



Epping Forest District Council

AUDIT & GOVERNANCE COMMITTEE **Monday, 23rd March, 2020**

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

Council Chamber, Civic Offices, High Street, Epping
on **Monday, 23rd March, 2020**
at **7.30 pm** .

Georgina Blakemore
Chief Executive

**Democratic Services
Officer**

Gary Woodhall
Tel: 01992 564243
Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors J Knapman (Chairman), I Hadley, S Heap, R Jennings and B Vaz

Independent -

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

(Corporate Communications Manager) 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

(Democratic Services Manager) To be announced at the meeting.

3. DECLARATIONS OF INTEREST

(Monitoring Officer) To declare interests in any item on the agenda for the meeting of the Committee.

4. MINUTES (Pages 5 - 18)

(Democratic Services Manager) To confirm the minutes of the meeting of the Committee held on:

- (a) 25 November 2019 (attached); and
- (b) 27 January 2020 (attached).

5. MATTERS ARISING

(Democratic Services Manager) To consider any matters arising from the minutes of the previous meeting of the Committee.

6. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME (Pages 19 - 20)

(Chief Internal Auditor) To consider the attached work programme for the Committee for 2018/19.

7. PLANNING APPLICATIONS AFFECTING THE SPECIAL AREA OF CONSERVATION

(Service Director – Planning Services) To clarify and understand the risks involved with the current stance of Natural England on planning applications which affect the Special Area of Conservation within Epping Forest.

8. RISK MANAGEMENT (Pages 21 - 46)

(Service Director – Commercial & Regulatory) To consider the attached report (AGC-015-2019/20).

9. CORPORATE FRAUD TEAM STRATEGY 2020/21 (Pages 47 - 60)

(Chief Internal Auditor) To consider the attached report (AGC-016-2019/20).

10. INTERNAL AUDIT STRATEGY AND PLAN 2020/21 (Pages 61 - 90)

(Chief Internal Auditor) To consider the attached report (AGC-017-2019/20).

11. INTERNAL AUDIT MONITORING REPORT - JANUARY TO MARCH 2020 (Pages 91 - 116)

(Chief Internal Auditor) To consider the attached report (AGC-018-2019/20).

12. ANY OTHER BUSINESS

(Democratic Services Manager) Section 100B(4)(b) of the Local Government Act 1972 requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

13. EXCLUSION OF PUBLIC AND PRESSExclusion:

(Democratic Services Manager) 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):

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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:

(Democratic Services Manager) Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential

information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection one copy of each of the documents on the list of background papers for four years after the date of the meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee:	Audit & Governance Committee	Date:	Monday, 25 November 2019
Place:	Council Chamber, Civic Offices, High Street, Epping	Time:	7.00 - 8.05 pm
Members Present:	J Knapman, I Hadley, R Jennings and B Vaz		
Other Councillors:	A Patel, C Whitbread and H Whitbread		
Apologies:	N Nanayakkara and S Heap		
Officers Present:	S Marsh (Chief Internal Auditor), N Dawe (Interim Strategic Director & Chief Financial Officer), S Linsley (Senior Auditor), M Hone (Interim Chief Accountant), G Woodhall (Senior Democratic Services Officer) and A Hendry (Senior Democratic Services Officer)		
Also in attendance:	C Wisdom (External Auditor)		

17. 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.

18. DECLARATIONS OF INTEREST

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

19. MINUTES

Resolved:

- (1) That the minutes of the meeting held on 12 September 2019 be taken as read and signed by the Chairman as a correct record.

20. MATTERS ARISING

There were no matters arising from the minutes of the previous meeting for the Committee to consider further.

21. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Committee noted its Work Programme for 2019/20.

The Chairman felt that Planning Services were not examined sufficiently by the Internal Audit team, and whether Planning Services were providing value for money from their services. The Chairman highlighted three areas that, in his view, should be examined:

- (i) applicants having to pay to speak to a Planning Officer about a pre-planning application – was it working as intended;
- (ii) were the delegated authorities to Planning Officers working, as they appeared to leave the decision for each application until the very last permissible day; and
- (iii) reassurance that the Council had enough capacity in Planning Services as Planning Officers appeared to respond very slowly to queries.

Councillor R Jennings requested that reassurance be given about the Council's Enforcement team as well, whilst Councillor Hadley asked what information could be presented to Councillors – especially regarding planning applications in their ward.

The Chief Internal Auditor informed the Committee that the Corporate Governance Group would consider how to provide the necessary assurances to the Committee.

22. AUDIT & GOVERNANCE COMMITTEE - REVIEW OF TERMS OF REFERENCE & EFFECTIVENESS

The Chief Internal Auditor presented a report on a review of the Committee's Terms of Reference and the effectiveness of the Committee.

The Chief Internal Auditor reminded the Committee that an effective Audit Committee brought many benefits to an organisation and, to ensure that the Council continued to provide an effective Audit & Governance Committee, a review of the Committee's Terms of Reference should be undertaken on an annual basis. The review of the Committee's Terms of Reference undertaken by the Chief Internal Auditor had highlighted two additions to reflect the Group Company structure being set up by the Council and to encompass any future changes to the provision of internal audit services.

The Chief Internal Auditor again reminded the Committee that the effective operation of an Audit & Governance Committee formed a key element of the Council's assurance network. A self-assessment was undertaken by the Chief Internal Auditor to review the effectiveness of the Committee, and this showed that the Council could demonstrate compliance with the recommended best practice for an effective Audit Committee. Two minor weaknesses had been identified: a skills and knowledge analysis should be repeated, as the previous analysis had been undertaken in September 2017; and the engagement of the Committee directly with the responsible Managers when discussing governance, risk or control issues. An Action Plan had been developed to address these minor weaknesses identified from the Effectiveness review.

The Chairman commented that it was important for the Committee to be given assurances about the risks involved with the Group Company structure being set up. It was important for the Committee to receive reports from these companies regarding what activities they were undertaking, what their financial position was, and what were their risks. Councillor R Jennings advised the Committee that the Overview & Scrutiny Committee had examined the Group Company structure at its recent meeting, and would get regular updates in the future - although this could create conflict or duplication between the two Committees. The Chief Internal Auditor reassured the Committee that it could place reliance on the reports from Internal and External Audit, as well as examining the risk registers of the Group

companies; there was a plethora of measures that the Committee could examine to reassure themselves.

Following the recent resignation of the Committee's second co-opted member, the Chief Internal Auditor stated that the Council would soon be advertising again for replacements.

Resolved:

- (1) That the proposed changes to the Committee's Terms of Reference be recommended to the Council for approval, following consideration of the changes by the Constitution Working Group; and
- (2) That the results of the review of the effectiveness of the Committee be noted; and
- (3) That the proposed Action Plan for improvement arising from the review of the effectiveness of the Committee be agreed.

23. RISK MANAGEMENT

The Chief Internal Auditor introduced a report on Risk Management within the Council.

The Chief Internal Auditor stated that the views of the Committee were being sought as to whether there were any new or emerging risks that had not been included on the current Corporate Risk Register, or whether there were any changes to the existing risks that should be considered. The views of the Committee would be considered at the next meeting of the Officer Risk Management Group.

The Chief Internal Auditor informed the Committee that the current format of the Corporate Risk Register was based on an established model and was understood by Officers and Members. However, a new Risk Register template was being trialled with Service Directors based on best practice, which had a number of advantages including the better articulation of risks using an 'if-then' format and the use of colour coding to focus attention on the highest risks. The Committee was being requested to endorse the future use of this new format for the Corporate Risk Register.

The Chief Internal Auditor highlighted that it was best practice for the review of the Corporate Risk Register and subsequent recommendation of amendments to the Cabinet to be undertaken by this Committee, and not the Finance & Performance Management Cabinet Committee as at present. The views of the Chairmen of both Committees had been sought and they had concurred with this proposal. If the Committee was in agreement with this proposal, then a report would be submitted to the next meeting of the Constitution Working Group on 12 March 2020 prior to obtaining the approval of the Council. It was intended for the Audit & Governance Committee to review the Corporate Risk Register on a quarterly basis, with further in-depth reviews of individual risks.

The Chairman stated that Climate Change had been highlighted as the number one priority at Council, but it was not included in the Corporate Risk Register. The Council's impact on Climate Change within the District should be given some consideration. In addition, the Local Plan was due to be adopted nine years after its original implementation date, and the Council should be asking how it could prevent this situation happening again.

Councillor Hadley asked why the Transformation Programme had been removed from the Corporate Risk Register? The Chief Internal Auditor responded that the Transformation Programme had been a huge risk when it had started, but had now been broken down into different areas such as the People Strategy and the Accommodation Strategy. Consequently, the risks were now being dealt with at an operational level and the corporate level risk had been removed.

Councillor Hadley also pointed out that there was no corporate risk in relation to the establishment of the new group company, Qualis. However, the Chief Internal Auditor reassured the Committee that the risk register for the establishment of the new group company would be considered at the next meeting of the Risk Management Group.

Resolved:

- (1) That the Officer Risk Management Group be requested to consider Climate Change and the establishment of the new Group Company, Qualis, as new or emerging risks for inclusion on the Corporate Risk Register;
- (2) That the proposal to enhance the Committee's Risk Management responsibilities be recommended to the Council for approval, following consideration of the issue by the Constitution Working Group; and
- (3) That the proposal to revise the format of the Corporate Risk Register be endorsed.

24. INTERNAL AUDIT MONITORING REPORT - SEPTEMBER TO NOVEMBER 2019

The Chief Internal Auditor presented the Internal Audit Monitoring report for the period September to November 2019.

The Chief Internal Auditor reported that three reports had been issued since the Committee's last meeting on 12 September 2019. The report on Disabled Facilities Grants had been issued with moderate assurance, and the report on Homelessness had been issued with substantial assurance. The third report was a review of Payroll HM Revenues and Customs and BACS payment processes, following three separate incidents. A Management Action Plan, which included four recommendations, had been raised to minimise the risk of such incidents occurring again, and the implementation of these recommendations would be followed up through the standard Internal Audit Recommendation Tracker process.

The Chief Internal Auditor stated that good progress had also been made with the 2019/20 Audit Plan, and the timings of the audits had been agreed with the Leadership Team to ensure a timely flow of reports throughout the year. However, the Audit Recommendation Tracker was showing the number of overdue audit recommendations increasing, with 13 currently past their due date. The overdue High Priority recommendation related to the Business Continuity Planning Project. In other activities, the Internal Audit team was working with Business Services in reviewing Officer delegated authorities, and the Officer Risk Management Group had reconvened to review risks at both the Corporate and Service level. The Group Company and Accommodation Project Risk Registers had also been reviewed prior to their consideration by the Risk Management Group.

The Chief Internal Auditor highlighted the following achievements by the Corporate Fraud Team, since the previous meeting of the Committee:

- (i) five Right-to-Buy applications had been stopped resulting in a discount saving of £414,000 and a potential ongoing rent stream of approximately £260,000;
- (ii) two properties had been recovered from investigations into tenancy related fraud, saving the Council approximately £186,000;
- (iii) a Proceeds of Crime award in the sum of £50,000 arising from a previous investigation was due to be shortly received; and
- (iv) National Fraud Awareness week had been from 17 to 23 November 2019, and the Team had organised a series of activities.

The Chief Internal Auditor informed the Committee that the Council's Anti-Fraud & Corruption Strategy had been revised, to include the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. The Committee was requested to agree the revised Strategy and recommend its adoption by the Council. Finally, the Chief Internal Auditor outlined the progress that had been made with the issues identified for improvement during the current municipal year in the Annual Governance Statement.

The Committee was concerned with delays for the Business Continuity Project, as it illustrated the Council's previous casual approach to Business Continuity. Business Continuity was very important for the Council, and all of the key players should be involved. The Chief Internal Auditor acknowledged the Committee's concerns and drew the Committee's attention to the progress update on the project from the Commercial & Regulatory Service Director that had been included within the Committee's agenda papers.

Resolved:

- (1) That the progress made against the Internal Audit Plan for the period September to November 2019 be noted; and
- (2) That the revised Anti-Fraud & Corruption Strategy be agreed, and recommended to the Council for approval.

25. ANY OTHER BUSINESS

Resolved:

- (1) That, in accordance with Section 100B(4)(b) of the Local Government Act 1972, the following items of urgent business be considered following the publication of the agenda:
 - (a) Treasury Management & Prudential Indicators – Mid-Year Report 2019/20;
 - (b) Final Accounts Improvement Plan; and
 - (c) Update from the External Auditor.

26. TREASURY MANAGEMENT & PRUDENTIAL INDICATORS - MID-YEAR REPORT 2019/20

The interim Chief Accountant presented the mid-year report on the Council's

Treasury Management function and Prudential Indicators for 2019/20.

The interim Chief Accountant reminded the Committee that the mid-year report was a requirement of the Council's reporting procedures to comply with the Code of Practice on Treasury Management issued by the Chartered Institute of Public Finance & Accountancy (CIPFA). The report covered the Council's treasury activity for the first half of the financial year 2019/20, and the associated risks as well as with how these risks were managed during the year.

The interim Chief Accountant reported that, overall, the Council had managed its Treasury Management function within the previously agreed parameters, and had continued to finance its Capital Programme through the use of internal resources. The five-year Capital Programme was forecasted to be £97million, which would be partly financed by £8million of external borrowing. By the end of this period, the Capital Receipts Reserve was predicted to be £3.9million and the Major Repairs Reserve was predicted to be £500,000. The Committee noted that the Council had £18.3million under investment as at 30 September 2019, and the average net investment position had been approximately £11.75million. The Council did not breach any of the Treasury Prudential Indicators during the first half of the 2019/20 financial year.

The Committee welcomed the continuation of the prudent approach that the Council had traditionally taken toward borrowing, and the operation of the Council's Treasury Management function.

