



Epping Forest District Council

AUDIT & GOVERNANCE COMMITTEE **Monday, 20th March, 2023**

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

Council Chamber - Civic Offices
on **Monday, 20th March, 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

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

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

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

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 13 February 2023.

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. INTERNAL AUDIT PROGRESS REPORT (Pages 13 - 36)

To consider and comment on the Internal Audit Progress Report.

8. INTERNAL AUDIT STRATEGY AND AUDIT PLAN 2023/24 (Pages 37 - 68)

To consider the Internal Audit Strategy and Audit Plan 2023/24.

9. 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.

10. 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.

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Audit & Governance Committee **Date:** Monday, 13 February 2023

Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.55 pm

Members Present: Councillors P Bolton (Chairman), T Matthews, B Vaz and S Heap

Co-opted Member Present: Mr A Jarvis

Other Councillors: Councillor J Philip

Officers Present: C Hartgrove (Interim Chief Financial Officer), L Kirman (Democratic Services Officer), S Marsh (Chief Internal Auditor) and S Linsley (Senior Auditor)

Officers Present (Virtually): A Hendry (Democratic Services Officer)

39. 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.

40. DECLARATIONS OF INTEREST

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

41. MINUTES

RESOLVED:

That the minutes of the meeting held on 28 November 2022 be taken as read and signed by the Chairman as a correct record.

42. MATTERS ARISING

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

43. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Committee noted its Work Programme for 2022/23.

44. RISK MANAGEMENT

The Chief Internal Auditor, S Marsh introduced the risk report and highlighted three risks that been renamed to: increase in demand for housing assistance; failure to achieve carbon emissions targets; and failure to achieve regulatory/legal regulations.

The risk rating associated with 'Financial Resilience' had been reduced to C1 following the in balancing of the draft budget for 2023/24, and 'delays in issuing planning permission' had reduced to D3 as the backlog had been cleared and would no longer in feature in the corporate risk register.

Cllr Heap challenged the change in name of 'the climate emergency' to 'failure to achieve carbon emissions targets' and did not agree that this provided a more accurate term for measuring the outcomes within the Council's control.

Resolved:

The Committee reviewed and endorsed the risk register.

45. 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.

Approval was sought to defer four audits: Qualis Commercial, Corporate Performance Indicators (PIs), Local Plan Delivery, and Climate Emergency from the 2022/23 Audit Plan due the additional demands placed on the team from unplanned work. She advised the Committee that one final audit report had been issued with substantial assurance on Section 106 agreements. The recommendation tracker contained eight recommendations that had passed their due date, none of these were high priority recommendations.

The project work on Health and Safety at North Weald Airfield was highlighted to the Committee. An update on the corporate fraud team and the progress against the annual governance statement were detailed in the report.

The Chief Internal Auditor, S Marsh, detailed that as St Albans City and District Council had joined the shared service with Epping, Broxbourne and Harlow, an External Quality Assessment of the Internal Audit Service would be carried out. This review would be undertaken by Gard Consultancy Services (GCS) in March 2023 and reported to this Committee in due course.

The Committee sought reassurance that a delay on Qualis Commercial audit was appropriate, due to the importance of Qualis to the Council. They were advised that there had been an audit of Qualis Management, the most active arm of the organisation and a draft report had been issued Confirmation was given that Qualis Commercial would form part of the audit plan for next year.

Resolved:

The Committee:

- (1) noted the summary of the work of Internal Audit and the Corporate Fraud Team for the period November 2022 to February 2023
- (2) approved the deferral of four audits
- (3) agreed the scope of the External Quality Assessment (EQA) of the Internal Audit service.

46. TREASURY MANAGEMENT POLICY AND PRACTICE

The Interim Chief Financial Officer, C Hartgrove, presented the report. The updated Treasury Management Policy reflected the requirements of the 2021 Treasury Management Code and was recommended for approval. The Committee were advised that the full set of Treasury Management Practices (TMPs) were being codified, and there was a new requirement to operate a set of Investment Management Practices (IMPs) which covered non-Treasury Management activity. A detailed report on TMPs and IMPS would be presented to the Committee in September 2023.

The Committee received confirmation that there was no foreign exchange risk

Resolved:

The Committee:

- (1) recommended the updated Treasury Management Policy Statement for approval by full Council
- (2) considered and commented on the proposed approach to the development of updated Treasury Management Practices (TMPs) and new Investment Management Practices (IMPs) in accordance with recommended good practice.

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

The Interim Chief Financial Officer, C Hartgrove, presented the draft Treasury Management Strategy including Investment Strategy 2023/24, for consideration by the Committee.

The report presented an overall rise in borrowing activity as the Council rolled out the capital investment plans and detailed the service and commercial activities of the Council. It was noted that borrowing and investment was set against increasing interest rates. At 31 December 2022 the Council had £267.2m in external borrowing offset by £16m in Treasury investments, excluding an outstanding working capital loan to Qualis of 4.75m. The Capital Financing Requirement (CFR) had increased due to the Capital Programme, it was highlighted that the actual borrowing would remain below the CFR. The outstanding borrowing with the PWLB was £232.2m and short-term borrowing from other Local Authorities was £35m.

The cash available for investment remained low. A minimum investment balance of £15m was the core strategy recommended to maintain liquidity, this had increased from £12m due to inflation, cash volatility and cost of living government packages in the revenues system.

Treasury Management Investment were detailed in the report and totalled £20.8m. After professional advice from Arlingclose, it was proposed to maintain a cautious counterpart list. Treasury Management indicators were detailed, and these would be reported to the committee.

The Investment Strategy provided detail on the wider service and commercial investments. Gross service investments at 31 March 2022 were £29.9m, including £29.5m in Qualis loans, and Commercial Property investments had a net book value of £162m, with a further investment loan of £30m to Qualis. The new code had strengthened the concept of proportionately and the Council's reliance on investment

income in context as a proportion of gross service expenditure would remain below 20%.

Resolved:

The Committee recommend the Treasury Management Strategy 2023/24, and the draft Investment Strategy 2023/24 to full Council for approval.

48. CAPITAL STRATEGY 2023/24 TO 2025/26

The Interim Chief Financial Officer, C Hartgrove presented the report and outlined that the draft Capital Strategy (2023/24 to 2025/26) incorporated the requirements of CIPFA's 2021 updated Prudential Code. The Committee were asked to note a correction to the report in Table 6 Prudential Indicator: Gross Debt and the Capital Financing Requirement (CFR), the CFR for 2025/26 budget should read £455.1m and not £453.7m as printed in the agenda.

