undertaken are maintained for each of the 'big six' (gas, electrical, fire, asbestos, legionella, lifting operations and lifting equipment regulations). Individual action plans track the progress against recommendations There are regular management meetings on compliance for gas, FRA (fire risk assessments), electric and water via a dashboard – providing 80% compliance The interim Strategic Director has been designated Responsible Person for the HSE (Health and Safety Executive) Director of Property has been appointed as Responsible Person for RSH (Regulator of Social Housing) Consumer Regulations	VERY HIGH	MAJOR	A1	Implement a dashboard to provide up to date visibility of the status of the Council's compliance with the 'big six'. Introduce a mechanism to centrally track progress against outstanding actions. A consultant has been engaged to assist in demonstrating compliance. Use of Fire Risk Assessment Prioritisation Tool to provide evidence of compliance and to assist the Responsible Person to develop a prioritisation strategy. 'Golden Thread' for documents recording and retention Ensure adequate number of fire wardens involved in managing the buildings on site at any one time and who are certified from an accredited training provider. External walls and flat entrance doors will need to be included in the Fire Risk Assessments as new statutory obligation Robust controls needed for Planned maintenance where contractors are used who can invalidate any fire stopping measures in place Stock condition surveys being undertaken to complete by end of March 2023 Ensure roles & responsibilities are clear for LOLER inspections. Asbestos is added to the dashboard facility.	Interim Strategic Director	Monthly

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

Date of completing the assessment: 31/01/23

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	<p>What does the information tell you about those groups identified? N/A</p>
3.2	<p>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</p>
3.3	<p>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</p>

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 <input checked="" type="checkbox"/>	
		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: 31/01/23

Signature of person completing the EqlA: Sarah Marsh

Date: 31/01/23

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



**Epping Forest
District Council**

Report reference:

**Date of meeting: 13 February
2023**

Portfolio: Leader of the Council

Subject: Internal Audit Monitoring Report February 2023

Responsible Officer: Sarah Marsh (01992 564446)

Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

- (1) The Committee notes the summary of the work of Internal Audit and the Corporate Fraud Team for the period November 2022 to February 2023**
- (2) The Committee approves the deferral of four audits**
- (3) The Committee agrees the scope of the External Quality Assessment (EQA) of the Internal Audit service**

Executive Summary:

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

Approval is sought to defer four audits from the 2022/23 Audit Plan for which other assurances have been obtained.

The report sets out the scope of the External Quality Assessment of the Internal Audit Service which is required by the Public Sector Internal Audit Standards to be undertaken following St Albans City and District Council joining the shared service.

This report also gives update on the progress of actions taken to address issues identified in the Annual Governance Statement.

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:

2022/23 Internal Audit Plan

1. Progress is being made on the 2022/23 Audit Plan as shown in Appendix 1.
2. Some of the audits currently underway have been paused to enable unplanned work to be carried out by the Internal Audit team:
 - Safes - an audit requested by the S151 Officer to ensure the Council holds an accurate record of safes, and assets held within them are fully insured.
 - Right to Buy (RTB) – a review of the RTB conveyancing processes to ensure they have been properly carried out and that documentation has been completed.
 - Agency workers and consultants - requested by Senior Leadership Team to ensure there is appropriate oversight of agency workers and consultants procured by the Council. Data analysis has been used to gain insights into the roles covered by off-payroll workers and the length and cost of their employment.
 - Joint investigation with the Corporate Fraud Team into the potential misuse of assets.
3. As a result of the additional demands placed upon the team in carrying out the unplanned work, it is requested that the Committee agrees to the deferral of four planned audits:
 - Qualis Commercial – there has been a significant focus by Internal Audit on Qualis Management instead during 2022/23 as the company has now been operating for two years.
 - Corporate Performance Indicators (PIs) – the Council is moving away from PIs to Objectives and Key Results (OKRs) to measure achievement of the Corporate Plan 2023/24-2026/27 aims. It is too early to audit these.
 - Local Plan delivery – the Council went out to consultation on the second Main Modifications, but the Local Plan is yet to be adopted.
 - Climate emergency – deferred to allow time for the Council to review and evaluate progress against the Climate Action Plan.
4. One final report has been issued since the Committee received its last update in November 2022.

Section 106 Agreements (substantial assurance)

The Council has a robust policy framework for seeking Section 106 (S106) agreements, which is in line with relevant legislation and planning policy guidance. Testing confirmed that agreements are drafted in accordance with the policy and all planning obligations are subject to formal approval.

S106 agreements are recorded on the S106 database system, Exacom, and include the amounts payable along with trigger points which, if necessary, allows the Strategic Infrastructure and Planning Officer to chase monies due to ensure contributions are received. A process for a formal reconciliation of income received between Exacom and the General Ledger is being introduced.