Resolved:

- (1) That the mid-year progress report on the Council's Treasury Management function and the Prudential Indicators for the first half of the 2019/20 financial year, and the management of the risks therein, be noted; and
- (2) That none of the Prudential Indicators had been breached during the first half of the 2019/20 financial year be noted.

27. FINAL ACCOUNTS IMPROVEMENT PLAN

The interim Chief Accountant presented a report on the Final Accounts Improvement Plan.

The interim Chief Accountant reminded the Committee that the conditional report issued by the Council's External Auditors, Deloitte, on 6 September 2019 highlighted several weaknesses in the arrangements for the preparation of the Statutory Statement of Accounts and supporting working papers. Although at that time, there was yet to be found any significant misstatement in the Accounts, a final view could not be given by the External Auditor until all matters had been resolved. These weaknesses were due to many factors that had subsequently been immediately resolved as part of an on-going improvement programme by the Finance Department. There were proposals to further improve the process of Final Account preparation for 2019/20 and subsequent years.

The interim Chief Accountant reported that significant improvements had already been made and none of the planned improvement actions was either late or incomplete at this stage. Further improvements were planned, including the conducting of a dummy Account Closure exercise in January 2020, for the first nine months of the 2019/20 financial year. Additional improvements would also take place

before the end of the financial year, and these activities were taking place as part of a continuous improvement approach in consultation with our External Auditors. Appropriate measures were now in place to ensure all procedure and approaches were well understood by other permanent members of the Accounting Team, and the permanent post holders for the Technical Accounting Team Leader and the Accounting Team Manager roles when appointed.

The Chairman pointed out that the Committee had previously raised concerns about capacity issues and changeover procedures within the Accounts Team. The Council had clearly learnt some very important lessons and now had documentation available for the future. However, the Chairman also highlighted that the External Auditor's report indicated that there were still some issues to be resolved, and in some ways contradicted the Officer's report. The interim Chief Accountant reassured the Committee that the Action Plan had been approved by the External Auditor and that the fundamental financial position of the Council was not in doubt, just the process of producing the Final Accounts. The External Auditor added that they expected to receive responses to the eight outstanding key issues listed in the report within the next two weeks and to be in a position to close the Final Accounts in December.

The Committee welcomed the fact that the Council had recognised the problem and was working to resolve the issues. Councillor R Jennings was surprised that no warnings were sounded when five Senior Finance Officers left the Council within a short space of time, and also wanted to know the cost to the Council from having to implement the Improvement Plan. The Chairman also wanted assurances that if key Finance Officers left the Council in the future then the same problems would not occur. The interim Chief Accountant reminded the Committee that there were several different reasons as to why five Senior Finance Officers left the Council within a short space of time. The Accounts Team was currently codifying all of the Final Accounts processes, including how to produce the supporting working papers. The interim Chief Accountant undertook to respond to the Committee in writing regarding the cost to the Council of implementing the Improvement Plan.

The interim Strategic Director added that it was important to keep to the schedule within the Improvement Plan, and the Committee requested that Officers attend future meetings of the Committee to provide an explanation if any of the target dates were not kept to in the future.

Resolved:

- (1) That the improvement plan, attached as an Appendix to the report and providing an overview of key areas of improvement and the approach being taken to deliver the improvement, be noted;
- (2) That all improvement actions were currently on schedule and were associated with resolving issues in respect of the 2018/19 accounts as well as preparing for future final accounts be noted;
- (3) That the significant contribution made by the lead Technical Team Leader in both completing the accounts and authoring and delivering the Improvement Plan be noted;
- (4) That the improvements were being delivered within current establishment, and by an Officer who was an interim be noted;

(5) That the planned improvements were well documented and a planned exchange of knowledge and procedures would occur in respect of existing and new permanent staff be noted; and

(6) That the scheduled target dates within the Improvement Plan were expected to be adhered to, with the explanation for any missed target dates to be reported back to the Audit & Governance Committee.

28. UPDATE FROM THE EXTERNAL AUDITOR

The External Auditor had provided updates to the Committee as part of the previous item on the agenda, and there was nothing further to discuss.

29. EXCLUSION OF PUBLIC AND PRESS

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

CHAIRMAN

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Audit & Governance Committee **Date:** 27 January 2020

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 7.38 pm

Members Present: J Knapman (Chairman), I Hadley, S Heap, R Jennings and B Vaz

Other Councillors: C Whitbread and H Whitbread

Apologies:

Officers Present: N Dawe (Interim Strategic Director & Chief Financial Officer), S Linsley (Senior Auditor), S Marsh (Chief Internal Auditor), J Nolan (Service Director (Commercial & Regulatory Services)), P Seager (Chairman's Officer) and G Woodhall (Democratic & Electoral Services Officer)

30. 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.

31. DECLARATIONS OF INTEREST

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

32. MINUTES

Confirmation of the minutes of the previous meeting was deferred to the next meeting of the Committee, as the minutes were not attached to the agenda and Members had not received the email notification that the minutes had been published to the Council's website. The Senior Democratic Services Officer undertook to email a copy of the minutes to all members of the Committee.

33. MATTERS ARISING

Consideration of any matters arising from the minutes of the previous meeting was also deferred, pending receipt of the minutes of the previous meeting by Members of the Committee.

34. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Chief Internal Auditor reminded the Committee that it was due to consider a report on the effectiveness of the arrangements for Risk Management at its meeting. However, once the Committee assumed the responsibility for Risk Management from

the Finance & Performance Management Cabinet Committee, then it would be receiving Risk Management update reports at each meeting in the future.

The Section 151 Officer explained to the Committee that a report on the Treasury Management Investment & Strategy Statements was due to be considered at this meeting. However, the Council was in the process of implementing some significant changes in its approach to loans and some further analysis was required. Hence, this report would not be forthcoming until the next meeting of the Committee two months hence.

The Committee noted its Work Programme for 2019/20, including the two revisions as explained to the Committee.

35. INTERNAL AUDIT MONITORING REPORT - NOVEMBER TO JANUARY 2020

The Chief Internal Auditor presented the Internal Audit Monitoring report for the period November 2019 to January 2020.

The Chief Internal Auditor reported that four reports had been issued since the Committee's last meeting on 25 November 2019. The three reports on Recycling Management & Income, Invoices Payments, and Housing Register and Allocations had been issued with substantial assurance, whilst the report on Business Support Reconciliations had been issued with limited assurance. For Business Support Reconciliations, it had been identified that the Building Control, Legal Fees and Industrial & Commercial Rents reconciliations were not being carried out and therefore there was limited assurance that all such transactions had been recorded in the Council's accounts. Weaknesses in the reconciliations that were being performed by Business Support had also been identified. Under the new Business Support arrangement, roles and responsibilities should be clearly defined and clear procedural guidance to ensure controls operated effectively.

The Chief Internal Auditor stated that good progress had been made with the Internal Audit Plan for 2019/20; the deferral of the audit of the Infrastructure Delivery Plan to 2020/21 was being considered, as the Local Plan had not yet been adopted.

The Audit Recommendation Tracker was showing that the number of overdue audit recommendations had increased with 17 currently past their due date in comparison to 13 at the Committee's previous meeting. The overdue High Priority recommendation related to the Business Continuity Planning project; the Service Director for Commercial & Regulatory Services reported that Business Continuity Planning for all Directorates was now complete, and an exercise would be undertaken on 19 February 2020 to test the Business Continuity Plans.

Cllr R Jennings highlighted the use of the word '*should*' throughout the report, was concerned by the number of overdue audit recommendations, and enquired if this situation would be rectified for the next meeting of the Committee in March? The Chief Internal Auditor took this on board. The Chairman was also concerned that the number of overdue medium priority audit recommendations had doubled since August 2019, and proposed that every Officer responsible for an overdue audit recommendation should be summoned to the next meeting of the Committee to explain why the deadline had not been met; the Committee agreed the proposal.

The Chief Internal Auditor informed the Committee that the Internal Audit Charter had been reviewed to ensure that it was fully compliant with the Public Sector Internal Audit Standards. The primary revision had been to ensure the division between assurance and consultancy work was clearly defined. The annual review of the Local

Code of Corporate Governance had also been completed, and the only changes required were to reflect the Council's management restructure and current policies.

The Chief Internal Auditor highlighted the following achievements by the Corporate Fraud Team, since the previous meeting of the Committee:

- (i) two Right-to-Buy applications had been stopped resulting in a discount saving of £166,000 and potential rent revenue streams of £105,000;
- (ii) one ongoing Right-to-Buy investigation had identified safeguarding issues relating to suspected financial abuse of an elderly person;
- (iii) an investigation into the suspected illegal sub-letting of a Council property had now reached the stage where legal options were being explored; and
- (iv) International Fraud Awareness Week had been well received, and had made a number of teams within the Council more fraud aware.

Finally, the Chief Internal Auditor outlined the progress that had been made with the issues identified for improvement during the current municipal year in the Annual Governance Statement.

Cllr S Heap felt that there was no mechanism for oversight of current fraud investigations, and the Committee needed to have some degree of control over this. The Chief Internal Auditor stated that public pronouncements could not be made during the investigation, but the result of major investigations were always reported to the Committee when they were completed. Cllr S Heap stated that some of the investigations were lengthy, and the Committee would not know of its progress or even if it was actually happening. Cllr S Heap felt that there should be a small group of Councillors who should be trusted for the reporting of ongoing fraud investigations. The Chief Internal Auditor undertook to consider this matter further and would discuss this with the Chairman.

The Chairman was pleased that Officers were now accountable to the Committee and would have to provide an explanation if they failed to meet the agreed deadlines for actioning audit recommendations. However, the Councillor was unsure as to the timescale for actioning the audit recommendations for the limited assurance report issued for the Business Support Reconciliations? The Chief Internal Auditor stated that this would normally form part of the audit recommendation tracker process, which listed all overdue audit recommendations and all outstanding high priority audit recommendations, regardless of whether they were overdue or not. This particular high priority audit recommendation was listed on the audit recommendation tracker, but the Chief Internal Auditor agreed that additional detail should have been included in the report to give the Committee that assurance as well. The Senior Auditor added that an action plan was always agreed with the relevant Officer after every audit undertaken, and additional detail regarding the actioning of high priority audit recommendations would be included in the Committee report in the future.

Resolved:

- (1) That the progress made against the 2019/20 Internal Audit Plan and the summary of the work of Internal Audit and the Corporate Fraud Team for the period November 2019 to January 2020 be noted;
- (2) That the revised Internal Audit Charter be approved;

(3) That the revised Local Code of Corporate Governance be approved; and

(4) That the responsible Officers for all overdue Audit Recommendations at the next meeting of the Committee be invited to attend that meeting to explain to the Committee the circumstances for the deadline not being met.

36. FINAL ACCOUNTS PROGRESS REPORT

The interim Strategic Director presented an update report on progress with the preparation of the Council's Final Accounts to the Committee.

The Director reminded the Committee that the External Auditors had highlighted a number of weaknesses in the Council's arrangements for the preparation of the Statutory Statement of Accounts and supporting working papers. An Improvement Plan had been put in place, and all the specific issues with the 2018/19 Financial Statement had been resolved with the External Auditors. In addition, the following general improvement aspects were being addressed:

- supporting working papers were now well documented and filed under dedicated folders;
- a succession plan and a cultural shift towards the documentation of processes and procedures was being introduced;
- bank mandates had been updated to reflect the recent turnover in key members of staff, and the correct contact information had been provided to the Council's Investment Managers;
- new Accounting Standards were being reviewed to ensure that the Council complied with them;
- the Cash Forecast had been produced and updated on a monthly basis up to the end of period 9; and
- the Finance and Legal teams had agreed on the format for recording any Shared Ownership of Council Dwellings agreements (Rent-to-Mortgage).

The Director stated that the Improvement Plan was currently on schedule and the Committee would receive a full report on the result of the Month Nine Trial Close of the Accounts exercise at its next meeting.

The Chairman commented that this was an excellent report, as it has stated what had been done to resolve the issues and what would be done in the future. Cllr R Jennings also reminded the Committee that he had raised the issue of the cost involved to the Council for resolving these problems with the Final Accounts at the last meeting, and would still like to be advised of this.

The Committee welcomed the report as it indicated that the Council was now in a much better situation than it had been a few months ago.

Resolved:

(1) That the overall progress made with the Plan to improve the speed and accuracy of the Final Account closure be noted;

(2) That the achievement of a Month Nine Trial Close of the Accounts and progress with testing 'Year-End' activities be noted;

- (3) That, following the conclusion of all Trail Closure activities and the production of a dummy set of Accounts, a further progress report on the results of this exercise be submitted to the meeting of the Committee; and
- (4) That the Committee be advised of the cost involved to the Council in resolving these issues with the preparation of the Final Account.

37. ANY OTHER BUSINESS

The Chairman felt that the Committee should be challenging more Service Directors on the risk issues within their areas of responsibility, and proposed that the Service Director for Planning Services should be invited to the next meeting of the Committee to explain the risks involved with the current position of Natural England on planning applications which affected the Special Area of Conservation within Epping Forest. The Leader of the Council acknowledged there was an issue, but assured the Committee that a considerable amount of work was being undertaken behind the scenes to resolve the situation. However, the Committee concurred with the suggestion of the Chairman, and an invitation would be extended to the Service Director for Planning Services to attend the next meeting of the Committee.