The Strategy set out the Council's draft five-year Capital Programme for its General Fund and Housing Revenue Account (as approved by Cabinet in February 2023) This included planned spending of £92.6m in 2023/24 and a total of £212.3m over the next three year to 2025/26. The required increase in borrowing would reach £411m by March 2026.

The Committee's attention was drawn to the conclusion of the Council's Section 151 Officer, A Small, that the Programme was "prudent, affordable and sustainable" as required by the Code.

Wider topics considered in the Capital Strategy included the Council's approach to Asset Management, Treasury Management, Service Investments, Commercial Investments, Financial Guarantees, and the way that professional capacity was maintained through the development and maintenance of knowledge and skills and the selective use of professional advisors.

Mr A Jarvis expressed concern on the large sum that would be used for Qualis investments. Cllr Philip advised that there had been no change in the planned level of investment with Qualis and that the draw down on these loans must be for the regeneration of the district. He confirmed that Cabinet had looked in detail at the Capital Programme and determined was for the benefit of the district before agreeing the budget. C Hartgrove confirmed that the programme was reprofiled and a spike was expected this year due to the approval of the Local Plan. He also advised that none of the PWBL loans were debt for yield loans and the Section 151 officer must provide assurance on that. Cllr Heap supported the approach taken in the strategy and local investment in regeneration.

Mr A Jarvis refrained from voting on this item.

Resolved:

The Committee recommend the Capital Strategy 2023/24 to 2025/26 for approval to full Council.

49. ANY OTHER BUSINESS

No other business was raised for consideration by the Committee.

50. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

The Committee noted that there was no business which necessitated the exclusion of the public and press from the meeting.

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 and 2022/23 year end report CARRIED FORWARD to next municipal year (June 2023)

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**

Date of meeting: 20 March 2023

Portfolio: Leader of the Council

Subject: Internal Audit Monitoring Report March 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 February to March 2023**

Executive Summary:

This report updates Members on the work completed by Internal Audit and the Corporate Fraud Team since the February 2023 Audit and Governance Committee and provides the current position in relation to overdue recommendations.

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

- Progress is being made on the 2022/23 Audit Plan as shown in Appendix 1.
- One final report has been issued since the Committee received its last update in February 2023.

Sundry Debtors (reasonable assurance)

A new sundry debt system, ASH, was implemented during 2021 and went live 2 August 2021. Data migration was impeded as the former system, AIMS, had become unsupported and officers with the most knowledge of the system had left the Council.

Sundry debtor invoices, which include the Council's commercial property rents, are raised promptly and accurately by the service responsible and contain clear and full details of the goods or services provided.

At the time of the audit there was around £1M in the suspense account because no payment reference was provided by the customer. There has been a drive to investigate and allocate suspense account items, and the balance is currently down to around £30,000. This is a Council-wide issue, and a project is ongoing to identify improvements to the payment process.

In July 2022, outstanding debts totalled approximately £8.2M, and aged debt analysis showed that £3M of these were over one year old, with some invoices dating back to 1995. A substantial amount of work has been, and continues to be, undertaken on reviewing and actively pursuing debts following the audit, and total outstanding debts are currently around £5.5M, of which approximately £1.8M is over one year old.

There have been no write offs of debts. A review of invoices should be undertaken to identify irrecoverable debts which should then be written off in line with the Council's approved process.

Reconciliation of the sundry debt system, ASH, to the general ledger was started in August 2022 and officers are still working on resolving the differences identified.

Recommendation Tracker

3. The Audit and Governance Committee continues to receive details of all overdue recommendations, plus any high priority recommendations from final reports regardless of whether they are overdue or not.
4. The current 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 March 2023

Recommendation type	Number (March 2023)	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	0
High Priority passed its due date	0	0	0	0	0	0
Medium Priority passed its due date	7	7	7	7	7	8
Low Priority passed its due date	1	1	0	1	1	1
Total	8	8	7	8	8	9

Corporate Fraud Team (CFT) Update

5. A further two Right to Buy applications have been stopped by the CFT, one where it was discovered the applicant was using a dual identity and the other where evidence shows that the tenant is not using our property as their main and principal home and living elsewhere.
6. A Right to Buy that was stopped in December 2022 when it was discovered that the tenant was not living at the property was subject to further investigation and it was discovered that they had been subletting to another family for over two years. Following contact from the investigation officer, the tenant surrendered the tenancy and handed the keys to the property back to Housing.
7. Investigations into two separate tenancy successions have found that family members have made false applications. They are now subject to legal action by the Council to secure possession of the properties back so that they can be re-let.
8. Preliminary work has begun on the new data matches received from the National Fraud Initiative (NFI).
9. Three internal investigations have been undertaken. One has been closed with recommendations made, whilst the other two are still active and ongoing.

Progress against Annual Governance Statement

10. 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	Economic issues 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 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.	Implications of the economic situation are being monitored with mitigating strategies being developed and implemented by the Senior Leadership Team. Key considerations feature in the reports presented to Cabinet and in the development of the 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	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

	with councils being unable to get their final accounts audited. This will have a knock effect on the 2021/22 Accounts	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 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.

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Appendix 1 - Audit Plan Monitoring 2022/23
Progress as at March 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	■	■	■	reasonable	0	1	1
IT Major Incident Management Strategy	Corporate Services	5	Final report	■	■	■	reasonable	0	3	2
KFC Debtors	Customer Services	15	Final report	■	■	■	reasonable	0	6	2
Cyber security	Corporate Services	10	Final report	■	■	■	limited	0	10	0
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	■						
Agency Staff and Consultants (new audit)	Corporate Services	10	In progress	■						
KFC Cash and banking	Customer Services	15	In progress	■						
Council housebuilding	Housing & Property	15	In progress	■						
KFC General ledger	Corporate Services	12	In progress	■						
H&S assurance mapping	Corporate Services	20	In progress	■						
Declarations of Interest	Corporate Services	5	Not an audit - advice instead							
Community Grants	Community Culture & Wellbeing	12	Scoping							
Commercial rent and leases	Housing & Property	20	Scoping							
Deferred										
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	21	6