To enable more accurate monitoring and reporting of S106 monies, work has been undertaken between the Strategic Infrastructure and Planning Officer and the Senior Finance Business Partner around the creation of more specific General Ledger codes to

against which to allocate spending.

Recommendation Tracker

5. 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.
6. The current overdue tracker is shown at Appendix 2 and contains seven medium and one low priority recommendations which have passed their due date. There are no high priority recommendations.

Table 1. Summary of tracker in January 2023

Recommendation type	Number (February 2023)	Number (November 2022)	Number (September 2022)	Number (June 2022)	Number (March 2022)
High Priority not yet passed its due date	0	0	0	0	0
High Priority passed its due date	0	0	0	0	0
Medium Priority passed its due date	7	7	7	7	8
Low Priority passed its due date	1	0	1	1	1
Total	8	7	8	8	9

Other Internal Audit activities

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

Health and Safety (H&S): Internal Audit continues to work closely with the Insurance Specialist to strengthen the H&S framework at North Weald Airfield, which included a site visit by Internal Audit. A small officer project group has been established to develop and implement a prioritised action plan.

Risk Management: Work is progressing to roll out the risk management tools following approval of the revised framework and training has been arranged for February 2023.

National Fraud Initiative (NFI): All datasets have been uploaded to the NFI website and the results were released end of January 2023 and are being worked upon.

External Quality Assessment (EQA)

8. In line with the Public Sector Internal Audit Standards (PSIAS) an external assessment of the Internal Audit function needs to be undertaken at least once every five years by a qualified independent assessor from outside the Council. The form of the external assessment and the qualifications and independence of the external assessor, including

any potential conflict interest, must be discussed with the Audit Committee.

9. St Albans City and District Council joined the shared service in November 2022 and their EQA is overdue. It was envisaged that on joining the shared service, St Albans could ‘piggyback’ on their EQA, which was undertaken in November 2021 and found to be fully compliant with the PSIAS. However, the Chartered Institute of Internal Auditors has deemed this is not appropriate (even though St Albans follow the same processes and methodology as the rest of the shared service) and a new EQA needs to be undertaken covering all four councils.
10. Gard Consultancy Services (GCS), who undertook the November 2021 EQA, has been appointed to undertake this EQA, which has been programmed in for the end of March 2023. The results of which will be reported to the most appropriate Audit Committee. The EQA may be accomplished through a full external assessment, or a self-assessment with independent external validation. Like the November 2021 EQA it will be undertaken through the self-assessment route.
11. Fieldwork will include interviews with the Audit Chairs of the Audit Committees of all four councils and with each authority’s Section 151 Officer.
12. GCS’s managing director, Ray Gard, will be undertaking the review and is an experienced finance and governance manager with extensive public sector experience. His last role being Assistant Director of Finance – Audit, Fraud and Risk Management at London Borough of Waltham Forest (2010-16). There are no potential conflicts of interest between GCS and the Head of Internal Audit (shared services).

Corporate Fraud Team (CFT) Update

13. Three Right to Buys (RTB’s) have been stopped. Two of these are under full investigation for false applications due to non-residency and suspected sub-letting.
14. Work is continuing on the data analytics project.
15. A proactive project has commenced utilising housing rents data.

Progress against Annual Governance Statement

16. In June 2022, the Audit and Governance Committee noted the Annual Governance Statement (AGS) which accompanies the Council’s Statement of Accounts. The AGS outlines the proposed actions to be taken to deal with significant governance issues identified. The Corporate Governance Group monitors the actions set out in the AGS on a regular basis. The progress made to date on addressing the issues identified for improvement during 2022/23 is shown in the table below.

No.	Objective	Progress at February 2023
1	<p>Economic issues</p> <p>At the time of writing the 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</p>	<p>Implications of the economic situation are being monitored with mitigating strategies being developed and implemented by the Senior Leadership Team.</p> <p>Key considerations feature in the reports presented to Cabinet and in the development of the</p>

	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.	MTFP (Medium Term Financial Plan) for 2023/24 and future years.
2	Statement of Accounts 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	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 is being kept informed on progress.
3	Financial Management Code review Carried over from last year's AGS action plan	An assessment will be undertaken in Q4 2022/23 to ensure the Council can demonstrate compliance with the Code. If there are deficiencies, an action plan will be developed to address these.
Common themes from the Service Assurance Statements were:		
4	Business Continuity 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.	A business continuity project has been initiated to review the business continuity framework and processes. This is being overseen by the officer Corporate Governance Group.
5	Financial Regulations Carried over from last year's AGS	Financial Regulations are due to be reviewed in quarter 4 2022/23. Following the review, Finance, with the assistance of the People Team and advice from Internal Audit, will ensure training provided to staff is both proportionate and targeted.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2022/23 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.