Cllr S Heap stated that he was still unsure about certain aspects of the new Group Company structure, and felt that it needed to be more transparent. The Chairman reminded the Committee that this matter had been raised at the last meeting, and felt that there could be a role for the Audit & Governance Committee to ensure that the proper processes were in place. Cllr R Jennings added that the Overview & Scrutiny Committee were receiving regular progress reports on the establishment of the Group Company at every meeting. The Leader of Council reassured the Committee that Qualis was a company wholly owned by the Council, and that there was a Member Workshop scheduled for 3 February 2020 which would explain how the Group Company had been set up. The Chief Internal Auditor added that the Audit Plan for 2020/21 was currently being developed, and the Group Company would feature heavily within the Plan. The shared service had experience of auditing such companies at both Harlow and Broxbourne District Councils.

Cllr I Hadley pointed out that the Corporate Risk Register attached to this agenda was dated September 2019, but the Corporate Risk Register attached to the latest agenda of the Finance & Performance Management Cabinet Committee was dated January 2020. In addition, the corporate risk concerning the establishment of the Group Company had not yet been added and no explanation had been given. The Service Director for Commercial & Regulatory Services confirmed that the Corporate Risk Register attached to the agenda for the Finance & Performance Management Cabinet Committee was the current risk register. The establishment of the Group Company would be added to the Corporate Risk Register for the next update, but it was currently going through the Officer risk analysis process at the current time.

Resolved:

- (1) That the Service Director for Planning Services be invited to attend the next meeting of the Committee to explain the risks involved with the current stance of Natural England on planning applications which affected the Special Area of Conservation within Epping Forest.

38. EXCLUSION OF PUBLIC AND PRESS

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

CHAIRMAN

Audit & Governance Committee Work Programme 2019/20

12 September 2019

- Annual Report of the Chief Internal Auditor 2018/19.
- Corporate Fraud Team Annual Report 2018/19
- Audit and Governance Committee Annual Report 2018/19.
- Internal Audit Progress Report.
- Statutory Statement of Accounts 2018/19
- Annual Governance Statement 2018/19
- Treasury Management Annual Outturn Report.

- ❖ Audit of Accounts Annual Governance Statement 2018/19

25 November 2019

- Treasury Management Mid-Year Report.
- Internal Audit Progress Report.
- Review of the Audit and Governance Committee Terms of Reference.
- Review of the Audit and Governance Committee Effectiveness.
- Review of the Anti-Fraud and Corruption Strategy

- ❖ Annual Audit Letter 2018/19

27 January 2020

- Treasury Management Investment & Strategy Statements.
- Internal Audit Progress Report.
- Review of Code of Corporate Governance.
- Review of the Internal Audit Charter.

23 March 2020

- Risk Management report.
- Internal Audit Progress Report
- Internal Audit Strategy and Audit Plan 2020/21.
- Corporate Fraud Team Strategy 2020/21.

- ❖ Planning Letter 2020/21.
- ❖ Audit Plan 2019/20.
- ❖ Grant Claims Audit Report 2018/19.

Key

- EFDC Officer Report.
- ❖ External Auditor Report.

N.B...In addition, the Committee's annual private meetings with the External (7pm) and Internal (7.15pm) Auditors are scheduled to take place prior to the 23 March 2020 meeting in the Conference Room.

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC-015-2019/20

Date of meeting: 23 March 2020

Portfolio: Leader of the Council

Subject: Risk Management

Responsible Officer: Jim Nolan (01992 564083).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To review the current risk register and consider whether there are any new or emerging risks that are not on the current Corporate Risk register that should be referred to the officer Risk Management Group

Executive Summary:

This report gives the Audit and Governance Committee the opportunity to comment on and suggest changes to the Corporate risk register.

Reasons for Proposed Decision:

To enhance the Council's risk management framework.

Other Options for Action:

Formal responsibility for making recommendations to Cabinet on risk management issues remains with the Finance Performance Management Cabinet Committee

Report:

1. At the committee level formal responsibility for risk management lies with Audit and Governance Committee to monitor the effective development and operation of risk management in the Council.
2. CIPFA (the Chartered Institute of Public Finance and Accountancy) audit committees – practical guidance for Local Authorities and Police 2018 edition states that Audit Committees should 'consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations'.

Corporate Risk Register

3. The corporate risk register (Appendix 1) was reviewed by the Council's Officer Risk Management Group at their meeting of 3 March 2020 where a number of new risks were

added and others reviewed. The revised register is then reviewed by the Corporate Governance Group.

Resource Implications:

Within the report

Legal and Governance Implications:

Changes to the Constitution have to be approved by full Council

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

CIPFA audit committees – practical guidance for Local Authorities and Police 2018 edition

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately. In addition, new or emerging risks are not considering which could threaten achievement of the Council's corporate objectives.

Equality Analysis:

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

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: **Commercial and Regulatory Services**

Title of policy or decision: **Risk Management report**

Officer completing the EqlA: Tel: **01992 564449** Email: **slinsley@eppingforestdc.gov.uk**

Date of completing the assessment: 29/10/19

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? Change of responsibility for Risk management from Finance and Performance Management Cabinet Committee to Audit and Governance Committee
2.2	Describe the main aims, objectives and purpose of the policy (or decision): Audit and Governance Committee to over Risk Management 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 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

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: 30/10/19

Signature of person completing the EqlA: Sue Linsley

Date: 29/10/19

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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CORPORATE RISK REGISTER

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LIKELIHOOD	A Very High			3 5	14
	B High			15 16 17	1 7
	C Medium			4 6 10 12 13 18	
	D Low / Very Low				
		4 Insignificant	3 Minor	2 Moderate	1 Major
	IMPACT				

RISK NO.	RISK SCORE	DESCRIPTION
1	B1	Local Plan
3	A2	Welfare Reform
4	C2	Finance Resilience
5	A2	Economic Development
6	C2	Data/Information
7	B1	Business Continuity
10	C2	Housing Capital Finance
12	C2	Waste Management
13	C2	Cyber Security
14	A1	Delays in issuing Planning Permission
15	B2	Climate Emergency
16	B2	Accommodation project
17	B2	Travel plan
18	C2	Qualis

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 1 Local Plan	<p>Vulnerability: Without an adopted Local Plan and with the introduction of the Housing Delivery Test from November 2018, the Council's ability to deliver housing at the required rate will lead to the presumption in favour of sustainable development being applied and the requirement to prepare an action plan.</p> <p>Consequence: Without an adopted plan setting the Council's housing requirement at 518 the measurement used will be the 2014 household projection figures/standard method for assessment with an annual requirement of 923 homes. This will result in vulnerability to planning appeal decisions and potential development in the Green Belt as the presumption in favour of sustainable development will apply.</p>	The failure to deliver at the required threshold set out in the NPPF of 95% of the housing requirement over the previous three years triggers a requirement for the Council to prepare an action plan in line with national planning guidance to assess the causes of under delivery and identify actions to increase delivery. Although there are transitional arrangements with lower thresholds for November 2018 and 2019, the delay in submitting the Local Plan as a result of the Judicial Review and Natural England's requirement not to issue planning decisions until a mitigation strategy is in place for Epping Forest SAC, is likely to have ongoing consequences for delivery. There is now further delay as a result of Natural England's objections to the Habitat Regulations Assessment, which has led to the Inspector's advice that further work is required to inform the mitigation strategy, which is now underway.	VERY HIGH	MAJOR	A1	<p>1) Local Plan Submission Version 2017 agreed by Council on 14 December 2017 and published between 18 December 2017 and 29 January 2018. Following the JR the plan was submitted for examination in September 2018 and hearings have now taken place between February and June 2019. The Inspector's advice issued on 2 August 2019 requires the Council to undertake further work to support the Local Plan, which is now underway.</p> <p>2) Revised Local Development Scheme (LDS) adopted by Local Plans Cabinet Committee 22 November 2018 following submission of plan for independent examination.</p> <p>3) Systematic approach to Duty to Co-operate, engaging public bodies including Natural England and the Conservators.</p> <p>4) Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, master planning.</p> <p>5) Regular reports at officer and Member level through the Cooperation for Sustainable Development Group.</p>	HIGH	MAJOR	B1	<p>1) Programme of work to agree the Main Modifications is in preparation for agreement with the Local Plan Inspector.</p> <p>2) Review progress against new key milestones.</p> <p>3) Important that key decisions do not precede Duty to Co-operate i.e. "fait accompli".</p> <p>4) Ongoing review of strategy and Service Structure salaries by senior planners and Leadership Team. Scrutiny Function to be undertaken by Stronger Place Select Committee.</p>	Planning Services Director	1) Regular programme meetings to monitor progress – initially weekly but then monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 3 Welfare Reform	<p>Vulnerability: The government has pledged to make substantial savings from the overall welfare bill. This will require a major reform of the welfare system which is likely to have serious impacts on the Council and the community. This includes Universal Credit, changes to Council Tax and other benefits and direct payments to tenants.</p> <p>Consequence:</p> <ul style="list-style-type: none"> • Tenants no longer able to afford current/new tenancies. • Increase in evictions and homelessness • Increased costs of temporary accommodation • Unable to secure similar level of income due to payment defaults • Increase in rent and Council Tax arrears • Public dissatisfaction • Criticism of the Council for not mitigating the effects for residents. 	Welfare reform changes have a detrimental effect on the Council and community.	VERY HIGH	MAJOR	A1	<p>Cross-service and sector working group established to access impacts of the introduction of Universal Credit and to produce an action plan to mitigate the effects.</p> <p>Working group has been created to meet on a regular basis.</p>	VERY HIGH	MODERATE	A2	Action Plan to be developed by the end of 2019/20 by baselining the effects of Universal Credit for implementation in 2020/21.	Customer Services Director	Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 4 Finance Resilience	<p>Vulnerability:</p> <p>Local Authorities are increasingly dependent on locally generated income and from 2020/21 onwards there is little information on future funding. Until the Fair Funding Review is completed it remains difficult to forecast revenue streams for future years. The Fair Funding review will look at how business rate income is distributed amongst authorities, but it is unlikely this authority will see any increase in real terms unless additional responsibilities are passed on as a result. There are a large number of rating appeals received where the outcome is uncertain. With the increasing possibility of a no deal Brexit, a number of income sources could be adversely affected. The Council is heavily reliant on income from commercial rentals and it is possible that businesses will find trading conditions more challenging and insolvency may become more common. This of course also affects business rates. The medium-term financial strategy requires substantial net CSB reductions over three years.</p> <p>The risk is the Council will not deliver to budget and either:</p> <ul style="list-style-type: none"> will overspend or under-recover income (from Qualis) or will underspend and become over risk adverse by holding developments and capital schemes. 	<p>Unable to secure required level of income due to reduced demand for services, changes in legislation, changes in economic conditions or adverse change in funding mechanisms.</p> <p>The Budget is due to be set by Council in February 2020. It highlights a much larger investment and transformation plan than normal, almost entirely funded from new receipts from Qualis (other receipts including growth in council tax base are small). The financial strength of the Council (despite significant reserve balances) is purposefully designed to become more reliant on income from Qualis (alongside fee, charges and rental income).</p> <p>Receipts from NNDR and Council Tax become less significant in setting the economic and fiscal future of the Council.</p>	HIGH	MAJOR	B1	<p>Monitoring of expenditure, key income streams and NDR tax base. Savings opportunities pursued through service reviews and corporate restructure.</p> <p>Qualis income equal and opposite to new development costs, planned that as income comes in from Qualis, development proposals go ahead</p> <p>Majority of Qualis income secured by loans and recharges the date of which they happen is determined by EFDC.</p> <p>Usable reserves over targets sets and additional balances due to be added this year.</p> <p>improved business partner assistance and intervention in budget control issues</p>	MEDIUM	MODERATE	C2	<p>Update Medium Term Financial Strategy as announcements are made on changes to central funding and welfare. Continue to pursue opportunities to reduce net spending. Develop the use of KPI's to understand areas with potential growth/income.</p>	Director - Business Services	Regular programme meetings to monitor progress – initially weekly but then monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
	Consequence: Council unable to meet budget requirements Staffing and service level reductions Increase Council Tax Increase in charges Greater use of reserves if required net savings not achieved. Higher level of saving required in subsequent years. Poor value for money and slower and more cautious approach to service improvement and sustainable development											