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

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EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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 21</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 to take forward the formalisation of governance arrangements for HGGT. The Task and Finish Group agreed for further work to be undertaken towards the establishment of a Joint Committee.</p> <p>Jan 22: Work to put in place a Joint Committee continues to progress. Given the scale and complexity of the work, the timescales have been pushed back and we are now looking for formal approval in summer 2022 and for operation of the Joint Committee to commence in September 2022.</p> <p>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</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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 22								<p>Councils and detailed work is progressing. It is anticipated that the Partnership will formally consult with Members in September 2022 with final draft proposals. An update report is being taken to the HGGT Board on 13 June 2022. The expectation is that the joint Committee will be formed and in place during 22/23. The establishment of the Joint Committee would include Inter Authority Agreements formally addressing cost and risk sharing.</p> <p>Aug 22: A report setting out the legal Joint Delegations Framework will go to HGGT Board 13 Sept 2022. This will include a recommendation to return in Dec 22 with a Inter Authority Agreement formally addressing cost and risk sharing. Subject to approval by all five council partners, anticipate a go live to the Joint committee and IAA for start of municipal year 2023.</p> <p>Nov 22/Feb/Mar 23: The HGGT Board endorsed the legal Joint Delegations Framework in Sept 2022. The Inter Authority Agreement formally addressing cost and risk sharing will go to the Board in Feb/March 2023 subject to</p>	

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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
								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>Key Financial Controls – Fixed Assets 2019/20 Issued November 2020</p>	3	Detailed Fixed Asset financial procedures be drafted, and to include a section on year-end processes.	Med	Detailed financial procedures will be developed and documented alongside updated Financial Regulations.	Chief Financial Officer	30/09/21	<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. The Capital role includes responsibility for the Fixed Asset Register (FAR). Processes are being reviewed as well as understanding how the CIPFA asset system works and how it feeds into the year-end processes.</p> <p>Jun 22: Process notes will be compiled (including the roll forward of the FAR through to closedown). It will take time to do this and is dependent on how well the closedown goes.</p> <p>Aug/Nov 22/Feb/Mar 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</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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 24								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 (i.e. by 31st December 2022) when clearance is anticipated from the external auditors to roll forward the Fixed Asset Register from 2021/22 into 2022/23.	
Active Directory Management 2020/21 Issued December 2020	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	Jun 21: A project to assess the 2008 servers and produce a technical plan for migrating or rebuilding has been started. Sep 21: A project is in flight with the IT company EACS. An initial review has been completed and currently agreeing statement of work. Nov 21/Jan 22: Project agreed with supplier and ready to instigate. Still awaiting kick off date for work.	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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="text-align: center;">Page 25</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 solution will be to firewall off the remaining 12 servers. The current deadline of December may be under threat depending upon the findings of the PSN audit.</p> <p>Feb/Mar 23: A further two servers have been replaced and progress is being made on the remaining ones.</p>	

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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
Accounts Payable 2020/21 Issued May 2021 Page 25	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/Mar 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 governance and assurance (i.e. monitoring of gas safety compliance, roles and responsibilities and key performance	Med	Agreed	Head of Asset Strategy	30/09/21	31/12/21 31/03/22 31/12/22 31/03/23 30/04/23	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: 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	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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="text-align: center;">Page 27</p>		<p>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>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 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</p>	

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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
								electronically to all stakeholders and stored on the Council's intranet. Mar 23: The policies are to be presented to Cabinet in April 2023 for approval.	
<p>Gas Safety Issued August 2021</p> <p style="text-align: center;">Page 28</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 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</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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
								is can ultimately be uploaded to the new system Cx. Sept/Nov 22/Mar 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.	
Treasury Management Issued May 2022	1	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.	Med	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.	Chief Financial Officer and Deputy S151 Officer & Principal Accountant.	31/12/2022	30/06/23	Feb/Mar 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.	Overdue
Treasury Management Issued May 2022	2	The Treasury Management procedure notes developed by the Senior Accountant are expanded to detail how operational	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	Chief Financial Officer and Deputy S151 Officer & Principal Accountant.	31/12/2022	31/03/23	Feb/Mar 23: Operational procedure notes will be developed to coincide with the full rollout of the 2021 Treasury Management Code.	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 06 March 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
		arrangements address the CIPFA Code Treasury Management Practice notes at the operational level.		Treasury Management systems documentation more overtly into line with the updated Treasury Management Practice Notes. Implementation Date					

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: 9 March 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: 09/03/23
Signature of person completing the EqlA: Sue Linsley	Date: 09/03/23

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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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Date of meeting: 20 March 2023

Portfolio: Leader of the Council

Subject: Internal Audit Strategy and Plan 2023/24

Responsible Officer: Sarah Marsh (01992 564446).

Democratic Services: Laura Kirman (01992 564243).

Recommendations/Decisions Required:

- (1) The effectiveness and contribution of the Internal Audit Strategy and Plan within the Council's assurance framework be considered; and**
- (2) The Internal Audit Strategy and Plan for 2023/24 be approved.**

Executive Summary:

Internal Audit supports and contributes to the achievement of the Council's objectives by supporting good governance, with the outcomes from Internal Audit work feeding into the Annual Governance Statement. The Internal Audit Strategy and Plan for 2023/24, and the indicative work programme for the subsequent two years (2024/25 and 2025/26) sets out how this will be achieved.

Reasons for Proposed Decision:

To approve the Council's Internal Audit Plan as required in the Audit and Governance Committee's Terms of Reference.

Other Options for Action:

None.

Report

INTRODUCTION

1. The Internal Audit function provides independent and objective assurance and consulting services to Epping Forest District Council. This Internal Audit strategy summarises the key principles for the Internal Audit Team for the period 2023/24, with some longer term aims. The strategy supports the Audit Plan (Appendix A) which sets out the work of the Internal Audit service for the year.
2. Internal Audit supports and contributes to the achievement of the Council's 2023-2027 Corporate Plan. These have been considered whilst developing the Internal Audit strategy and plan, especially the associated risks in delivering these key objectives:

- Stronger Communities
- Stronger Place
- Stronger Council

PURPOSE

3. The purpose of the Internal Audit Strategy and Plan is to document the Internal Audit team's approach to:
 - Provide independent and objective assurance to Members and senior management on the effectiveness of the Council's internal control framework.
 - Ensure the recognition of the key risks the Council faces in meeting its objectives when determining and allocating the use of Internal Audit resources.
 - Add value and support to senior management in providing effective control, whilst identifying opportunities for improving value for money.
 - Deliver an Internal Audit Service that is compliant with the requirements of The Public Sector Internal Audit Standards.

