

EPPING FOREST DISTRICT COUNCIL AUDIT & GOVERNANCE COMMITTEE MEETING MINUTES

Thursday 28 March 2024, 7.00 pm - 7.55 pm

Council Chamber - Civic Offices

Members Present: Councillors P Bolton, B Vaz, M Owen and J M Whitehouse

Officers In Attendance: Christopher Hartgrove (Interim Director Finance / Deputy 151 Officer (Shared Services)), Sarah Marsh (Head of Internal Audit - Internal Audit (Shared Services) / Corporate Fraud), Martin Crowe (Corporate Fraud Team Manager), Gary Woodhall (Team Manager - Democratic & Electoral Services) and Pat Seager (Chairman's Officer)

Officers In Attendance (Virtually): Matt Picking (Democracy & Elections Apprentice)

Guests: M Ramzan, External Auditor, Deloitte.

[A RECORDING OF THIS MEETING IS AVAILABLE FOR REPEATED VIEWING](#)

38 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.

39 DECLARATIONS OF INTEREST

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

40 MINUTES

The External Auditor highlighted that work on the audit of accounts for 2022/23 had not started and suggested this that minute 31 was amended accordingly.

RESOLVED:

That pending the above amendment the minutes of the meeting held on 21 February 2024 be taken as read and signed by the Chairman as a correct record.

41 MATTERS ARISING

The Chairman advised that a recommendation to appoint two competitively selected co-opted members to the Audit & Governance Committee would be made to Council on 9 April 2024.

42 AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Committee noted its Work Programme for 2023/24.

43 EXTERNAL AUDITOR UPDATE

The External Auditor, Mohammed Ramzan, provided an overview of the audit planning report for 2021/22. This was followed by an update on the ISO 260 report, which was near completion. The key messages of the report were highlighted to the Committee. Progress on the Value for Money Audit was good, and the report commentary would be combined for the years 2021/22 and 2022/23. The Committee were advised that based on the status of the audit, it was envisaged that an unmodified audit opinion would be issued. A final version of the report would be presented to Committee.

The Committee received clarification around Council's Componentisation Policy, components of historic infrastructure assets had been difficult to ascertain but had met the requirements of the external auditor, who had provided specific recommendations in the report.

RESOLVED:

The Committee considered the audit planning report and the ISO 260 report for 2021/22.

44 RISK MANAGEMENT

The Head of Internal Audit, Sarah Mash, updated the Committee and on risk management report. The reduced risk in relation to: business continuity plans, climate change, and waste delivery service were highlighted. The Committee were advised that the quality of decision making on major planning applications had been escalated to a corporate risk.

Committee raised several queries and were advised that:

- There was an action plan in relation to climate change.
- The right to buy receipts were built into the HRA Business Plan, additional details would be provided.
- There was a risk of designation from Government for the quality of decision on major planning applications, and the mitigation needed to relate to the KPI.

RESOLVED:

The Committee reviewed and endorsed the risk register to Cabinet for approval, with a recommendation to strengthen the mitigation associated with the PLA004 on the quality of Major planning decisions.

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.

The Committee were requested to cancel the Section 114 Notices audit as the Council had robust spending controls in place and had issued a balanced budget for 2024/25, and to defer the delivery of the Local Plan, and the Council Tax and Business Rates audits. A reasonable level of assurance had been issued for Purchase Cards, and the numbers of recommendations in the audit tracker continued to decrease.

The Committee queried the deferral of audits and were advised that the proposed deferral to 2025/26 for Local Plan, and 2024/25 for Council Tax and Business Rates. The Committee requested that that the Local Plan should be considered in the next municipal year.

RESOLVED:

The Committee:

- I. noted the summary of the work of Internal Audit and the Corporate Fraud Team for the period February to March 2024
- II. approved the cancellation of the Section 114 Notices audit and the deferral of the Council Tax and Business Rates audit until next year, and
- III. requested that the deferral of the Local Plan delivery be brought back to the next meeting of the Committee.

46 AUDIT STRATEGY AND AUDIT PLAN 2024/25

Sarah Marsh, Head of Internal Audit presented the report to Committee and the Internal Audit mission and core principles, and the key elements of the report. A new Standard for audit across all sectors had been published and the impact of this would be considered and reported back to Committee.

The Committee were advised how the audit plan was developed using a risk-based approach and it was noted that the priority areas had not changed from previous years.

The Committee received assurance that there were adequate resources to deliver the plan.

RESOLVED:

The Committee

- I. considered the effectiveness and contribution of the Internal Audit Strategy and Plan within the Council's assurance framework and
- II. approved the Internal Audit Strategy and Plan for 2024/25.

47 CORPORATE FRAUD TEAM PLAN 2024/25

Martin Crowe, Team Leader of Corporate Fraud Team, introduced the report which set out focus and approach of the Corporate Fraud Team for the year 2024/25. The approach had both reactive and proactive elements. A fraud awareness training package for Members was being developed and this would be rolled out to officers. The National Fraud Initiative data matching exercise would be carried out.

The Committee were advised that:

- the number of referrals was in the hundreds, specific figures would be provided, however the quality of referrals was variable and each case was risk assessed and prioritised, and in some cases were flagged to other departments.
- it was unusual to refer cases to the Police as the Fraud Team had a range of powers and could carry out prosecutions.

RESOLVED:

The Committee approved the Corporate Fraud Team Plan for 2024/25

48 ANY OTHER BUSINESS

No other business was raised for consideration by the Committee.

49 EXCLUSIONS 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