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 5 Economic Development	Vulnerability: Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District. Consequence: <ul style="list-style-type: none"> • Unable to secure sufficient opportunities • Local area and people lose out • Insufficient inward investment • Impact on economic vitality of area • Loss of revenue 	Risk that Council performs relatively poorly compared to other authorities.	VERY HIGH	MAJOR	A1	Economic Development Plan (Nurturing Growth) was drafted and presented to Economic Development Board and subsequently to Cabinet Cttee for approval. Cabinet requested further consultation with stakeholders, and this was carried out through October & November, culminating in a consultation event on November 13 th . A report is currently being written which will be presented to Cabinet in February, to seek approval for development of an Action Plan and related resource requirements. Too early to determine effectiveness.	VERY HIGH	MODERATE	A2	Stakeholder consultation event took place in November'19 Report to Cabinet March 2020, with recommendation to resource a Delivery Plan linked to the O&S Local High Streets Task & Finish Review Subject to Cabinet agreement, Economic Dev Implementation Plan to be developed as from April/May 2020	Community and Partnerships Service Director	Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 6 Data / Information	<p>Vulnerability: The authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.</p> <p>Consequence:</p> <ul style="list-style-type: none"> Breach of the 2018 Data Protection Act (DPA) and the General Data Protection Regulations leading to significant fines or/and intervention by the Information Commissioner's Office (ICO) Increased costs and legal implications Reputation damaged and loss of public confidence 	Risk of data held by the Council ends up in inappropriate hands. System loss. Generally effective to date, with no significant lapses since the introduction of the 2018 DPA	HIGH	MAJOR	B1	<p>Significant work was undertaken by the Council to ensure it was compliant in time for the introduction of the GDPR in May 2018. This included review of policy and procedures, staff and Member training and awareness, completing an information asset register/register of processing activities and reviewing security of data arrangements.</p> <p>The Council continues to have a designated Data Protection Officer in post and a system of data breach and subject access request monitoring in place.</p> <p>A recent audit on data retention and disposals has been completed which identified a number of actions. The actions will be reviewed and monitored through the Information Governance Group</p>	MEDIUM	MODERATE	C2	The introduction of the Corporate Information Governance Group will review current arrangements and ensure these are strengthened where required.	Service Director – Business Services (SIRO)	Quarterly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 7 Business Continuity	<p>Vulnerability:</p> <p>The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act.</p> <p>Following the re-organisation and negative outcomes from Internal Audit's review plans need to be updated and changes in responsibilities confirmed.</p> <p>Consequence:</p> <ul style="list-style-type: none"> Services disrupted / Loss of service Possible loss of income Staff absence Hardship for some of the community Council criticised for not responding effectively 	<p>An Internal Audit of Business Continuity arrangements identified a number of weaknesses which are being addressed through the BC project.</p> <p>An external consultant has been engaged to develop the strategy and provide coaching to staff to develop plans. This has largely been completed and an exercise to test was undertaken in Feb 2020.</p>	VERY HIGH	MAJOR	A1	<p>Improvement of current business continuity (BC) management arrangement is currently in progress.</p> <p>Impact of coronavirus needs considering</p>	HIGH	MAJOR	B1	Complete the business continuity project plan and thereafter embed business continuity within the Council, to include periodic tests and exercises	Commercial and Regulatory Services Director	Quarterly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 10 Housing Capital Finance	<p>Vulnerability:</p> <p>If the Council is unable to spend right to buy receipts in set timescale on qualifying capital schemes, we will have to pay the money to the Government along with interest at a penalty rate.</p> <p>Changes to legislation which reduce income to the HRA.</p> <p>Consequence:</p> <ul style="list-style-type: none"> • Loss of capital resources • Revenues cost of penalty interest • Loss of rental income • Delays in provision of new social housing • Increase in housing waiting list • Current 30-year business plan may become unsustainable. 	<p>Risk schemes are delayed by either the planning process or unanticipated site problems.</p> <p>Imposition of further restrictions on rent levels.</p>	HIGH	MODERATE	B2	<p>1) Position being monitored by the House Building Cabinet Committee and a number of contingency options are available including purchasing homes or land on the open market or purchasing from S106 developments. A Consultant has been engaged to work to utilise the receipts before the deadline of the end financial year.</p> <p>2) The Council belongs to the Association of Retained Council Housing which lobbies on such issues.</p> <p>3) Limited effectiveness to date.</p>	MEDIUM	MODERATE	C2	<p>1) Loss of right to buy receipts is minimised.</p> <p>2) Impact of Policy changes is minimised as far as possible.</p>	Service Manager Housing Management and Home Ownership	1) Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 12 Waste Management	<p>Vulnerability: Inability of the Council's partnering contractor, Biffa Municipal Limited to secure profitable outlets for recycling materials processed through the Material Recycling Facility (MRF) could result in diminishing income.</p> <p>Consequence:</p> <ul style="list-style-type: none"> Reputational damage to the Council if recycling materials is sent to landfill. Additional costs to the Council if Biffa cannot sell materials. Additional costs under pain/gain share mechanism in the contract if the income from recycling continues to drop or worst case becomes a cost. 	There has been significant drop in income from the sale of recycling materials especially paper, caused primarily by the Chinese government decision to ban import of MRF paper. This has resulted in saturation in the commodity markets.	HIGH	MODERATE	B2	<p>Financial settlement has been agreed with Biffa to improve the quality of recycling output from Biffa's processing plant.</p> <p>Due to volatility of sale prices of recycling materials the contractual arrangement of Recycling Index Unit Rate (RIUR), agreed at the anniversary of the contract, is to be continued to be monitored closely.</p>	MEDIUM	MODERATE	C2	To continue to monitor the costs and market fluctuations.	Contracts and Technical Services Director	Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 13 Cyber Security	<p>Vulnerability: The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.</p> <p>Consequence:</p> <ul style="list-style-type: none"> • Loss of system access and/or data • Unable to provide Council services • Increased costs • Reputation damaged • Ransomware payment 	Risk of data held by the Council ends up in inappropriate hands. System loss. However, no loss of data. Systems have remained protected from cyber-attack.	VERY HIGH	MAJOR	A1	<p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences.</p> <p>Data is backed up daily with forty days retained. Three backups are also stored off site.</p> <p>Staff training.</p> <p>Disaster recovery solution being implemented by 'Modern Network'. By 31 March, can recover data within 7 mins in real time.</p> <p>Disaster recovery plan to be produced, project managed with ICT. Leading to no need for back up</p>	MEDIUM	MODERATE	C2	<p>Continued funding for robust perimeter protection system.</p> <p>Continued investment in training to ensure that staff recognises potential cyber threats. Ensure that there is "buy in" by both user and management as cyber security is not just the responsibility of IT.</p> <p>Further develop ICT Recovery Plan.</p>	Business Services Director	Quarterly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 14 Delays in issuing Planning Permission	Vulnerability: Delays in issuing Planning Permission for development due to objections by Natural England regarding the impact of development on air quality in Epping Forest SAC. Consequence: <ul style="list-style-type: none"> Delays in granting Planning Permission in the District and getting an adopted Local Plan in place. Loss of New Homes Bonus Restricted Business Rates tax base growth Reputation damaged 	The Habitats Regulations Assessment (HRA) January 2019 found that the Plan would be likely to have a significant effect upon the Epping Forest Special Area of Conservation (the SAC) in respect of both atmospheric pollution and disturbance from recreation & urbanisation.	VERY HIGH	MAJOR	A1	Regular meetings held with key stakeholders including Natural England to update the HRA and develop a mitigation strategy. Interim mitigation strategy has been agreed by Council in October 2018 to mitigate the impact of recreational pressure on the Forest and Natural England have confirmed it is appropriate. Draft Air Quality Strategy developed but further work required to finalise as a result of additional work to update the HRA following the advice from the Inspector. Mitigation strategy being developed with Natural England. Counsel opinion - Council action is sound	VERY HIGH	MAJOR	A1	Mitigation strategy in place for both recreational pressure and air quality issues. Further report to be taken to Cabinet on 6 January 2020 to update members on the risks associated with the issuing of decisions.	Planning Services Director	Monthly – regular updates are being provided to the inspector

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk No 15 Climate Emergency	Vulnerability: The Council declared a climate emergency and has pledged to do everything within its power to make the Epping Forest District carbon neutral by 2030. The Council has identified a number of initial areas of focus, including: Local Plan site allocations achieving high standards of sustainability; carbon reduction of council owned properties; the promotion of sustainable transport and implementing an air quality strategy. Consequence: <ul style="list-style-type: none"> Reputational damage. 	Failure achieving identified carbon reduction targets/actions.	VERY HIGH	MODERATE	A2	A Climate Change Officer has been proposed. Applications for post has been received; recruit process in place – potential in place by June	HIGH	MODERATE	B2	To consider additional ways to reach the carbon neutral goal, such as a focus on climate within the procurement strategy. Establish lines of communication with neighbouring districts and Essex County Council to work towards common goals.	Chief Executive	Quarterly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk no 16 Accommodation project	Failure of the accommodation project to deliver: <ul style="list-style-type: none"> • New ways of agile working • Better use of Council assets • Financial savings which ultimately impacts on the Council's objectives and delivery of services	Background: The Council has embarked on ambitious plan for the renovation and refurbishment of the civic offices that will involve a decant and repopulation of staff and Members. As well as offering space to external partners. Effects <ul style="list-style-type: none"> • Affecting staff wellbeing leading to a loss of staff and organisational knowledge, which impacts on delivery of Council services • Need to ensure IT resilience that supports agile working practices 	Very high	Major	A1	<ul style="list-style-type: none"> • Monthly meetings of the newly created Accommodation Board, which will oversee the workstream action plans • Dedicated programme manager • Use of specialist for procurement and major works 	High	Moderate	B2	Creation and monitoring of workstream action plans	Sacha Jevans	Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk 17 Travel plan	Failure of the Travel Plan compromises the Council's Accommodation Strategy	<p>If staff are unable/unwilling to work and travel flexibly due to a poorly designed or implemented Travel Plan this could impede the delivery of the Council's Accommodation Strategy.</p> <p>This increases the risk of demotivated staff leading to poor performance and inefficiencies.</p>	High	Major	B1	Staff engagement with the Travel Plan through the survey and key messages delivered through staff communications	High	Moderate	B2	Develop and implement processes to deliver the Travel Plan including understanding the implications of car sharing to and from NWA, and reviewing car parking arrangements	Service Director Contracts and Technical Services	Monthly

REF	RISK (IF - THEN)	BACKGROUND - CAUSE/EFFECT	LIKELIHOOD	IMPACT	INHERENT RISK RATING	MITIGATION / CURRENT CONTROLS	LIKELIHOOD	IMPACT	RESIDUAL RISK RATING	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION REVIEW DATE
Risk 18 Qualis	The Council is heavily reliant on income from Qualis e.g. margin on loans, shared services and ultimately dividends from 2020/21.	<p>Much of the income from Qualis is relatively risk free but delays in development planning approvals could significantly impact on the timing of income; also for asset purchase and construction finance leading to a loss of Council income in 202/21 meaning developments cannot go ahead.</p> <p>The set-up of the Qualis Management company is underway with an operational date 'go live' of July 2020</p>	VERY HIGH	MAJOR	A1	<p>Oversight through the Group Company Steering Group/ interim Board until the Qualis Board is in place.</p> <p>Annual review of Qualis business cases and Business Plans by Cabinet.</p> <p>Impact of the Qualis annual business case feeds into EFDC's Annual Budget for approval by Cabinet and recommended for approval to Council.</p> <p>Cabinet decision on any loans to Qualis.</p> <p>Quarterly progress reports from Qualis to Cabinet.</p> <p>Section 151 Officer able to exercise the "open book" requirement and report to Cabinet.</p>	MEDIUM	MODERATE	C2	<p>The Section 151 Officer will act on behalf of EFDC as the main conduit with Qualis Group and other Qualis Companies.</p>	Section 151 Officer	March 2020

Report to the Audit and Governance Committee



Report reference: AGC-016-2019/20
Date of meeting: 23 March 2020

**Epping Forest
District Council**

Portfolio: Leader of the Council
Subject: Corporate Fraud Team Strategy 2020 / 2021
Responsible Officer: Sarah Marsh (01992 564446).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the Corporate Fraud Team Strategy for 2020 / 2021 be approved.**

Executive Summary:

This report sets out to members the focus and approach of the Corporate Fraud Team for the year 2020 / 2021

Reasons for Proposed Decision:

To approve the Corporate Fraud Team's strategy for 2020/ 2021 as the Audit and Governance Committee has a role in ensuring anti-fraud arrangements are in place as per their Terms of Reference.

Other Options for Action:

None

Report:

Introduction

1. The Corporate Fraud Team brings a uniform approach to fraud investigation work within EFDC, ensuring the Council has adequate resources dedicated to anti-fraud activity.
2. This strategy summarises the key principles for the Corporate Fraud Team (CFT) for the forthcoming 2020 / 2021 period along with some longer term aims.
3. The Corporate Fraud Team sits alongside the Internal Audit team and therefore both together supports and contributes to the achievement of the Council's 2018-23 strategic aims. These have been taken into account when developing the Corporate Fraud Strategy and Plan being:
 - To ensure there is efficient use of Council resources which is protected from fraud, abuse and corruption
 - To contribute to the commitment of keeping Council Tax low by preventing and

detecting frauds which deliberately target and affect the Council's tax base

- To ensure that the Council adopts a culture of innovation which is not compromised by fraud.

Purpose

4. The purpose of the Corporate Fraud Team Strategy is to document the Corporate Fraud Team's approach to:

- Provide independent and professional investigations into all aspects of fraud affecting the Council, preventing fraud and abuse and taking fair and consistent action against those committing offences.
- Supporting the Council's anti-fraud culture and framework.
- Deliver a corporate anti-fraud service that is innovative, professional and compliant with the relevant legislation.

The Corporate Fraud Team Approach

5. This strategy sets out the main focus of work that will be undertaken by the team during the period 2020 / 2021:

Proactive Work

- The process of vetting 100% of Right to Buy Applications will continue into 2020 / 2021 due to the high levels of success already experienced in this area since its inception in 2014 and the amount of financial savings this area of work generates. It has been found that each year since 2014, approximately one third of all applications are stopped / withdrawn as a result of fraud team involvement. For example, for the year 2018 / 2019, a total of 18 applications (out of 50) were stopped / withdrawn and as a result approximately £1.5 million of potential Right to Buy discount has been saved (based on the maximum discount amount (at that time) of £82,800). Furthermore, keeping them within the housing stock means that these properties continue to provide significant revenue streams in the form of on-going rent payments which have been calculated to be worth approximately £1 million to the Council going forward. The regular increases in the maximum amount of discount available to tenants wishing to purchase their council properties means that the Right to Buy remains an attractive prospect to individuals who plan to abuse the system.
- In line with the strategy of reviewing other areas of high fraud risk within the Council, most notably where any fraud and / or abuse represents a significant risk to the Council's financial position, the Corporate Fraud Team plan to continue with already ongoing proactive exercises targeting Revenue. This includes areas such as Non-Domestic Rates fraud and fraud within Council Tax discounts and exemptions. Work undertaken in conjunction with the Council Tax department since 2018 has yielded good results and resulted in a number of cases whereby previously uncollected revenue has / is being recovered. As a result of the work completed so far in this area, further resources are to be deployed in order to identify cases of more serious, persistent or organised fraud within the scheme. This will be undertaken with a view, where it is deemed appropriate to prosecute.
- The team will continue with the good working relationship it already has with the

Housing Department, which has been instrumental in forging closer working arrangements between the investigators and their housing officer colleagues when dealing with issues surrounding suspected social housing fraud. Regular meetings are now held between the Housing and CFT management and will continue into the forthcoming year. Work has already commenced in conjunction with colleagues in the Housing, Estates and Land Team in order to undertake a long-term programme of ongoing Tenancy Audits for the forthcoming year and beyond.