INTERNAL AUDIT MISSION AND CORE PRINCIPLES

4. The Global Institute of Internal Auditors has developed an International Professional Practices Framework (IPPF) for auditors. The IPPF includes a mission and ten core principles. These have been adopted by this Internal Audit Shared Service and are listed below.

Mission: To enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

Core principles:

- *Demonstrates integrity.*
- *Demonstrates competence and due professional care.*
- *Is objective and free from undue influence (independent)*
- *Aligns with the strategies, objectives, and risks of the organisation.*
- *Is appropriately positioned and adequately resourced.*
- *Demonstrates quality and continuous improvement*
- *Communicates effectively.*
- *Provides risk-based assurance.*
- *Is insightful, proactive, and future-focused.*
- *Promotes organisational improvement.*

THE INTERNAL AUDIT APPROACH

5. While Internal Audit provides assurance through completing a programme of planned work the service is also flexible and responsive to changing and emerging issues.
6. Some audit work is delivered on a consultancy basis, contributing advice on risk and controls, for example ex-officio attendance at project meetings or undertaking a specific investigation of a newly identified issue.
7. The purpose, authority and responsibility of Internal Audit is formally defined in the Internal Audit Charter, which was approved at the November 2022 Audit and Governance Committee.

KEY DELIVERABLES

8. The key deliverables for the Internal Audit service during 2023/24 are:
 - *Delivery of the Audit Plan* - the Chief Internal Auditor will ensure there is sufficient audit coverage in order to provide an annual Internal Audit opinion and report, which feeds into the Council's Annual Governance Statement.
 - *Integrated approach to assurance* – Providing ongoing assurance to management on the integrity, effectiveness and operation of the Council's internal control, governance, and risk management processes. Working with other assurance providers including External Audit to prevent duplication of work.
 - *Management commitment* - Ensure agreed management responses to audit recommendations made are implemented thereby improving the overall control framework.
 - *Continually develop our approach* – To develop, improve and deliver a quality assurance and improvement programme for the service, including working closely with the Audit and Governance Committee and senior management.
 - *Business insight* - working more closely with Officers, Members, and services to establish greater relevance to what matter most to the Council by contemplating current and future key risks and challenges.

PROTOCOL FOR AUDIT REVIEWS

9. We will conduct each review in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards.
10. For each audit a Lead Auditee will be identified who will be involved in scoping to ensure the audit is appropriately focused on key risks areas, providing assurance and maximising added value. A terms of reference will be produced for each audit to ensure the scope, objectives and approach are agreed with the appropriate Service Director.
11. Following fieldwork, a draft Internal Audit report will be issued for discussion with the appropriate levels of management which is normally set out in the terms of reference.
12. Final reports will be issued after the agreement of draft reports and contain completed management actions plans, identifying those responsible for their implementation and appropriate timescales.
13. Agreed actions or recommendations will be followed up through the Internal Audit tracker process. All high priority recommendations and any passing their original implementation date are reported to the Audit and Governance Committee.

QUALITY ASSURANCE AND PERFORMANCE MANAGEMENT

14. The Internal Audit Quality Assurance and Improvement Programme ensures the work of the Internal Audit function conforms with the Public Sector Internal Audit Standards (PSIAS), operates in an efficient and effective manner and is adding value and continually improving Internal Audit activity. This is achieved through internal and external assessment, monitoring, and reporting on performance.
15. In summer 2021 the Internal Audit function underwent an External Quality Assessment (EQA), which, in line with the PSIAS, must be conducted every five years by a qualified, independent assessor from outside the Council. The EQA, which covered all three Councils in the shared service, confirmed the Internal Audit service conforms to the Public Sector Internal Audit Standards and the results communicated to the November

2021 Audit and Governance Committee.

16. The exercise is being repeated at the end of March 2023 as St Albans joined the shared service in November 2022 and their EQA was out of date.
17. To achieve planned coverage, deliver a high standard of customer care and demonstrate effectiveness of the service, performance targets have been established based on best professional practice.
18. The following service performance targets will be reported on in 2023/24 and are the same as used in 2022/23:

Aspect of Service	Performance Indicator	Target
Audit Plan	<ul style="list-style-type: none"> • Achievement of the annual Plan 	<ul style="list-style-type: none"> • Sufficient Internal Audit work in order that the Chief Internal Auditor can give their annual opinion.
Internal Audit processes	<ul style="list-style-type: none"> • Issue of draft report after closing meeting • Issue of final report after agreement with client to draft 	<ul style="list-style-type: none"> • 10 working days • 5 working days
Effective management engagement	<ul style="list-style-type: none"> • Management responses within 10 working days of draft report • Implementation of agreed audit recommendations 	<ul style="list-style-type: none"> • 10 working days • Within agreed timescales
Continuous Professional Development (CPD)	<ul style="list-style-type: none"> • Auditors maintain and improve their knowledge, skills and other competencies through directed and self-directed activities. 	<ul style="list-style-type: none"> • 40 hours of CPD activity per auditor

DEVELOPING THE INTERNAL AUDIT PLAN

19. The methodology for developing the Internal Audit Plan is focused on the quantification of the risks associated with the Council's objectives in consultation with key officers. This process also considers:
 - Knowledge and experience accumulated in Internal Audit, including the results of previous reviews.
 - A review of audit themes against the strategic risk register and Council priorities.
 - The work of other assurance providers both internally and externally.
 - The external environment including economic climate, and government initiatives such as the UK Shared Prosperity Fund. and changes in funding.
 - Harmonisation of themes with Harlow District Council, Borough of Broxbourne Council and St Albans City & District Council to enable benchmarking and sharing of good practice.
20. It is imperative there is good alignment between the Internal Audit Plan and the risks facing each Council. Through this, Internal Audit's work will help inform each Council's risk management framework, enabling greater recognition of key mitigating controls and other sources of assurances available. Where possible the risks identified in the Audit Plan (Appendix A) have been taken directly from the Council's Risk Register.
21. In addition, an assurance map has been produced (Appendix B) that provides a structured way to identify the main sources and types of risk assurance in the Council. This demonstrates sufficient Internal Audit work has either been undertaken or has been

planned for the Council's key risks.