Appendix 1 - Audit Plan Monitoring 2022/23
 Progress as at February 2023

	Service	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High Priority Recs	Medium Priority Recs	Low Priority Recs
21/22 Council housebuilding	Housing & Property	5	Final report	■	■	■	substantial	0	0	0
21/22 Section 106 Agreements	Planning Services	5	Final report	■	■	■	substantial	0	1	1
21/22 KFC Treasury Management	Corporate Services	5	Final report	■	■	■	moderate	0	1	1
IT Major Incident Management Strategy	Corporate Services	5	Final report	■	■	■	moderate	0	3	2
Cyber security	Corporate Services	10	Final report	■	■	■	limited	0	10	0
KFC Debtors	Customer Services	15	Draft report	■	■					
Safes (new audit)	Corporate Services	10	Draft report	■	■					
21/22 Qualis Management	Housing & Property	5	Draft report	■	■					
Data analytics - Compliance with the Procurement Rules	Contracts and Technical	20	In progress	■						
Right to Buy Conveyancing (new audit)	Corporate Services	5	In progress	■						
H&S assurance mapping	Corporate Services	20	In progress	■						
Agency Staff and Consultants (new audit)	Corporate Services	10	In progress	■						
KFC Cash and banking	Customer Services	15	In progress	■						
KFC General ledger	Corporate Services	12	Scoping							
Community Grants	Community Culture & Wellbeing	12								
Council housebuilding	Housing & Property	15								
Commercial rent and leases	Housing & Property	20								
Declarations of Interest	Corporate Services	5	Not an audit - advice instead							
Defer - subject to approval										
Climate emergency action plan	Economic Development & Partnerships	12								
Qualis Commercial	Chief Executive	12								
Corporate KPIs (underperformance)	Strategy Delivery & Performance	15								
Delivery of the Local Plan	Planning Services	15								
							TOTAL	0	15	4

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: February 2023

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
<p>Harlow Gilston Garden Town 2019/20 Issued July 2020</p> <p style="text-align: center;">Page 45</p>	1	<p>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.</p>	Med	<p>Work is now well underway on the next steps to establish Combined Delivery Service following Board decision on 10 Feb 2020.</p> <p>Legal work is underway to clarify arrangements and delegations for the CDS</p> <p>Link to HIG delivery and governance</p>	<p>HGGT Director</p> <p>HGGT Project Manager</p> <p>HGGT Programme Manager</p>	<p>Political and corporate agreement to proposals – 31/03/21</p> <p>Shadow structures then up and running</p> <p>Formal decision making will need to follow the local election period – 30/09/21</p>	<p>31/03/22 31/12/22 31/03/23</p>	<p>May 21: HGGT Solicitors, Weightmans, are developing a partnership agreement between all the HGGT partners.</p> <p>Jul 21: Lead Members and Lead Officers of all five Partner authorities are meeting to progress this.</p> <p>Sep/Oct 21: An HGGT Governance Review Task and Finish Group has been established and agreed further work to be undertaken towards the establishment of a Joint Committee.</p> <p>Jan 22: Given the scale and complexity of the work, the timescales have been pushed back. The Partner Councils will be taking a stage 1 sign-off report through their formal decision-making processes to seek agreement 'in principle'.</p> <p>Jun 22: The stage 1 governance report was approved by all five Partner Councils and 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.</p> <p>Aug 22: A report setting out the legal Joint Delegations Framework will go to HGGT</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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 46								<p>Board 13 Sept 2022 and will include a recommendation to return in Dec 22 with a Inter Authority Agreement. Nov 22/Feb 23: The HGGT Board endorsed the legal Joint Delegations Framework in Sept 2022. The Inter Authority Agreement (IAA) formally addressing cost and risk sharing will go to the Board in Feb/March 2023 subject to agreement by the 5 Council partners on which local authority will be the Accountable Body for the partnership in the future. Subject to approval by all five council partners, anticipate a go live to the Joint committee and IAA in the municipal year 2023.</p>	
<p>Key Financial Controls – Fixed Assets 2019/20 Issued November 2020</p>	3	<p>Detailed Fixed Asset financial procedures be drafted, and to include a section on year-end processes.</p>	Med	<p>Detailed financial procedures will be developed and documented alongside updated Financial Regulations.</p>	<p>Chief Financial Officer</p>	30/09/21	<p>31/08/22 31/12/22 31/03/23</p>	<p>Nov 21/Feb 22: A Senior Finance Business Partner has been appointed to cover HRA, Capital and Projects, which 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.</p> <p>Jun 22: Process notes will be compiled (including the roll</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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 47								<p>forward of the FAR through to closedown). It will take time to do this and is dependent on how well the closedown goes.</p> <p>Aug/Nov 22/Feb 23: Due to the late running 2020/21 audit, there was a substantial delay in getting clearance from the external auditors to roll forward the Fixed Asset Register into 2021/22. This led to a condensed timetable for preparing the 2021/22 Statement of Accounts and officers did not have to time to document the system at that point as planned (key content includes the roll forward process) and 'rough notes' were taken during the subsequent closedown process. The Capital team are now committed to completing the task in Quarter 3 when clearance is anticipated from the external auditors to roll forward the Fixed Asset Register from 2021/22 into 2022/23.</p>	