- The ongoing process of engaging other key stakeholders across the Council will continue in order to raise awareness and encourage the reporting of suspicions. A programme arising from the activities undertaken by the team before Christmas 2019 as part of International Fraud Awareness Week has commenced with meetings with Service / Team Managers. This enables the Corporate Fraud Team to have a better understanding of the various processes employed within each service area in order to identify potential areas of fraud risk with input into policy revisions where appropriate. This is of particular importance as the Council continues to evolve as part of the current transformation plan and the restructuring of services.
- The implementation of a rolling fraud awareness programme providing coverage not just in significant areas of expenditure such as finance, procurement and payroll but for all staff including Members and contractors. In conjunction with Human Resources, a project is to commence in order to devise an Anti-Fraud E-Learning Module with a view to becoming part of a mandatory fraud awareness session for all new starters as part of their induction into working for the Council. It is also planned for a variation of this module to become available to Members.
- In the next 12 months, the CFT also wish to engage further within the outside community (for example, attending meetings of residents' associations etc.) in order to promote the service and raise awareness of fraud issues affecting the Council. This will be done with a view to forging ongoing links within the community and as a useful vehicle for undertaking the research needed for a new advertising campaign (as referenced in the next section).
- The CFT in conjunction with colleagues from the Internal Audit service are planning to undertake a number of "Fraudits" in the forthcoming year targeting areas that are either outside the scope of the Audit plan, have not been looked at in the last two to three years or have been identified as being a potential risk for fraud or abuse.

Reactive Work

- The team will review, and risk assess 100% of the referrals it receives in order to ensure efficient allocation of resources and ensure the highest risk referrals are prioritised.
- The team will be continuing with its programme of engaging with other teams within the Council in order to provide advice, training and support. The team continues to provide advice and training to staff and the team can provide tailored training packages to services. As part of the aforementioned Tenancy Audit collaboration with Housing, anti-fraud training is to be undertaken with all Housing staff participating in the Tenancy Audit processes.
- The "Know a Cheat in your Street" advertising campaign has been run successfully over the last six years and has been instrumental in heightening awareness and encourage members of the public to report fraud and abuse. This has been achieved

by enclosing leaflets in the run of Council Tax / Non-Domestic Rates Bills and making use of other resources such as the EFDC website and the Council's social media presence. In order to "freshen up" and keep the campaign relevant, work is to commence (in conjunction with the Corporate Communications Team) to explore new designs and ideas with a view of rolling out a new leaflet and media campaign in time for the 2021 / 2022 Council Tax billing run.

- The team will also continue to publicise its work including successful prosecutions by maintaining a policy of utilising press releases, existing mediums such as "Housing News" and the corporate website and social media platforms.

6. In addition to the above, the Corporate Fraud Team also plans to undertake the following areas of work in the forthcoming year.

National Fraud Initiative Exercise

7. The data matches for the current National Fraud Initiative exercise were received during February 2019 and work in this area (including the periodic data set updates) is an incorporated part of the CFT work programme for 2020 / 2021. As is usual for this exercise and in line with already established procedures, any matches that potentially involve staff will be given the highest priority closely followed by the remaining matches that are qualified and / or identified as "high risk". The CFT will continue to work closely with their colleagues in the Housing, Revenue and Benefits and Human Resources departments as well as other local authorities and public-sector organisations to review these data matches and undertake any resulting investigations as appropriate.

Explore and pursue joint working / shared service arrangements.

- Joint Working arrangement with Brentwood Borough Council

8. In September 2017, the Corporate Fraud Team commenced a joint working arrangement with Brentwood Borough Council whereby an investigator from EFDC is deployed to work for Brentwood for two days per week providing investigatory work, advice and training. This arrangement is on a "paid for" basis and is proving to be highly effective for both Councils. A number of successful investigations have been carried out leading to positive results in the areas of social housing, Council Tax and Non- Domestic Rates fraud. In the last 12 months, CFT officers have also assisted Brentwood Council with three internal investigations including one successful disciplinary investigation. This arrangement is subject to continued review by both EFDC and Brentwood and is set to continue into 2020 / 2021.

- Joint working with Chelmsford City Council

9. The team also operates an informal joint working initiative with the anti -fraud team at Chelmsford City Council with the working relationship focussing on the sharing of investigative resources, exploring the potential for joint proactive initiatives and providing a "peer support" service for investigators. Again, this initiative will continue into the forthcoming year.

- Joint working with Harlow Council

10. Like with the above-mentioned arrangement with Chelmsford City Council, in the last 18 months, the team has also embarked on a similar initiative with Harlow Council which will continue into 2020 / 2021.

Other areas of work

11. Since 2016 the Corporate Fraud Team has utilised its skillsets by undertaking a number of Standards Investigations on behalf of the Council's Monitoring Officer for which remuneration has been received. Due to the success of this, the team will continue to make itself available to take on this type of work.

12. Furthermore, ongoing exploration of further opportunities to increase the team's revenue by undertaking fraud and employment related investigations for outside bodies such as other local authorities and public-sector organisations will continue thus increasing its capacity for revenue raising activities and allowing for diversification into other forms of investigation work outside of the traditional criminal area. Due to the CFT's activities, several pieces of chargeable work (in the form of interview transcriptions) have been undertaken by the Business Support Team for which they have charged the respective customers.

13. The team will continue to provide training and advice to external organisations and the team are constantly working to identify areas where potential exists to engage in joint working and / or shared service protocols, with such agreements giving the possibility of revenue raising opportunities.

Staff Development

14. All members of the Corporate Fraud Team are required to undertake a set number of hours of Continued Professional Development so that their existing knowledge and skills remain up to date and they are given an opportunity to develop new skills. Further to this, the possibility of further professional development is being explored relating to involvement with the Government's new "Counter Fraud Profession" programme.

To promote best practice, information sharing and support to the wider anti - fraud community

15. The Corporate Fraud Team continue to host the meetings of The Eastern Corporate Fraud Group, which it founded in 2016 with its on-going aim to bring together counter fraud professionals from local authorities in Essex, Suffolk and Norfolk in a meaningful forum to discuss and promote best practice, form agreements and partnerships for information sharing and offer support and resources to carry out investigations etc. The group continues to move forward and is now firmly established with its main focus being opportunities for cross authority working, training and information sharing.

Longer Term Projects

16. Several longer-term projects are currently being considered for 2020/ 2021 and beyond. These include:

- Consultation is ongoing with Human Resources (as part of the Recruitment Strategy) to look into pre-employment vetting procedures with a view to possibly developing and incorporating a more robust process. This may also lead to a training programme for recruiting managers.
- Collaborative work between the Corporate Fraud Team and Internal Audit into specific areas of identified risk. This will also include the possibility of developing and utilising data mining / matching techniques into areas that are not covered by currently used data matching tools such as NFI etc. It is hoped that existing software already used by the Internal Audit team will be utilised for this, thus not requiring any new resources.
- A review of documents utilised by the Council for access to its services (such as application forms etc) to ensure that they are as "fraud proof" as possible.

Resources

17. The Corporate Fraud Team consists of a Corporate Fraud Team Manager and three investigators. All the team are fully qualified and accredited Counter Fraud Specialists with experience of criminal investigation work across the public and private sectors.

Resource Implications

None, Within the existing budgets

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

Corporate Fraud Strategy

Risk Management:

The occurrence of fraud may expose the Council to financial loss and the substantive risks associated with an inadequate control framework. The Corporate Fraud Team assists the Council in managing the risk of fraud both internally and externally.

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.

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: **Corporate Fraud Team**

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: **Corporate Fraud Team Strategy 2020/2021**

Officer completing the EqlA: Tel: **01992 564170** Email: **mcrowe@eppingforestdc.gov.uk**

Date of completing the assessment: **09/03/2020**

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? Updated Corporate Fraud Team Strategy 2020/2021
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision): Audit and Governance Committee to approve the approach and focus for the Corporate Fraud Team in 2020/2021</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>No</p> <p>Will the policy or decision influence how organisations operate? N/A</p>
2.4	<p>Will the policy or decision involve substantial changes in resources? No</p>
2.5	<p>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</p>

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 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

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: 09/03/2020

Signature of person completing the EqlA: Martin Crowe

Date: 09/03/2020

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**

Report reference: **AGC-017-2019/20**

Date of meeting: **23 March 2020**

Portfolio: **Leader of the Council**

Subject: **Internal Audit Strategy and Plan 2020/21**

Responsible Officer: **Sarah Marsh** **(01992 564446).**

Democratic Services: **Gary Woodhall** **(01992 564470).**

Recommendations/Decisions Required:

- (1) That the Internal Audit Strategy and Plan for 2020/21 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 2020/21, and the indicative work programme for the subsequent two years (2021/22 and 2022/23) 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 2020/21, with some longer term aims. The strategy supports the Audit Plan 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 2018-23 strategic aims. These have been taken into account whilst developing the Internal Audit strategy and plan, being:

- 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. 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.

6. The purpose, authority and responsibility of Internal Audit is formally defined in the Internal Audit Charter, which was approved at the January 2020 Audit and Governance Committee.

KEY DELIVERABLES

7. The key deliverables for the Internal Audit service during 2020/21 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 more closely with the Audit and Governance Committee
- *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

8. We will conduct each review in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards.

9. 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.

10. 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.

11. 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.

12. 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

13. 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.

14. In November 2016 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 complies with the Public Sector Internal Audit Standards. Annual internal review confirms this compliance still holds true.

15. 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.

16. The following service performance targets will be reported on in 2020/21:

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

17. 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 takes into account:

- 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, Brexit implications, government initiatives such as welfare reform and changes in funding
- Harmonisation of themes with Harlow and Broxbourne Councils to enable benchmarking and sharing of good practice with other local authorities

18. 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.

19. 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.

20. 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.

21. 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.

22. The sections of the Internal Audit Plan include:

- Corporate Framework – key risk areas including those defined in the Council's strategic 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 priority.

PRIORITY AREAS FOR 2020/21

23. Having regard for the current risk profile of the Council the following have been identified as priority areas for Internal Audit work for 2020/21. These may not be audits in themselves, but cross cutting themes that will be fundamental to the scope of Internal Audit work undertaken:

- *Change Management* – As the Council continues with its transformation programme Internal Audit assurances will aim to complement management's and those from other assurance providers.
- *Information Governance and Management* - Internal Audit continues to work with the Council's Data Protection Officer, 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 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 and Broxbourne. 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.

24. At the operational level the key priorities of Internal Audit work in 2020/21 include:

- *Qualis* – Internal Audit will gain assurances that the governance structure for the Group and individual companies are in the best interest of the Council. Post 2021/20 Internal Audit will actively seek assurances on the adequacy of control, governance and the management of risks regarding individual Qualis companies from the Council's perspective.
- *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.
- *Project/Contract Management processes* – a number of audits will help assess the Council's approach to project and contract management

RESOURCES

25. 2019/20 has been the third year of the formal shared service between Broxbourne, Epping Forest and Harlow Councils, with Broxbourne being the host authority and employer of the shared Internal Audit staff. A Shared Services Board meets regularly to oversee the implementation and delivery of the Internal Audit function, monitor common issues or themes arising from audits, assess quality and performance, manage risks and consider major changes to the service. The Board comprises of key Officers from Broxbourne, Harlow and Epping Forest as well as the Chief Internal Auditor.

26. The Internal Audit function consists of the Chief Internal Auditor (1.0 f.t.e), three Senior Auditors (2.8 f.t.e) and three Auditors (each 1.0 f.t.e). One of the Auditor posts is being covered by an apprentice with a view to take them on permanently subject to performance. This was the same route taken by one of the other Auditors, who was made permanent in September 2019. 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 2020/21

27. The Audit Plan as detailed in Appendix A requires 440 days (the same as last year), as set out in the table below:

Thematic Area	Audit days
Corporate framework including governance, assurance framework, fraud, value for money and risk management	67
Information and performance management audits	22
Projects, Joint Working and Partnership audits	27
Financial audits	51
IT Audits	32
Cross cutting/themed audits	86
Operational Audits	64
Follow Up work	35
Audit and Governance Committee support	20
Advice, other engagement with the business and contingency	36
TOTAL	440

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.