22. The Internal Audit Plan is indicative, and changes may need to be made as the risk profile and priorities of the Council change. This will be achieved by ongoing review and amendment in consultation with relevant officers and any significant changes brought to the Audit and Governance Committee for approval.
23. It is important for Internal Audit to plan ahead and allocate resources over the medium term but still maintain a flexibility of approach. This is achieved by documenting known risks over a three-year period so that the three-year plan includes an indication of proposed audit work for years two and three, based on current known risks if circumstances remain unchanged. However, as new risks emerge audit resources over the medium term will be focused accordingly.
24. The sections of the Internal Audit Plan include:
 - Corporate Framework – key risk areas including those defined in the Council's corporate risk register.
 - Strategic themes – including cross cutting issues some of which will be incorporated within operational audits or will be undertaken through consultative work.
 - Service areas – operational audits determined on a risk assessment and/or business priorities.

PRIORITY AREAS FOR 2023/24

25. Having regard for the current risk profile of the Council the following have been identified as priority areas for Internal Audit work for 2023/24. These may not be audits in themselves, but cross cutting themes that will be fundamental to the scope of Internal Audit work undertaken.
 - *Information Governance and Management* - Internal Audit continues to work with the Council's Data Protection Officer and Senior Information Risk Officer (SIRO), helping to ensure and maintain compliance across the Council.
 - *Risk Management* – Internal Audit has a key role in promoting effective risk management and will continue to work with the Risk Management Group to help develop and embed a robust risk management framework across the Council. Within individual audits Internal Audit will seek compliance with good risk management practices and the adequacy of controls put in place by management to mitigate risks in their service areas.
 - *Fraud* – Internal Audit will support the Council's anti-fraud and corruption strategy and consider the potential for fraud within work, working in tandem with the Corporate Fraud Team.
 - *Value for Money (VfM)* – a focus on VfM will be reflected in Internal Audit's work mainly as a cross cutting theme within operational audits, benchmarking where appropriate with Harlow, Broxbourne, and St Albans. Audits will consider how the Council makes the best use of resources and assets, the balance of cost and performance and meeting the needs of our residents; and providing challenge on whether services could be provided in a different way.
 - *Audit and Governance Committee Support* – Internal Audit will work with the Audit and Governance Committee in developing its role in relation to best practise and to contribute to effective corporate governance of the Council.
26. At the operational level the key priorities of Internal Audit work in 2023/24 include:

- *Qualis* – Building on previous Qualis audits Internal Audit will continue to actively seek assurances on the adequacy of internal control, governance and the management of risks regarding Qualis from the Council's perspective, with a specific emphasis on Qualis Commercial in 2023/24.
- *Key Financial Systems* – the effectiveness of controls and management of risks with the core financial systems remains a key part of the Internal Audit work. Audits are scheduled on a cyclical basis so not all key financial systems will be undertaken each year.
- *Governance frameworks* – Internal Audit will continue to assist the Council in enhancing its governance frameworks including information governance, project and programme governance, risk management, business continuity and health and safety.
- *Data analytics* – Internal Audit continues to use data analytics where possible to help inform its audits.

RESOURCES

27. Internal Audit continues to be a formal shared service between Epping Forest, Harlow, Broxbourne and St Albans Councils, with Broxbourne being the host authority and employer of the Internal Audit staff. A Shared Services Board meets quarterly to oversee the implementation and delivery of the Internal Audit function, monitor common issues or themes arising from audits, assess quality and performance and consider major changes to the service. The Board comprises of the Section 151 Officers from each authority as well as the Chief Internal Auditor.
28. The Internal Audit function consists of the Chief Internal Auditor (1.0 f.t.e), five Senior Auditors (4.65 f.t.e) and three Auditors (each 1.0 f.t.e). There are no vacancies and one of the auditors was taken on after successful completion of their apprenticeship. The other two auditors are currently following an apprenticeship scheme. Everyone in the team works across all four authorities. In addition, the service has a call off contract with an external provider of Internal Audit to undertake more specialist audits when required.

AUDIT PLAN 2023/24

29. The Audit Plan as detailed in Appendix A requires 451 days (compared to 465 days for 2022/23), as set out in the table below:

Thematic Area	Audit days 2023/24
Corporate framework including governance, assurance framework, fraud, value for money and risk management	87
Cross cutting/themed audits	55
Operational Audits	149
Follow Up work	40
Audit and Governance Committee support including training	20
Advice, other engagement with the business and contingency	100
TOTAL	451

Resource Implications:

No additional resources required.

Legal and Governance Implications:

The responsibilities, duties and obligations of Internal Audit are set out in the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (2017) against which Internal Audit activity should be measured and determined.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

Public Sector Internal Audit Standards, Internal Audit Charter, Internal Audit resource plan and risk assessment.

Risk Management:

Failure to achieve the audit plan may lead to a lack of assurance that internal controls are effective and risks properly managed.

Equality Analysis:

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

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Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 <i>(to be finalised when the work is scoped)</i>
Corporate Framework					
Governance and Probity	The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk	Governance – Qualis Group (Qualis Commercial) Public interest reports (lessons learnt) – not an audit Corporate Governance Group (not an audit)	Governance – Qualis Group (Qualis Management) (last audit 2022/23) Harlow and Gilston Garden Town (last audit 2019/20) Corporate Governance Group (not an audit)	Governance – Qualis Group (Qualis Living) Corporate Governance Group (not an audit)	Theme here is to review effectiveness of governance and oversight arrangements. In 2023/24 continue with Qualis governance audits being the Council's most significant partnership, focusing on Qualis Commercial (the development arm of the Qualis Group) In addition, Internal Audit will examine recent public interest reports to understand if there are any learning points for the Council. Member of the officer Corporate Governance Group
Fraud, including proactive fraud work Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery	Financial resilience features on the corporate risk register - any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery	✓ A tick signifies that Internal Audit work will take place but it is not formally defined	✓	✓	Co-ordinating data matching (National Fraud Initiative), training and awareness, interaction with corporate fraud initiatives, oversight of the delivery of the Council's anti-fraud and corruption strategy and the Corporate Fraud Team. Potential for fraud considered in all audits.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
Assurance Framework including Risk Management and support to Audit Committee	Risk in achieving corporate priorities	✓	✓	✓	Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance to the Risk Management Group who continue to develop and embed the Council's risk management framework. Support and training to the Audit Committee.
Information Management and Governance Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness	Data/information features on the corporate risk register Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage	Active support to the officer Information Governance Groups (IGG) and the Council's Data Protection Officer (DPO)	Data sharing with third parties (last audit 2015/16)	Data retention and disposals (last audit 2019/20)	Continue to assist the Council's Data Protection Officer (DPO) and officer Strategic Information Group and the operational Information Owners Assets Groups by providing assurance in targeted areas.
Performance Management Data integrity and quality (collection, collation, analysis and validation). Use of	Risk of non-achievement of corporate priorities and lack of transparency	✓	Corporate Performance Indicators (OKRs): underperformance	✓	The suitability and integrity of Performance Indicators is considered within operational audits. The 2024/25 audit will look at in detail corporate OKRs (Objectives and Key Results) indicators that regularly underperform to ensure the right OKR is being used and is being calculated correctly before understanding the reasons for the

