

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Audit & Governance Committee      **Date:** Thursday, 17 March 2022

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

**Members Present:** Councillors I Hadley (Chairman), B Vaz, M Owen and R Morgan

**Members Present (Virtually):** Councillors S Heap

**Independent Member Present:** Mr A Jarvis (Vice Chairman)

**Other Councillors (Virtual):** Councillors L Burrows

**Officers Present:** S Marsh (Chief Internal Auditor), S Linsley (Senior Auditor), A Small (Strategic Director Corporate and 151 Officer) and N Cole (Corporate Communications Officer)

**Officers Present (Virtually):** R Perrin (Democratic and Electoral Services Officer)

**44. Webcasting Introduction**

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

**45. Declarations of Interest**

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

**46. Minutes**

**RESOLVED:**

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

**47. Matters Arising**

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

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

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

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

#### 49. Risk Management

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

The Committee:

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

#### Resolved

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

#### 50. Internal Audit Progress Report

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

#### Resolved

The Committee:

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

#### 51. Internal Audit Strategy and Plan 2022/23

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

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

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

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

**Resolved:**

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

**52. Any Other Business**

No other business was raised for consideration by the Committee.

**53. Exclusion of Public and Press**

**RESOLVED:**

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

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

**54. Supply Chain Considerations**

**Resolved:**

The Committee noted the risk and supply chain consideration report.

**CHAIRMAN**

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