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Equality Impact Assessment

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

Section 1: Identifying details

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

If you are submitting this 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 2020/21**

Officer completing the EqlA: **Tel: 01992 564449 Email: slinsley@eppingforestdc.gov.uk**

Date of completing the assessment: **09/03/2020**

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? Update to the Internal Audit Strategy and Plan
2.2	<p>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</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? Provision of an effective Internal Audit Service</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>No</p> <p>Will the policy or decision influence how organisations operate? No</p>
2.4	<p>Will the policy or decision involve substantial changes in resources? No</p>
2.5	<p>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</p>

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 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A	N/A	N/A

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: 09/03/20
Signature of person completing the EqlA: Sue Linsley	Date: 09/03/20

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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Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <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.	Strategic governance – trading company(s)	Strategic governance – trading company(s) Member expenses and allowances	Conflicts of Interest (staff and Members) Member training and induction	Review effectiveness of governance and oversight arrangements including during periods of significant change. During 2020/21 Internal Audit (IA), will assess the governance arrangements in place for Qualis (Group and individual subsidiaries) both in 2020/21 and beyond.
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 and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan Financial resilience features on the corporate risk register	✓	✓	✓	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	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <i>(to be finalised when the work is scoped)</i>
Assurance Framework including Risk Management and support to Audit Committee	Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.	✓	✓	✓	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.	Information Governance Group action plan	Data sharing with third parties (last audit 2015/16) Data breach management	Freedom of Information and Subject Access requests	Continue to assist the Council's Data Protection Officer (DPO) by providing assurance in targeted areas. During 2020/21 Internal Audit will continue to complete a GDPR checklist for each audit, feeding the results back to the DPO. In addition, IA will actively assist in the delivery of the Information Governance Group's action plan, of which it is a member.
Performance Management Data integrity and quality (collection, collation, analysis)	Risk of non-achievement of corporate priorities	Performance Management framework	An aspect of Stronger Communities, Stronger Place and/or Stronger Council	An aspect of Stronger Communities, Stronger Place and/or Stronger Council	Performance Indicators (PIs) considered within operational audits plus specific reviews on an aspect of Corporate PIs. During 2020/21 IA will assist the Service Manager People and Performance in enhancing the Council's

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <i>(to be finalised when the work is scoped)</i>
and validation). Use of performance targets.			depending on risk profiles	depending on risk profiles	performance management framework in terms of 1:1s and team meetings.
Value for Money (VfM) Guiding principle of the Council.	Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan Financial resilience features on the corporate risk register	Scheme of delegation	Staff expenses and staff timesheets	Use of consultants	Not an audit in itself, but IA will continue to assist in the Council's review of its scheme of delegation and incorporate a review of delegations within individual audits. In addition, VfM is considered within operational audits in terms of 3Es (economy, efficiency and effectiveness) and bench marking. Post 2020/21 continue with short/sharp audits driven by data analytics. The 2021/22 staff timesheet audit will assess the adequacy of the new electronic system to ensure these costs are adequately managed. The staff expenses audit will take into account the effect of the Council's staff travel plan. The 2022/23 use of consultants audit will focus on the approval process and business justification cases, as well as financial aspects.
Joint Working, Shared Services, outsourcing, trading	Reducing duplication of services across partners and	Qualis Commercial	Qualis Management	Gilston and Harlow Garden Town (last audit 2019/20)	To ensure joint arrangements are working in the best interests for the Council with appropriate governance/monitoring

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 (<i>to be finalised when the work is scoped</i>)
companies and Partnerships	seeking out value for money for service delivery is a feature of the Corporate Plan				arrangements in place. In 2020/21 Internal Audit will review the delegations and approval processes regarding the Council's development company, Qualis Commercial. Internal Audit will examine the repairs operations of Qualis Management in 2021/22.
Projects Business case, project methodology, governance arrangements, contract management and viability	Poor project management increases risk of projects not being delivered on time, to budget or not meeting the needs of the Council Strategic sites features on the corporate risk register	Council housebuilding programme (last audit (18/19)	St John's Road	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. In 2020/21 IA will revisit the Council's house building programme and assess the adequacy of reporting (financial and non-financial) and level of scrutiny to ensure the programme is meeting its objectives.
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.

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <i>(to be finalised when the work is scoped)</i>
Themed/cross cutting audits					
<p>Income Streams</p> <p>To ensure financial resilience the Council needs to protect and maximise its income streams</p>	<p>Finance resilience features on the corporate risk register</p>	<p>Leisure Management contract (last audit 17/18)</p>	<p>Commercial rents and service charges (last audit 18/19)</p>	<p>Parking (last audit 18/19)</p> <p>Waste contract (last audit 19/20 on recycling element)</p>	<p>Each year a portion of Internal Audit work will focus on ensuring key income streams for the Council are maintained and adequately controlled.</p> <p>The 2021/22 leisure management contract audit is to ensure expected benefits (financial and non-financial) are being realised.</p>
<p>Procurement</p> <p>Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)</p>	<p>Risks include noncompliance with legislation, fraud and not achieving value for money.</p>	<p>Contract management, including exit strategies</p>	<p>Tender and letting processes, including use of frameworks</p>	<p>Compliance with Procurement Rules and other legislation such as the Modern Slavery Act</p>	<p>Annually focus on an aspect of procurement which could range from need, selection, appointment, contract management and exit strategies. In 2020/21 Internal Audit will examine a sample of medium to small contracts to ensure there are adequate contract management processes in place, including exit strategies should the need to do so arise.</p>
<p>Health & Safety (H&S)</p>	<p>Risk of compromising the health and safety of individuals and noncompliance with H&S legislation</p>	<p>H&S council building and depot compliance (incl Fire Risk Assessments, asbestos management, gas safety and legionella)</p>	<p>Contractor H&S</p>	<p>Staff wellbeing and stress management</p>	<p>The 2020/21 audit will assess the adequacy of the Council to ensure statutory H&S testing is being complied with. And is separate to a similar audit also in 2020/21 regarding our housing stock (see later in Plan)</p>

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 (to be finalised when the work is scoped)
	leading to fines or imprisonment.				
Business Continuity Planning (BCP)	Business continuity is on the corporate risk register	IT Disaster Recovery (last audit 16/17) Business continuity follow up of 18/19 audit	Emergency Planning	Business Continuity (last audit 2019/20)	IT Disaster Recovery in 2020/21 is a technical review and will be undertaken by a specialist. Business continuity will ensure adequate progress has been made to further develop the Council's framework.
Key Financial Controls (KFC) Rolling programme of full system and key financial control audits (unless significant change in process/system or poor audit outcome)	Finance resilience features on the corporate risk register	Cash and Banking (last audit 16/17) Treasury Management (last audit 16/17) Payroll (last audit 17/18)	Housing Benefits (last audit 17/18) General Ledger (last audit 17/18) Debtors (last audit 18/19)	Fixed assets (last audit 19/20) Housing rents and arrears (last audit 19/20) Council Tax and Business Rates (last audit 18/19)	Rolling programme of key financial control (KFC) audits. The debtors audit in 2021/22 will take into account the new debtors system implemented during 2020/21.
IT Audits: IT Governance, IT Regulation, Security/Privacy, Business Systems,	Risks around data and asset security and loss of service. Opportunity for IT to be an enabler	Active directory management Storage Area Network	Cyber security (last audit 2017/18) New Housing system	IT Strategy	A specialist IT Auditor will be brought in as required for the more technical audits. The 2020/21 active directory audit will ensure this reflects the Council's new structure and is working as intended.

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 (<i>to be finalised when the work is scoped</i>)
Disaster Recovery plan (DRP)/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects	for delivering the Council's priorities. Data/information features on the corporate risk register				
Operational/service audits - Audits post 20/21 may change depending on the Council's risk profile					
Community and Partnerships <ul style="list-style-type: none"> Community and partnerships Community resilience 	Building stronger communities is one of three Corporate objectives for the Council	Review of current risks	Community Safety and anti-social behaviour	Community Safety Parentship Health and Wellbeing Strategy and action plans	No planned audits for 2020/21 as this area remains stable and previous audits, for example safeguarding, have been positive. Further assurances will be obtained during the year through review of their service risk register. In 2021/22 IA will assess the Council's approach to anti-social behaviour to ensure there is a consistent and targeted approach.
Commercial and Regulatory <ul style="list-style-type: none"> Commercial Regulatory Several areas underpinning	In this highly regulated area, key risk is non-compliance with legislation	Building Control	Insurance (last audited 14/15)	Licencing (last audit 15/16) Environmental crime - enforcement (last audit 16/17)	The 2020/21 and 21/22 audits have been chosen as these areas (building control and insurance) have moved directorates following the restructure.

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <i>(to be finalised when the work is scoped)</i>
these are covered elsewhere in this Plan e.g. H&S, business continuity, projects and commercial income					
Housing and Property <ul style="list-style-type: none"> • Property maintenance • Housing • Development 	Housing capital features on the corporate risk register	Housing voids (last audit 16/17) Housing H&S – gas safety (last audit 16/17) and fire risk assessments (last audit 17/18)	Housing Repairs, following transfer into Qualis Management (last audited 15/16) Temporary accommodation (last audit 15/16)	Example audit areas could include: <ul style="list-style-type: none"> • Planned maintenance and major repairs (last audit 17/18) • Leaseholders e.g. service charges, section 20s and major works • Older people • Other housing H&S aspects e.g. legionella or asbestos 	In 2020/21 IA will ensure there is a joined-up process to ensure voids are kept as low as possible and there is a robust mechanism to ensure the Council meets its gas safety and fire risk assessments requirements. In 2021/22 IA will examine the use of temporary accommodation (for example, Norway House, pods etc.)

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 <i>(to be finalised when the work is scoped)</i>
				management <ul style="list-style-type: none"> • Right to Buy (last audit 18/19) 	
Planning <ul style="list-style-type: none"> • Planning Policy • Development Management 	Local Plan features on the corporate risk register	Delivery of the Local Plan	Development Management, including processing times and pre-paid planning applications Section 106 agreements (last audit 18/19)	Planning Application processes (enforcement audited 18/19 and planning fees 15/16) Planning and how it integrates with Council priorities such as Economic Development or climate change strategy	IA will assess in 2020/21 the processes in place to deliver the Local Plan, in particular the effectiveness of Planning Performance Agreements (PPAs)
Contracts and Technical <ul style="list-style-type: none"> • Technical • Contracts 	Keeping the District clean and green is a feature of the Corporate Plan	Leisure Management contract (last audit 17/18)	Grounds maintenance (last audited 15/16)	Parking (last audit 18/19) Fleet operations	The 2020/21 leisure audit is the same audit as that detailed earlier under income streams. The 2021/22 audit on grounds maintenance will also ensure the health and safety of operatives is not being compromised.

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 (to be finalised when the work is scoped)
Business Services	Efficient use of the Council's financial resources, building and assets is a key feature of the Corporate Plan. As well as enhancing skills and flexibility of our workforce	Staff performance management	Cashflows processes Staff recruitment (last audit 16/17)	Budgetary control and financial management (last audit 2015/16)	Work in 2020/21 on staff performance is the same as the work detailed earlier under performance management. The 21/22 audit of cashflows will be a technical audit to ensure implementation of the External Auditor's recommendations in this area are working as intended and the staff recruitment audit will take into account the new iTrent module for this.
Customer Services	Engaging with the changing needs of our customers and having robust local democracy and governance is a key feature of the Corporate Plan.	Review of current service risks	Point of Sales (POS) – payment system	Social Media	An audit of customer services is being completed as part of the 2019/20 plan. The functions of Democratic Services are covered elsewhere in the Plan and Electoral Services is heavily regulated by central government. Therefore, as with Community and Partnerships further assurances will be obtained during the year through review of their service risk register In 2021/22, IA will examine the controls in place for iZettle, the incoming payment system, replacing the corporate POS solution, which includes stock control for the

Audit Area and Context	Corporate Risks	2020/21	2021/22	2022/23	Outline/Scope of work for 20/21 (<i>to be finalised when the work is scoped</i>)
					museum. And will complement the cash and banking audit planned for the same year.
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 Feb 20	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
1	Local Plan	B1 (red)	Dedicated project team	Council oversight Reporting to Local Plan Cabinet Committee	Internal Audit: 2015/16 Local Plan audit (substantial assurance), 2017/18 Local Plan Staff Resources audit (substantial assurance) and 2018/19 Planning Applications audit (substantial assurance). Planning Inspectorate examination. Following approval of the Local Plan audits are planned on delivery mechanisms.
3	Welfare Reform	A2 (red)	Delivery of the migration action plan	Oversight through the Joint Benefits and Housing working group	Internal Audit: 2017/18 Housing Benefits audit (substantial assurance)
4	Finance Resilience	C2 (Amber)	Budget setting and financial monitoring processes which feed into the Medium Term Financial Strategy	Oversight by Cabinet via the Finance and Performance Management Cabinet Committee	External Audit issued an unqualified opinion on the 2018/19 financial statements and an unqualified opinion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources for 2018/19 Internal Audit: number of key financial control and

Ref	Corporate risk	Risk profile as at Feb 20	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
					income related audits including 2017/18 General Ledger (moderate assurance), 2017/18 Card Payments audit (substantial assurance), 2017/18 Off-Street Car Parking Contract audit (moderate assurance), 2018/19 Council Tax and Business Rates (substantial assurance), 2018/19 Commercial Rents (substantial assurance). 2019/20 audit of Housing Rents and Fixed Assets currently in progress.
5	Economic Development	A2 (red)	Economic Development Team, who are consulting on an Economic Development Strategy. This will be supported by an Economic Development implementation plan	Economic Development progress report detailing projects being explored to each Asset Management and Economic Development Cabinet Committee	Internal Audit: 2018/19 Economic Development audit (substantial assurance).
6	Data/Information	C2 (amber)	Suite of data protection and retention policies and procedures, which were reviewed and updated before the General Data Protection Regulation	Named Data Protection Officer (DPO) and Senior Information Risk Officer A corporate Information Governance Group (CGG)	Internal Audit monitors implementation of the IGG action plan. GDPR compliance is considered within each

Ref	Corporate risk	Risk profile as at Feb 20	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
			(GDPR) became law on 25 May 2018.		audit and outcomes fed back to the DPO. Internal audit 2018/19 data retention and disposals (limited assurance)
7	Business Continuity (BC)	B1 (red)	Dedicated Officer – Contingency Planning and Corporate Safety Officer Consultant has been used to develop the Council's approach to BC. Corporate and service level BC plans largely in place.	Oversight through the Officer Risk Management Group BC desk top exercise completed 19/2/20. Learning points to be formalized.	Internal Audit: 2018/19 Business Continuity audit (no assurance) 2016/17 IT Disaster Recover audit (substantial assurance)
10	Housing Capital Finance	C2 (amber)	Council house building programme. Close monitoring of financial position regarding Right to Buy Receipts.	Position monitored by the Council Housebuilding Cabinet Committee	Internal Audit Council Housebuilding audits: 2015/16 (substantial assurance), 2017/18 (substantial assurance) and 2018/19 (moderate assurance) which included 141 receipts.
12	Waste Management (Material Recycling Facility)	C2 (amber)	Financial settlement being agreed with the contractor (Biffa) to mitigate some of the costs	Strategic Board monitors costs and market fluctuations	Internal Audit 2019/20 Recycling Management and Income audit (substantial assurance)

Ref	Corporate risk	Risk profile as at Feb 20	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
13	Cyber security	C2 (amber)	Cyber security controls in place including system controls, data backups, firewalls, virus checkers and penetration testing.	IT Security Officer	Internal Audit: 2017/18 Cyber Security audit (substantial assurance). IT Disaster Recovery audit planned for 2020/21
14	Delays in issuing Planning Permission	A1 (red)	Regular meetings held with key stakeholders including Natural England	Interim Mitigation Strategy and draft Air Quality Strategy monitored by Cabinet.	Links with Planning Inspectorate examination of the Local Plan
15	Climate emergency	B2 (red)	Recruitment of a Climate Change Officer	Climate Emergency action plan to be developed	Watching brief by Internal Audit as this is a new risk introduced January 2020
16	Qualis	C2 (amber)	Annual review of Qualis business cases and Business Plans by Cabinet Cabinet decision on any loans to Qualis Quarterly progress reports from Qualis to Cabinet	The Section 151 Officer will act on behalf of EFDC as the main conduit with Qualis Group and other Qualis Companies	Suite of internal audits planned for 2020/21 and beyond, starting with strategic governance.