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
performance targets.					underperformance and what is being done to address it.
Value for Money (VfM) Guiding principle of the Council.	VfM helps the Council manage its corporate risk on financial resilience	Use of data analytics (not an audit)	✓	✓	VfM is considered within operational audits in terms of 3Es (economy, efficiency and effectiveness) and bench marking. In 2023/24 Internal Audit will continue to use data analytics to undertake short, sharp focused projects, for example to better understand the Council's use of consultants and agency staff across the Council
Joint Working, Shared Services, outsourcing, trading companies and Partnerships	Alternative working arrangements such as joint ventures, shared services, outsourcing and subsidiary companies are mechanisms for helping deliver the Council's corporate plan	Qualis Commercial	Qualis Management (last audit 2021/22) Gilston and Harlow Garden Town (last audit 2019/20)	Qualis Living	Theme here is to ensure joint arrangements are working in the best interests for the Council with appropriate governance/monitoring arrangements in place. The audits listed here are not new audits but the same as those listed under governance.
Projects Business case, project methodology, governance	Poor project management increases risk of projects not being delivered on time, to	New systems oversight - housing and finance	North Weald Airfield master plan	✓	Time is set aside each year for Internal Audit to attend appropriate project meetings, as well as providing ad hoc advice and support. For 2023/24 this will include

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
arrangements, contract management and viability	budget or not meeting the needs of the Council				continued oversight of the new housing and finance systems.
Contingency	Annual provision for responsive work, special investigations or key/emerging risk areas.	✓	✓	✓	Will also take into account themes/issues coming out of the Annual Governance Statement.
Themed/cross cutting audits					
Income Streams To ensure financial resilience the Council needs to protect and maximise its income streams	Finance resilience features on the corporate risk register	Commercial rents and leases (last audit 2018/19)	Parking (last audit 2018/19)	Waste contract (last audit 2019/20 on recycling element)	Each year a portion of Internal Audit work will focus on ensuring key income streams for the Council are maintained and adequately controlled. The 2023/24 commercial rents and leases audit is described in more detail later in this plan and is carried forward from the 2022/23 plan
Procurement Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)	Risks include non-compliance with legislation, fraud, not achieving value for money, poor service delivery.	Adherence to Procurement Rules and Financial Regulations (not an audit)	Contract management, including exit strategies	Tender and letting processes, including use of frameworks	Internal Audit, in its 2023/24 audits, will ensure, where applicable, that the Councils' Procurement Rules and Financial Regulations are being complied with.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
Health & Safety (H&S)	<p>Risk of compromising the health and safety of individuals and noncompliance with H&S legislation leading to fines or imprisonment</p> <p>Failure of compliance with statutory housing regulations is on the corporate risk register</p>	Housing – H&S statutory compliance	Corporate H&S (last audit 2018/19)	✓	<p>In 2023/24 provide assurance that the Council continues to make making adequate preparations to ensure it meets its H&S responsibilities as set out in the government's November 2020 white paper entitled 'The Charter for Social Housing Residents'. The audit will also consider the Building Safety Bill which is currently with the House of Lords.</p>
Business Continuity Planning (BCP) and climate emergency response	Business continuity is on the corporate risk register	IT Disaster Recovery (last audit 2020/21)	Emergency Planning Climate emergency action plan	Business Continuity (last audit 2019/20)	The IT Disaster Recovery audit follows up on the previous limited assurance report.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 <i>(to be finalised when the work is scoped)</i>
<p>Key Financial Controls (KFC)</p> <p>Rolling programme of full system and key financial control audits (unless significant change in process/system or poor audit outcome)</p>	<p>Finance resilience features on the corporate risk register</p>	<p>Council Tax and Business Rates (last audit 2018/19)</p> <p>Fixed assets (last audit 2019/20)</p> <p>Housing rents and arrears (last audit 2019/20)</p>	<p>Payroll (last audited 2020/21)</p> <p>Accounts payable (last audit 2020/21)</p>	<p>Treasury management (Last audit 2021/22)</p> <p>Housing Benefits (last audit 2021/22)</p>	<p>Rolling programme of key financial control (KFC) audits, therefore, some audits do not feature in this 3-year plan being debtors, general ledger and cash and banking as they were audited in 2022/23.</p>
<p>IT Audits:</p> <p>IT Governance, IT Regulation, Security/Privacy, Business Systems, Disaster Recovery plan (DRP)/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects</p>	<p>Cyber security features on the corporate risk register</p> <p>Opportunity for IT to be an enabler for delivering the Council's priorities.</p>	<p>IT Disaster Recovery (last audit 2020/21)</p>	<p>Cyber security (last audit 2022/23)</p>	<p>IT Strategy</p>	<p>A specialist IT Auditor will be brought in as required for the more technical audits. The 2023/24 IT Disaster Recovery audit is the same audit as described under business continuity.</p> <p>Due to the fast pace in IT technology changes and risk IT cyber security will be audited every two years</p>