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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
<p>Active Directory Management 2020/21 Issued December 2020</p> <p style="text-align: center;">Page 48</p>	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 31/12/22 30/06/23	<p>Jun 21: A project to assess the 2008 servers and produce a technical plan for migrating or rebuilding has been started.</p> <p>Sep 21: A project is in flight with the IT company EACS. An initial review has been completed and currently agreeing statement of work.</p> <p>Nov 21/Jan 22: Project agreed with supplier and ready to instigate. Still awaiting kick off date for work.</p> <p>Jun 22: EACS are working through servers, although the work is moving slower than expected.</p> <p>Aug 22: Work is progressing. The status of servers is as follows:</p> <ul style="list-style-type: none"> • Ten complete • Six in flight • Eight being clarified <p>Nov 22: EACS have assisted with the upgrade of servers which has proven to be time consuming for EFDC to implement. A group of servers remain that are dependent upon moving to the cloud (links to the Azure project which is undergoing an End Stage Assessment). The likely</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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
								solution will be to firewall off the remaining 12 servers. Feb 23: A further two servers have been replaced and progress is being made on the remaining ones.	
Accounts Payable 2020/21 Issued May 2021 Page 49	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/Aug/Nov 22/ Feb 23: 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
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	Med	Agreed	Head of Asset Strategy	30/09/21	31/12/21 31/03/22 31/12/22 31/03/23	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:	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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 50		<p>governance and assurance (i.e. monitoring of gas safety compliance, roles and responsibilities and key performance indicators) and equality and diversity considerations</p> <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>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.</p> <p>2. Key performance indicators have been re-assessed in line with both EFDC/Qualis management requirements. 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. Key stakeholders to the Gas servicing contract and policy have been involved in the transfer and mobilisation of service form the old contractor to Qualis. This information is communicated through regular meetings.</p> <p>Sept/Nov 22/ Feb 23: The existing policy is still relevant and aligns with the</p>	

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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
								regulations. As part of a larger piece of work with a consultant (Pennington's Choices) the policy and procedures for all compliance items (including gas) will be reviewed. Policy changes will be communicated electronically to all stakeholders and stored on the Council's intranet.	
<p>Gas Safety Issued August 2021 Page 51</p>	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 31/12/22 31/03/23	<p>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.</p> <p>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</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 6</p> <p>Treasury Management Issued May 2022</p>								<p>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 Cx.</p> <p>Sept/Nov22/Feb 23: Reconciliation of data is largely complete. Still working with the Civica CX project team to ensure the data format is suitable for export when required.</p>	
	1	<p>Treasury Management risks and the associated control framework are detailed within the Finance Risk Register or a separate Treasury Management Risk Register. The risk and mitigating controls be linked to the CIPFA Treasury Management practice notes. Risks need to include the absence of adequate business continuity planning arrangements.</p>	Med	<p>The absence of a Service Risk Register reflects the Council's current Risk Management Framework and is consistent with other services. The recommendation is supported and, at the time of responding to this report, the Corporate Risk Management Working Group is considering a range of measures designed to strengthen current Risk Management arrangements; especially the management of operational risk and is likely to recommend the widespread introduction of Service Risk Registers.</p>	<p>Chief Financial Officer and Deputy S151 Officer & Principal Accountant.</p>	31/12/2022	30/06/23	<p>Feb 23: Risk management training by Zurich is being rolled out corporately in February 2023 following which service risk registers will be developed. Treasury management risks will be included in the finance risk register.</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue)

Last updated: February 2023

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
Treasury Management Issued May 2022	2	The Treasury Management procedure notes developed by the Senior Accountant are expanded to detail how operational arrangements address the CIPFA Code Treasury Management Practice notes at the operational level.	Low	Recognition of the recent progress made with systems documentation is welcomed. The full rollout of the 2021 Treasury Management Code (effective from 2023/24) will include bringing Treasury Management systems documentation more overtly into line with the updated Treasury Management Practice Notes.	Chief Financial Officer and Deputy S151 Officer & Principal Accountant.	31/12/2022	31/03/23	Feb 23: Operational procedure notes will be developed to coincide with the full rollout of the 2021 Treasury Management Code.	Overdue

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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 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: 31 January 2023

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: 31/01/23
Signature of person completing the EqlA: Sue Linsley	Date: 31/01/23

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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