Report to the Audit and Governance Committee



Report reference: AGC-018-2019/20
Date of meeting: 23 March 2020

**Epping Forest
District Council**

Portfolio: Leader of the Council
Subject: Internal Audit Monitoring Report – January to March 2020
Responsible Officer: Sarah Marsh (01992 564446).
Democratic Services:

Recommendations/Decisions Required:

- (1)) That the Committee notes the progress made against the 2019/20 Internal Audit plan and the summary of the work of Internal Audit for the period January to March 2020; and**
- (2)) That the Committee approves the deferral of the Infrastructure Delivery Plan audit**

Executive Summary:

This report updates Members on the work completed by Internal Audit since the January 2020 Audit and Governance Committee and provides the current position in relation to overdue recommendations.

Approval is sought to defer the Infrastructure Delivery Plan audit until after adoption of the Council's Local Plan.

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:

2019/20 Internal Audit Plan

1. Good progress has been made on the 2019/20 Audit Plan as detailed in Appendix 1. With the exception of Infrastructure Delivery Plan, all audits will be completed in time for the Chief Internal Auditor to form their annual opinion.
2. When the 2019/20 audit plan was approved in March 2019 it was anticipated that the Council's Local Plan would be adopted during the year. On the basis that the Local Plan has not yet been approved, it is proposed to defer the audit of the Infrastructure Delivery Plan.

Internal Audit Reports

3. The following five reports have been issued since the Committee received its last update in November 2019:

(a) Houses in Multiple Occupation (HMO) Licences – Substantial assurance

4. The control framework for licence applications, fee collection and issue of licences is operating effectively. The Council has detailed guidance on Enforcement and Service Standards in Private Sector Housing, which includes the licencing of HMOs, and has adopted the Essex Amenity Standard to ensure there are adequate facilities and living space based on the number of occupants.

5. Licence applications are now all online and include the requirement to upload supporting documentation. Fees payable are calculated automatically based on the units of accommodation in the property and the payment is taken online at the end of the application process. Visits of all properties are undertaken, and conditions are attached to the licence if issues are identified at the visit. There is a formal management review and sign off process before a licence is issued.

6. Environmental Health Officers monitor potential HMOs not registered through a review of room rental and letting agency websites, and penalties are issued for failure to licence an HMO.

7. An issue with one incomplete record on the public register of HMO licences published on the Council's website was identified and corrected immediately. A new HMO public register application is now live on the Council's website, which means that the data is always up to date.

(b) Housing Register and Allocations – Substantial assurance

8. The arrangements regarding the Housing Register and allocations are well managed. The Council's Housing Allocation Scheme was updated in July 2018 and is available on the Council's website.

9. Valid applicants are admitted onto the Housing Register in accordance with the Council's eligibility criteria on residency, housing need and financial situation. The audit recommended that all applicants (and not just those where there was judged to be a risk or concern) are subject to Experian credit checks as part of the verification procedure. The re-distribution of tasks within the Rehousing Team new structure has enabled this to be implemented with immediate effect.

10. Applicants are correctly banded as to their housing need status in line with the Housing Allocation Scheme criteria, and housing is allocated in priority order to those who bid on each available property. Checks for compliance with the Allocation Scheme conditions before an offer of tenancy is made can lead to delays in re-letting properties. Changes have already been introduced and a process of pre-verification is now in place for new applicants. An action is in progress to ensure all applicants who make successful bids on properties will have been subject to pre-verification. As this is resource dependent, a concerted effort to pre-verify the 'backlog' of all likely successful applicants is to be completed by June 2020.

(c) Data Retention and Disposals – Limited assurance

11. There is good awareness of data retention and disposal principles within services; however, there is a lack corporate guidance to provide clarity and consistency in its application. In order to demonstrate compliance with data protection requirements, the Council needs to

identify appropriate data retention periods for all categories of data and ensure that adequate processes are in place to dispose of the data securely when the retention periods expire. These should be formalised in a corporate data retention and disposals policy and procedures.

12. Services have reviewed and disposed of manual data as part of transformation but the approach to dealing with electronic data, including emails, differs across the Council, although some teams are applying good practice through local policies and service specific retention schedules. Services will need to review their document retention schedules in light of a new corporate policy and develop mechanisms to ensure retention periods are complied with.

13. Development of information governance policies and procedures is being addressed through the Information Governance Group (IGG) action plan and will be supplemented by a programme of training and awareness.

(d) IT Change and Patch Management – Limited assurance

14. Overall a level of operational control was being maintained, including a clear allocation of roles and responsibilities, and the majority of IT devices (PCs, workstations, servers, switches, firewall), and business applications are up to date in terms of security patches and firmware upgrades. A small number were not as up to date, mainly servers that are required to be manually updated. There is a programme in place to manage these and bring them up to date.

15. The operation of the Change Advisory Board (CAB) had become less robust with many approvals being undertaken by the ICT Infrastructure and Compliance Manager, resulting in a single point of failure. The formal CAB has been re-constituted as a result of the audit and is now Information Technology Infrastructure Library (ITIL) compliant, ensuring priorities are adequately determined and providing a segregation of duties.

16. Policy and procedure documentation in relation to change and patch management activities is out of date. These will be reviewed and developed as part of the overall review and ICT transformation to reflect the new operational processes and controls.

17. Work has started on implementing a previous Internal Audit recommendation to address the lack of an annual verification of IT assets but there are still some assets that have old or missing 'last audit' verification dates. ICT will undertake a full IT asset audit over the next six months during the office moves taking place as part of transformation.

(e) Health and Safety Satellite Offices – Limited assurance

18. Policies and procedure notes are in place to ensure the health and safety framework for staff working away from the Civic Office is defined, documented and communicated to staff working remotely.

19. The audit found that the Corporate Safety Group was no longer meeting. The Group, chaired by the Chief Executive, has now been re-established and will meet quarterly to ensure the Council is receiving the information required to enable it to gain assurance that health and safety risks are being appropriately managed.

20. Risk assessments have been prepared by managers to ensure health and safety measures are in place. However, in some cases these have not been regularly reviewed to ensure they remain relevant, reflecting current risks. A formal monthly checking programme has been introduced to ensure this takes place.

21. Health and safety training records maintained locally are inconsistent, and records held centrally by the People Team relate only to training arranged or facilitated by the People Team. Consequently, for some satellite offices it is not clear as to what training is required and what has been delivered. Each satellite office has now created a training matrix showing training needs and details of all training delivered and these will be submitted to the Contingency Planning and Corporate Safety Officer for review and monitoring.

22. At a local level there is accurate and timely recording and reporting of accidents, incidents and near misses to the Contingency Planning and Corporate Safety Officer to prevent a reoccurrence. However, the previous upward reporting arrangements to the Leadership Team, Chief Executive and elected Members have fallen into abeyance. This will be provided going forward through monthly verification checks and quarterly certification of compliance with the Health and Safety Policy and Procedures reported to the Corporate Safety Group.

23. There is a framework of controls to ensure the Council is discharging its duty of care in compliance with legislative and other requirements in relation to gas, electrical and fire safety, and current valid Gas Safety Certificates for each of the satellite offices visited as part of this review were evidenced during the audit.

Recommendation Tracker

24. 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.

25. The current tracker is shown at Appendix 2 and contains eleven recommendations which have passed their due dates and one high priority which is not yet due as detailed in table 1.

Table 1. Summary of tracker as at March 2020.

Recommendation type	Number (March 2020)	Number (January 2020)	Number (November 2019)	Number (August 2019)	Number (March 2019)
High Priority not passed its due date	1	1	0	1	0
High Priority passed its due date	0	1	1	0	0
Medium Priority passed its due date	7	10	7	5	5
Low Priority passed its due date	4	5	5	5	2
Total	12	17	13	11	7

26. The high priority recommendation is a new recommendation and relates to team managers having been given the responsibility to update health and safety risk assessments and training records and to report this on a regular basis to the Contingency Planning and Corporate Safety Officer.

27. The number of overdue medium priority recommendations is still cause for concern, although it is noted that several of these are expected to be completed shortly.

28. Other recommendations are progressing well, but not as quickly as first agreed with the relevant manager.

29. Regarding the other recommendations, Internal Audit with the assistance of the Corporate Governance Group continues to actively monitor progress.

Other Internal Audit activities

30. **Risk management:** Internal Audit continues to facilitate workshops to help articulate both service and strategic risks, which are then considered by the officer Risk Management Group. Recent examples include climate change and Qualis.

31. **Information Governance:** Internal Audit is a member of the Information Governance Group (IGG), which is chaired by the Business Services Director, and accountable to the Corporate Governance Group. The IGG has developed an information governance framework to ensure the Council remains compliant with legislation and an action plan is in place to address deficiencies identified.

32. **National Fraud Initiative:** The annual Electoral Roll to Council Tax data matching exercise was uploaded February 2020. Data matches have been released and are under review. Individual departments are responsible for reviewing their own matches; however, Internal Audit and Corporate Fraud assist where requested.

33. **Service Assurance Statements:** Internal Audit is co-ordinating the process to ensure service assurance statements are completed by each Service Director as part of year-end processes. The results of these will be analysed by Internal Audit, shared with the Corporate Governance Group and the results will feed into the 2019/20 Annual Governance Statement which will be presented to the committee in July.

Progress against Annual Governance Statement

34. In July 2019, 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 2019/20 is shown in table 2.

Table 2.

No.	Improvement area	Risk area/action plan for 2019/20	Progress at March 2020
1	Business Continuity Planning (BCP)	<p>An internal audit of BCP found that although there is a corporate Business Continuity plan it is not fit for purpose and contingency arrangements in place are inadequate.</p> <p>An urgent project has been initiated due for completion November 2019, and action is already being taken to address the concerns raised by</p>	<p>The majority of business continuity plans are in place (corporate and service level) and these were used in the Leadership Team exercise that took place in February 2020. Lessons learnt from</p>

		Internal Audit which involves a dedicated Officer group working in conjunction with an external specialist. Progress against the project is being closely monitored by the Corporate Governance Group, which is chaired by the Chief Executive.	the exercise will help inform the plans and further exercises at a service level are being planned.
2	Economic climate: Uncertainty over Brexit may impair the Council's strategic aims and objectives	Brexit implications, and other economic uncertainties, are being regularly monitored by Leadership Team. The Council liaises with the Local Resilience Forum Lead and with the East of England Local Government Association on Brexit related operational issues and community impact. In turn both these organisations liaise with Ministry for Housing, Communities and Local Government	<p>The economic climate has been reviewed as part of the 2020/21 budget and includes the general and more significant impact of international protectionism and economic uncertainties as well as the impact for a shorter period of time of Brexit uncertainties.</p> <p>Local growth and inflation levels are expected to remain low although inflation pressures are predicted to peak at around 3% next year.</p> <p>Economic conditions are reviewed across the Council and are discussed at Leadership Team and Cabinet level each month.</p>
3	Statutory posts: It is important the Council ensures that the role, responsibilities and standing of the Council's Section 151 Officer and Monitoring Officer complies with legislation (in particular the Local Government and	This will be kept under review by the Leadership Team in consultation with the Monitoring Officer, Section 151 Officer, Internal and External Audit. External legal advice will be obtained if deemed necessary.	Since September 2019 there has been a period of stability regarding the Section 151 and Monitoring Officer posts.

	Housing Act 1989) and good practice as the Council's restructure is completed		
4	Close down of Accounts: Delays have been encountered in the closure of the Council's 2018/19 accounts due to a variety of internal and external factors and will result in an increase in Audit fees.	The Council is jointly working on improvements with its External Auditors, which includes a review of processes, working papers and electronic files. Ultimately this will ensure streamline and efficient processes are in place ahead of closing next year's accounts.	<p>The Audit and Governance Committee has received an action plan to improve account closure and will receive an update on the "trial" month 9 closure at its next meeting.</p> <p>A final version of the 2019/20 accounts plus external audit report are also due to be received at the next meeting.</p>
Common themes from the Service Assurance Statements were:			
5	Restructure: As a result of the restructure many Officers have/or will be taking on new roles and responsibilities. The Council's scheme of delegation needs to remain robust and fit for purpose. In addition, support and guidance needs to be offered to these Officers	<p>Delegated authorities are being reviewed by the Service Director (Business Services) and are included in the Leadership Team Work Plan.</p> <p>A staff awareness campaign will be undertaken to ensure Officers are aware of their responsibilities regarding corporate policies and training offered as appropriate. This includes Financial Regulations, Procurement Rules, Anti-Fraud and Corruption Policy, Whistleblowing procedure, Code of Conduct and Customer Service Standards.</p>	Work as set out in the previous column continues.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2019/20 Audit and Resource 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.

