

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee:	Audit & Governance Committee	Date:	Thursday, 29 September 2022
Place:	Council Chamber - Civic Offices	Time:	7.00 - 7.45 pm
Members Present:	Councillors A Jarvis (Vice-Chairman), P Bolton (Chairman), B Vaz and M Owen		
Members Present (Virtually):	Councillors S Heap		
Officers Present:	L Kirman (Democratic Services Officer), S Marsh (Chief Internal Auditor), S Linsley (Senior Auditor), A Small (Section 151 Officer), C Hartgrove (Interim Chief Financial Officer) and N Cole (Corporate Communications Officer)		
Officers Present (Virtually):	R Perrin (Democratic and Electoral Services Officer) Mohammed Ramzan (Director Deloitte)		

16. 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.

17. DECLARATIONS OF INTEREST

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

18. MINUTES

Resolved:

That the minutes of the meeting held on 27 June 2022 be taken as read and signed by the Chairman as a correct record.

19. MATTERS ARISING

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

20. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Strategic Director Corporate and Section 151 Officer, A Small, advised the Committee that the 2019/20 accounts had been received from the External Auditor, Deloitte earlier that day, but this was too late to bring to Committee. Mr M Ramzan, Deloitte Ltd advised the Committee that work was continuing with EFDC, and that it was anticipated that reports for both 2019/20 and 2020/21 would be brought to the next committee.

Mr Jarvis acknowledged this was a complex report but suggested that the delays needed to be addressed, the Committee agreed that the external Auditors needed to ensure the reports were presented at the next Committee meeting.

Resolved:

The Committee noted its Work Programme for 2022/23.

21. RISK MANAGEMENT

The Strategic Director Corporate and Section 151 Officer, A. Small, highlighted that the Officer Group had met and discussed emerging risks around energy costs, the economic crisis and impact on homelessness, health and safety, the progress of the corporate plan, and the potential rent cap. Waste management had been added to the register.

Mr Jarvis brought to the attention of the Committee CIPFA guidance to ensure to that Council's should have effective risk management for any subsidiary and for commercial activities and suggested this could be pertinent in relation to Qualis. Mr Small reminded the Committee of the Governance arrangements for Qualis and highlighted that the Qualis Business Plan, which incorporated risk, would be scrutinised by the Overview and Scrutiny Cabinet, prior to consideration by Cabinet.

The Committee were advised that majority of loans were fixed rate. Short term fixed rates loans would need to be replaced, advice would be sought from Arlingclose and the strategy revisited if required. All Qualis loans were on a fixed term basis.

Resolved:

The Committee reviewed and endorsed the risk register.

22. 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 Audit Plan was progressing well. Three audits: records relating to Safes; Right to Buy conveyancing processes; and agency staff had been added to the Audit Plan, and these audits had commenced. No final reports had been issued since the previous Committee meeting. There were eight overdue items on the recommendation tracker, none of which were high priority.

The team continued to provide assurance and improvements to governance processes across the Council including Risk Management and Information Governance arrangements.

The Committee challenged the progress on some overdue items which had been present on the previous tracker and noted there were a series of issues to be resolved by management. The Committee looked forward to seeing a reduction in these outstanding items before the next meeting. S Marsh outlined the process for agreeing recommendations, timescales and monitoring the tracker, and welcomed the interest from the Committee

Resolved:

The Committee noted the summary of the work of Internal Audit and the Corporate Fraud Team for the period June to September 2022.

23. TREASURY MANAGEMENT OUTTURN REPORT 2021/22

The Interim Chief Financial Officer, C Hartgrove, presented the report, he highlighted

- The borrowing position as at 31 March 2022 was £269.0m an increase of £7.3m on the previous year. £54.0m of this borrowing was short term from other Local Authorities, and the remaining £215.0m was long and short-term borrowing from the Public Works Loan Board (PWLB).
- The treasury investment position was summarised and had increased by £8.2m from the previous year to £18.7m as at the 31 March 2022. £17.0m of the total investment was held in Money Market Funds and £1.7m in the Council's bank account.
- Non Treasury Investments, the Council's commercial property investment had a closing balance sheet value of £162.0m compared to £147.3m at the same stage in 2020/21 and an overall net income from the commercial property was £7.5m up from £6.8m in 2020/21, this reflected the additional income generated from new and renegotiated tenancies at North Weald Airfield.
- The Prudential and Treasury Management indicators had been met in line with the adopted strategy, with the exception of minor short lived technical breaches driven by exceptional cash flows, including Covid funding adjustments dictated by Government and the redemption of a £32.8m HRA loan in March 2022. The Council had opened a government debt management account deposit facility.
- The corporate finance team had become fully resourced.

The Committee acknowledged the two-year delay in the implementation of IFRS 16 and sought clarity on the potential impact. C Hartgrove advised that it was unlikely to be a material impact. The Committee had no further comment on the report.

Resolved:

The Committee noted and recommended the Treasury Management Outturn Report for 2021/22 to full Council.

24. ANY OTHER BUSINESS

It was agreed that specific issues raised by Cllr Heap would, in the first instance, be discussed with Mr A Small.

25. 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

This page is intentionally left blank