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
Operational/service audits - Audits post 2023/24 may change depending on the Council's risk profile					
Economic and Partnerships includes <ul style="list-style-type: none"> • Digital Gateway • Town Regeneration • Enterprise Zone Schemes • Sustainable Transport projects 	Economic development feature on the corporate risk register	Shared Prosperity funding (not an audit)	Town centres regeneration	✓	In December 2022 the Council was awarded £1 million as part of the UK Shared Prosperity Fund. Internal Audit will ensure that monies are being spent in line with the government's criteria, and is making a difference to the District.
Contracts and Procurement <ul style="list-style-type: none"> • Commercial • Contracts • Procurement (covered earlier) 	This service helps deliver the Council's three priorities: stronger council, stronger communities and stronger place	Waste contract (not an audit)	Parking (last audit 2018/19) Leisure contract (last audit 2021/22)	Waste contract (last audit 2019/20 on recycling element)	During 2023/24 Internal Audit will retain oversight as the waste contract goes for procurement.
Technical Services <ul style="list-style-type: none"> • CountryCare • Building Control • Environmental Health and Protection • Fleet Ops • Grounds maintenance • Licencing 	These services helps deliver the Council's three priorities: stronger council, stronger communities and stronger place	Tree strategy	Grounds maintenance (last audited 15/16)	Building Control	The 2023/24 tree strategy audit will ensure there is a joined-up approach in the way the Council monitors and maintains its trees.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 (to be finalised when the work is scoped)
<ul style="list-style-type: none"> Private Sector Housing Safeguarding 					
Planning <ul style="list-style-type: none"> Planning Policy Development Management Local Plan implementation Building Control 	Local Plan and Delays in Issuing Planning permissions until March 2023 featured on the corporate risk register	Delivery of the Local Plan	Development Management, including processing times and pre-paid planning applications	✓	IA will assess towards the end of 2023/24 the processes in place to deliver the Local Plan (following its recent adoption), in particular the effectiveness of Planning Performance Agreements (PPAs) and consider whether there is a joined-up process between planning and relevant corporate priorities such as Economic Development or climate change strategy
Community and Wellbeing <ul style="list-style-type: none"> Community and Wellbeing Heritage and Venues 	These services help deliver the Council's stronger communities priority	✓	✓	✓	No specific audit for 2023/24, instead Internal Audit will review the departmental risk register to gain assurance these have been adequately articulated and are being managed to an acceptable level
HRA (Housing Revenue Account) and Property <ul style="list-style-type: none"> Council House Development Home Ownership Property and Operational Assets 	These services support the Council's stronger place priority Increase in demand for housing features on the corporate risk register	Commercial rents and leases (last audit 2018/19) Homelessness (last audit 2015/16 on temporary accommodation)	Planned maintenance and major repairs (last audit 2017/18) Social Housing Regulation Bill preparedness	Responsive Repairs (last audit 2022/23) Potential other audits could include: Delivery of the asset management strategy	The 2023/24 commercial rent and leases audit will ensure the Council is collecting the rent due to them and that lease agreements are being adhered to. The homelessness audit is to ensure homelessness prevention measures are working as intended. The Social Housing Regulation Bill seeks to improve the regulation of social housing. The 2024/25 audit

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 <i>(to be finalised when the work is scoped)</i>
<ul style="list-style-type: none"> • Rent income operational assets • HRA land and estates • Neighbourhood Services • Caretaking • HRA Account • Older People's Services • Homelessness • Rehousing 				Service charges – tenants and leaseholders Home Ownership	will assess how well the Council is prepared for this fundamental change which is currently going through Parliament .
Customer Services <ul style="list-style-type: none"> • Revenues and Benefits (covered under key financial controls) • Customer Services • Community data and insights • External communication 	Financial resilience features on the corporate risk register	Council Tax and Business Rates	✓	✓	The 2023/24 Council Tax and Business Rates audit is the same audit as detailed earlier under key financial controls
Corporate Services <ul style="list-style-type: none"> • Business Support 	These services support the Council's	Budgetary control and financial management (last audit 2015/16)	Staff performance management (including	✓	Many of the financial, business support and H&S aspects are covered elsewhere in the plan.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 <i>(to be finalised when the work is scoped)</i>
<ul style="list-style-type: none"> • Accountancy • Legal (shared service) • People Team (HR) • Internal communication • Contingency and Emergency Planning • Council Safety Officer • Electoral Services • Democratic Services • Insurance and risk 	stronger council priority		absence management)		The 2023/24 budgetary control audit will ensure there are robust processes to both set the budget and to monitor this closely throughout the year at an operational level
<p>Strategy, Delivery & Performance</p> <ul style="list-style-type: none"> • Corporate Strategy & Policy • Programme & Project Delivery • Corporate Performance & Reporting • ICT - note: IT audits covered 	These services help the Council achieve its three priorities: stronger council, stronger communities and stronger place	✓	✓	✓	Internal Audit work in these areas is captured earlier in this plan. Internal Audit attends the PMO (Project Management Office) portfolio governance group meetings and provides challenge, advise and good practice from elsewhere.

Audit Area and Context	Corporate Risks	2023/24	2024/25	2025/26	Outline/Scope of work for 2023/24 <i>(to be finalised when the work is scoped)</i>
elsewhere in the Plan					
Follow Up Audits Review of progress against recommendations on the tracker.	Tracker process ensures risks identified in audits have been managed to an acceptable level.	✓	✓	✓	Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker.

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Risk based assurance map for Epping Forest District Council

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
HRA001	Increase in demand for housing	16 (red)	Dedicated service resources including private sector lettings.	Portfolio Holder and Cabinet oversight Monthly tracking for early identification of spikes in demand	Homelessness added to the 2023/24 Internal Audit (IA) plan. 2019/20 rent arrears audit (moderate assurance). 2021/22 Council house building programme audit (substantial assurance)
ECODEV001	Economic Development	4 (green)	Economic Development Team who are delivering the Economic Development implementation plan and recovery of local high streets plan.	Revised Economic Strategy and associated report approved by Cabinet, and priority projects for Covid Economic Recovery agreed. Delivery overseen by the Asset Management and Economic Development Cabinet Committee.	Internal Audit: 2018/19 Economic Development audit (substantial assurance). Internal Audit provided assurances on the payment of Covid-19 business grants, some of which were administered by the Economic Development Team. IA work planned around the UK Shared Prosperity Fund.
CORSER001	Risk of Data/information Breach	12 (amber)	Suite of data protection and retention policies and procedures. Supplemented with mandatory training and	Named Data Protection Officer (DPO) and Senior Information Risk Officer (SIRO).	Internal Audit monitors implementation of the IGG and IAOG action plans. Also assists in providing advice and