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 Monitoring Report**

Officer completing the EqlA: Tel: **01992 564449** Email: **slinsley@eppingforestdc.gov.uk**

Date of completing the assessment: **-09 March 2020**

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? N/A - 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 between January and March 2020 What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A – Report is for noting only
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 – report is not decision-based, it is for noting only.
2.4	Will the policy or decision involve substantial changes in resources? N/A – report is for noting only
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 – report is for noting only
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 – as above
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 – as above

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 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
N/A	N/A	N/A

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 March 2020
Signature of person completing the EqlA: Sue Linsley	Date: 09 March 2020

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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Appendix 1 - Audit Plan Monitoring 2019-20
Progress as at March 2020

	Service	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High Priority Recs	Medium Priority Recs	Low Priority Recs
Access to Housing (Homelessness)	Housing and Property	15	Final report	n	n	n	Substantial	0	3	2
Housing Register and Allocations	Housing and Property	12	Final report	n	n	n	Substantial	0	0	2
Recycling management and income	Contract and Technical	10	Final report	n	n	n	Substantial	0	1	0
vfm - data analytics - purchases, including scheme of delegation	Business Services	12	Final report	n	n	n	Substantial	0	1	2
HMOs (Houses of Multiple Occupancy)	Commercial and Regulatory	12	Final report	n	n	n	Substantial	0	0	1
Private sector care and grants programme	Commercial and Regulatory	12	Final report	n	n	n	Moderate	0	1	1
KFC - Housing rents	Housing and Property	15	Final report	n	n	n	Moderate	0	1	0
Housing H&S – asbestos management	Housing and Property	12	Final report	n	n	n	Moderate	0	5	0
Business support - reconciliations and rents	Business Services	20	Final report	n	n	n	Limited	1	5	0
IT - change and patch management	Business Services	10	Final report	n	n	n	Limited	1	2	1
Information Management - data retention and disposals	Customer Services	20	Final report	n	n	n	Limited	2	3	3
H&S - Staff H&S in satellite offices	Commercial and Regulatory	15	Final report	n	n	n	Limited	2	4	0
Governance – Harlow and Gilston Garden Town	Chief Executive	15	In progress	n						
KFC - fixed assets	Business Services	12	In progress	n						
Performance Management - Customer Services	Customer Services	15	In progress	n						
Procurement - Contract management	Commercial and Regulatory	20	On-going							
Infrastructure Delivery Plan	Planning	12	Probable deferral to 2020/21							
TOTAL								6	26	12

Key

H&S = Health and Safety

KFC = Key Financial Controls

vfm = Value for Money

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EFDC Internal Audit Recommendation Tracker (High priority and Overdue)

Last updated: 09 March 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Assistant Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Software Licencing Report No. 06.18/19 (February 2019)	1	The Active Directory should be re-structured to reflect the current operating position of the Council. Once achieved the number of users and software requirements, including server-based software, will provide a definitive number for the licences required.	Med	We now intend to implement a single folder structure for all staff to prevent the necessity for future changes should another restructure be required.	Service Manager Business Support and ICT	30/09/19	01/04/20	Oct 19/ Dec 19: This action has been deferred until completion of the people strategy. As the structure is still changing, the Active Directory would have to be changed again later. Feb 20: The People Strategy is still ongoing, so there are some areas of the organisation currently going through, or yet to start, restructure. However, ICT have written out to the organisation requesting details of employees to begin updating the AD.	Overdue
Software Licencing Report No. 06.18/19 (February 2019)	3	Reports should be produced on a regular basis to identify the number of users with Administrative access and access requirements questioned. In addition, software utilisation should be assessed on an annual basis with limited use being investigated by ICT and discussed with the relevant department/user.	Med	Agreed	Software Asset Licencing Officer/ Service Manager Business Support and ICT	30/09/19	01/04/20	Oct 19: Software utilisation assessments are already occurring for many products, both on a quarterly basis as a part of our SAM managed service compliance reviews and internally when licence or maintenance renewals become due. ICT is exploring the opportunities with the current system supplier (HOTH) regarding which elements it can deliver on, including software licences, asset inventory and supplier contracts. Dec 19: An initial meeting has been held with the system supplier and will be taken	Overdue

EFDC Internal Audit Recommendation Tracker (High priority and Overdue)

Last updated: 09 March 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Assistant Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Page 108								forward in conjunction with procurement. Feb 20: A project is underway to re-implement HOTH, which will include an ICT Asset Management/licensing module as standard, as well as reporting tools. ICT are also in the process of building a portfolio of our 90 plus applications, including user groups, licenses etc. Both of these pieces of work feature in the proposed revised ICT Strategy which is due to go to Cabinet in March 2020.	
	1	The Council should ensure that all Members are issued with an Epping Forest District Council email address and that all communication from Officers is sent via this corporate email address. Until the corporate email accounts have been introduced officers should use the Mimecast secure email facility when sending any personal/sensitive data to Members.	Med	Members will be issued with an EFDC password and a corporate device.	Service Director-Customer Services	31/05/19	30/09/19 04/12/19 31/01/20 31/03/20	Jun 19: The roll-out of 'locked-down' devices has commenced, and the vast majority of Members are now in receipt of and i-pad for this purpose. The work around e-mails has been paused. It is recognised that there needs to be more flexibility for Members to enable them to access e-mails on their personal phones so they can undertake their duties effectively. Officers are assessing options to allow this flexibility whilst retaining the necessary security. An update on the final position will be provided by September 2019. Oct /Dec 19: The solution has been installed and tested on a	Overdue

EFDC Internal Audit Recommendation Tracker (High priority and Overdue)

Last updated: 09 March 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Assistant Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
		As part of the wider review of IT provision, consideration should be given to issuing Members with a corporate device (phone, tablet etc) to access their corporate emails, similar to that in place at Broxbourne and Harlow Councils.						testbed of members and will be rolled out in January 2020. Feb 20: The solution for Members who wish to receive Council e-mails on their personal devices was rolled out in January and is continuing. The use of private emails will cease at the end of March, to afford the IT team sufficient time to resolve any outstanding issues with iPads and personal devices.	
Business Rates – Council Wide Approach Report No. 18/19 (April 2019)	2	Representatives from the Local Gazetteer and Licensing teams should be invited to attend the information sharing working group to discuss the commercial property information they hold within the GeoPlace and M3 databases and how this might better be used to the benefit of the Council including but not limited to maximising business rates income. Data Protection Officers / Legal representatives should also be involved to help	Low	Due to long-term sickness the organiser will not be able to re-commence this working group until late summer.	Business Rates Specialist	30/09/19	01/04/20	Oct 19 / Feb 20: Due to long-term sickness it has not been possible to re-commence this working group.	Overdue

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		ensure that any actions recommended by the Forum are GDPR compliant.							
Business Rates – Council Wide Approach Report No. 13.18/19 (April 2019)	3	The Business Rates Team to request bespoke reports to be written from the M3 system used by the Planning Team that only identifies information in respect of commercial properties which would eliminate the need for the Business Rates Team spending their time sifting through lengthy reports.	Low	Accepted – officers will look at options information from M3 and adapt the reports accordingly	Revenues and Benefits Manager	30/06/19	01/10/19 01/04/20	Jun 19/Dec 19/Feb 20: There has been no progress with the Planning M3 system due to the lack of resources and the migration of staff into the Business Support Unit.	Overdue
Business Rates – Council Wide Approach Report No. 13.18/19 (April 2019)	5	The format of the Planning Information Input Log should be amended so that it takes account of information received from other Council departments (such as Economic Development, Local Gazetteer, Licensing and Legal for example).	Low	Accepted - officers will look at options for pulling this information together and adjust processes accordingly	Revenues and Benefits Manager	31/05/19	01/10/19 01/04/20	Jun 19: There has been little progress in developing the Planning Information Input Log, due to the lack of resources. The team has received a considerable amount of information from the Council's Licensing Team, which they are comparing to the information held by the Business Rates system.	Overdue

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		The Business Rates Manager should review the Information Input Log on a more regular basis so that he can encourage the business rates officers to keep up to date with processing tasks .						<p>Oct /Dec 19: Due to long-term sickness it has not been possible to progress this.</p> <p>Feb 20: There has been some progress on aspects of this work, although it has not been possible to complete it yet.</p>	
Economic Development Report No. 25.18/19 (May 2019)	1	Following presentation of the findings of the current consultation Cabinet Committee in June 2019 and agreement of the Economic Development Strategy, an operational work plan should be developed for 2019/20 so that the Economic Development team has a formal documented plan of work, aligned with the Strategy and with detailed milestones for key outputs, that it can monitor its progress.	Med	Agreed	Service Director Community and Partnerships	30/11/19	31/01/20 31/03/20	<p>June 19: Members asked for further consultation on the Economic Development Strategy so will be presenting back in September 2019 with revisions to the draft strategy.</p> <p>Oct 19: Additional consultation is currently taking place electronically and in addition, a Stakeholder Consultation event has been arranged for November 13th at Theydon Bois Village Hall.</p> <p>Following this event consultation feedback will be collated and a report presented to Cabinet with recommendations in January 2020.</p> <p>Dec 19: Over 60 people attended the stakeholder event and the consultation was open until 15 December 2019. A report is now being produced in light of the stakeholder feedback and this will be presented to</p>	Overdue

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Page 112								<p>Cabinet with recommendations, in March/April 2020 to enable findings from the O&S Task & Finish Review on Local High Streets to be included.</p> <p>Feb 20: A revised report will be presented to Cabinet in March, which will include a set of recommendations and three key priorities for Economic Development in the district. The first meeting of the Local High Streets Task & Finish Review Panel will take place on 24th Feb. A DDF item has been flagged to enable the development and implementation of an Economic Development Delivery plan.</p>	
	3	<p>There should be a Staff Communication from Business Support to include the following:</p> <ul style="list-style-type: none"> • the procedures for ordering, receipting and processing invoices • new suppliers should be set up promptly and preferably in advance of invoices • staff should not hold onto invoices 	Low	A staff communication is being drafted.	Service Manager Business Support and ICT/ Service Director – Business Services	31/07/19	30/11/19 31/01/20 31/03/20	<p>Oct 19: The communication has been drafted. This will be shared with Internal Audit prior to issuing to ensure all issues identified during the current Invoice Payments audit are captured.</p> <p>Dec 19/Feb 20: The communication will be issued once the supporting firmstep form has been finalised with ICT so that instructions for completion of the form can be included in the communication.</p>	Overdue

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		<ul style="list-style-type: none"> staff should request that suppliers include a contact name or department on invoices. 							
North Weald Airfield 2018/19 Report No. 20.18/19 (April 2019)	4	Airfield Manager to liaise with Finance and IT to include facility to enable landing fees to be paid on the Council website or via card payments. A date should be agreed regarding when it is practical for the new arrangements to be publicised and enforced.	Med	A report addressing this issue will be made to Cabinet with a fee regime introduced following call in.	Airfield Manager Service Director Commercial and Regulatory	05/09/19	31/12/19 31/05/20	Oct 19: The Airfield Manager is currently working with the Payment Solutions Team to identify the most appropriate methods of collecting fees. Feb 20: Work is still ongoing, and the aim is to implement a scheme in April/May 2020.	Overdue
North Weald Airfield 2018/19 Report No. 20.18/19 (April 2019)	5	Airfield Manager to liaise with IT regarding the fixing of the NWA webpage. This will enable instructions regarding payment of landing fees and a link to the Council website to enable prior payment or card payment to be included.	Med	The airfield manager will meet with IT to address this matter.	Airfield Manager Service Director Commercial and Regulatory	30/07/19	31/12/19 31/01/20 31/03/20	Oct 19: The content for the Airfield's microsite has been submitted to PR and we are awaiting feedback. Dec 19/ Feb 20: The basics of the website are complete, and the content is ready to be input. The Council is changing website host and meetings with potential new host are currently taking place.	Overdue
Review of Payroll BACS and HMRC payments	3	There should be monthly reconciliation of payroll accounts to identify discrepancies	Med	Payroll reconciliations will be completed by the Team Manager – People on a monthly basis (HR	Service Director Business Services	From 01/11/19	31/01/20 31/03/20	Dec 19: This was previously carried out with accountancy. Responsibility needs to be reallocated following the	Overdue

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2019/20 (October 2019)		which can then be investigated promptly.		Manager until recruitment takes place)				departure of the member of staff and a meeting has been arranged for 12 March 2020, which includes Internal Audit, to review payroll processes.	
Health and Safety – Satellite Offices 2019/20 Report No. 06.19/20 06 February 2020 Page 114	2	Managers are formally reminded of the need to bring risk assessments up to date and for these to be reviewed and updated at least annually thereafter or earlier if circumstances change. Centrally an officer is designated to carry out quarterly check that satellite office/depot risk assessments are up to date. A Lone Working Risk Assessment is undertaken at Norway House A fire risk assessment be undertaken at the Oakwood Hill Depot to assess whether there is an increased	High	All team managers have been instructed with immediate effect to record all training and training needs, risk assessments and upload these onto a matrix based on that of Oakwood Hill. They will also be tasked with discussing H&S at each team meeting and all records will be required to be sent to their Level 2 Service Manager ahead of the quarterly Corporate Safety Team to be checked for compliance with HSAWA Fire Risk assessment in the hands of Facilities Management.	Contingency Planning and Corporate Safety Officer.	30/03/20			In progress

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		risk whilst the current building works are taking place.							

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