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
			a staff awareness programme.	A corporate Information Governance Group (IGG) which reports into the Corporate Governance Group. The operational Information Assets Owners Group reports into IGG.	assurances to the groups where required (for example ensuring Register of Processing Activities are up to date and data retention periods are fit for purpose)
CORSERV002	Lack of and/or inadequate Business Continuity (BC) Plans	16 (red)	<p>Dedicated Officer – Contingency Planning and Corporate Safety Officer.</p> <p>Consultant was used to develop the Council’s approach to BC. Corporate and service level BC plans largely in place. These will be reviewed and updated during 2023/24.</p>	<p>Oversight through the Officer Risk Management Group and Corporate Governance Group.</p> <p>BC desk top exercise completed February 2020. To be repeated when plan refreshed. Covid-19 has proven that the Council’s BC plans work in practice.</p>	<p>Internal Audit: 2018/19 Business Continuity audit (no assurance) and since then oversight to ensure recommendations implementation.</p> <p>2020/21 IT Disaster Recovery audit (limited assurance)</p>
ICT001	Risk of cyber security incident	16 (red)	Cyber security controls in place including system controls, data backups, firewalls, virus checkers and penetration testing. Also, IT monitoring and installing system updates and patches.	IT Security Officer Senior Information Risk Officer	<p>Internal Audit: 2020/21 Cyber Security audit (limited assurance). Audit to be repeated in 2023/24.</p> <p>See above for IT Disaster Recovery audit.</p> <p>2021/22 Major Incident Management Strategy</p>

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
					audit (moderate assurance)
SUS001	Failure to achieve carbon emission targets.	25 (red)	Dedicated Climate Change and a Sustainable Transport Officers. Delivery of the Climate Change Action Plan by services.	Continued development of the action plan based on comments and feedback from the consultation. A report of the findings will go to Overview and Scrutiny at the end of March 2022 following this a revised plan will go to Cabinet in April. Climate Change Action Plan was submitted and approved by Cabinet in April 2022. Who oversee delivery of this.	Watching brief by Internal Audit since this risk was introduced January 2020. Climate emergency action plan audit planned.
CONT001	Failure of Contractor/Service - waste	16 (red)	Contract management. Communication with residents and Members New waste contract being procured	Waste Management Portfolio Holder Advisory Group agreed by Cabinet to look at current issues and service improvements.	Recycling Management and Income audit 2019/20 (substantial assurance)
COMP001	Failure of compliance with statutory housing regulations	12 (amber)	Documented compliance checks maintained for each of the 'big six' (gas, electrical, fire, asbestos, legionella,	The interim Strategic Director has been designated Responsible Person for the HSE (Health and Safety Executive)	Gas Safety audit 2020/21 (substantial assurance). Asbestos Management 2019/20 (moderate assurance)

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
			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 using a dashboard approach. Stock condition surveys	The Director of Housing and Property has been appointed as Responsible Person for RSH (Regulator of Social Housing) Consumer Regulations	Housing – H&S statutory compliance audit planned for 2023/24
FIN001	Failure to maintain a Balanced Budget and Sustainable Medium-Term Financial Plan (MTFP)	10 (amber)	The active monitoring and reporting on internal and external factors affecting the MTFP, including the 2024/25 Budget through the established Financial Planning Framework	Regular communication of financial position and future prospects to Members (through the Cabinet and Scrutiny process) and senior management, via SLT (Senior Leadership Team) route.	External Audit annual opinion on the Council’s financial statements and arrangements for securing economy, efficiency, and effectiveness in its use of resources. Budgetary control added to the 2023/24 IA Plan
FIN002	Failure to ensure continued financial viability of Qualis.	15 (red)	Contract management processes	Quarterly monitoring and reporting on progress	2021/22 Qualis Group Governance audit (substantial assurance)

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
			<p>Service Level Agreements</p> <p>Service delivery performance monitoring</p>	<p>against Qualis Business Plan</p> <p>Quarterly reporting on Council budget position (including Qualis loan margins and other transactions) through Cabinet and Scrutiny process.</p> <p>Enhanced reporting (with effect from 2023/24 in compliance with December 2021 codes) through Audit and Governance Committee re Capital and Treasury Management strategies (especially on Qualis-related Service and Commercial Investments).</p>	<p>2022/23 Qualis Management – Key performance Indicators and Payment Mechanisms audit currently in progress</p>
FIN003	Failure to maintain and improve Value for Money (VFM).	12 (amber)	Redesign of service delivery arrangements in a range of areas (including the transfer of some services to Qualis),	<p>Quarterly performance monitoring and reporting through established Cabinet and Scrutiny progress.</p> <p>Ad hoc scrutiny of Qualis service-delivery performance.</p>	External Audit annual opinion on the Council's financial statements and arrangements for securing economy, efficiency, and effectiveness in its use of resources.

Ref	Corporate risk	Risk profile as at March 2023	1st line of assurance – delivering the risk and control environment	2nd line of assurance – oversight and assurance functions	3rd line of assurance – independent assurance and advice
					VFM is considered within operational audits in terms of 3Es (economy, efficiency and effectiveness) and bench marking.
FIN004	Failure to maintain adequate professional capacity in the Finance functions.	6 (amber)	Service development features (including professional capacity) embedded in established Corporate Finance Team Service Plan.	Oversight by the Council’s S151 Officer	Internal Audit undertake a number of key financial control and income related audits to ensure processes and internal controls are working as expected. Including 2022/23 sundry debtors (reasonable assurance), and 2020/21 Accounts Payable (moderate assurance).

Appendix C

Equality Impact Assessment

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

Section 1: Identifying details

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

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

Title of policy or decision: **Internal Audit Strategy and Audit Plan 2023/24**

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

Date of completing the assessment: **09/03/23**

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? Annual update of the Internal Audit Strategy and Plan to cover 2023/24
2.2	Describe the main aims, objectives and purpose of the policy (or decision): To set out the approach and key aims for the delivery of the Internal Audit service 2023/24 What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? Continued provision of an effective Internal Audit 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? No Will the policy or decision influence how organisations operate? No
2.4	Will the policy or decision involve substantial changes in resources? No
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? Internal Audit is part of the Council's assurance framework

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 – affects operational delivery of Internal Audit Service
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	Neutral – no change in service delivery to the public	L
Disability	Neutral – as above	L
Gender	Neutral – as above	L
Gender reassignment	Neutral – as above	L
Marriage/civil partnership	Neutral – as above	L
Pregnancy/maternity	Neutral – as above	L
Race	Neutral – as above	L
Religion/belief	Neutral – as above	L
Sexual orientation	Neutral – as above	L

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: Sarah Marsh

Date: 09/03/23

Signature of person completing the EqlA: Sue Linsley

Date: 09/03/23

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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