



**Epping Forest
District Council**

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

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

**Virtual Meeting on Zoom
on Monday, 23rd November, 2020
at 7.00 pm .**

**Georgina Blakemore
Chief Executive**

**Democratic Services
Officer**

Laura Kirman
Tel: 01992 564273 Email:
democraticservices@eppingforestdc.gov.uk

Members:

Councillors I Hadley (Chairman), S Heap, R Jennings, P Keska and B Vaz

Independent – vacant

WEBCASTING/FILMING NOTICE

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

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

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

If you have any queries regarding this, please contact the Corporate Communications Manager on 01992 564039.

1. WEBCASTING INTRODUCTION

This virtual meeting is to be webcast. Members are reminded of the need to unmute before speaking. The Chairman will read the following announcement:

“I would like to remind everyone present that this virtual meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by such third parties).

Please could I also remind Members of the Public who have registered to speak that they will be admitted to the meeting at the appropriate time.

Please also be aware that if technical difficulties interrupt the meeting that cannot be overcome, I may need to adjourn the meeting.”

2. APOLOGIES FOR ABSENCE

To be announced at the meeting.

3. DECLARATIONS OF INTEREST

To declare interests in any item on the agenda for the meeting of the Committee.

4. MINUTES

To confirm the minutes of the meeting of the Committee held on 28 September 2020 (to follow).

5. MATTERS ARISING

To consider any matters arising from the minutes of the previous meeting of the Committee.

6. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME (Pages 5 - 6)

(Chief Internal Auditor) To consider the attached work programme for the Committee for 2020/21.

7. INTERNAL AUDIT MONITORING REPORT - NOVEMBER 2020 (Pages 7 - 22)

(Chief Internal Auditor) To consider the attached report summarising the work of Internal Audit and Corporate Fraud for the period September to November 2020.

8. AUDIT COMMITTEE EFFECTIVENESS AND REVIEW OF TERMS OF REFERENCE (Pages 23 - 46)

(Chief Internal Auditor) To consider the review of the terms of reference and the effectiveness of the Audit and Governance Committee.

9. RISK MANAGEMENT (Pages 47 - 72)

(Section 151 Officer) To consider the attached report and review the corporate risk register for any new or emerging risks.

10. TREASURY MANAGEMENT MID-YEAR REPORT 2020/21

(Section 151 Officer) To consider the Council's Treasury Management Mid-Year Report 2020/21 (report to follow).

11. ANNUAL AUDIT AND STATEMENT OF ACCOUNTS 2019/20

(Section 151 Officer). To provide details of the progress made in the preparation of the Statutory Statement of Accounts 2019/20 and the status of the Annual Audit Letter (verbal report).

12. ANY OTHER BUSINESS

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

13. EXCLUSION OF PUBLIC AND PRESSExclusion:

To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

<i>Agenda Item No</i>	<i>Subject</i>	<i>Exempt Information Paragraph Number</i>
<i>nil</i>	<i>nil</i>	

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Background Papers:

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

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

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

Audit & Governance Committee Work Programme 2020/21

25 June 2020

- Annual Report of the Chief Internal Auditor 2019/20.
- Corporate Fraud Team Annual Summary 2019/20
- Audit and Governance Committee Annual Report 2019/20.
- Internal Audit Strategy and Plan 2020/21
- Corporate Fraud Team Strategy 2020/21
- Internal Audit Progress Report.
- Risk Management Report

27 July 2020

- Statutory Statement of Accounts 2019/20
 - Annual Governance Statement 2019/20
 - Internal Audit Progress Report
- ❖ Audit of Accounts Annual Governance Statement 2019/20

28 September 2020

- Treasury Management Annual Outturn Report.
- Internal Audit Progress Report.
- Risk Management Report

23 November 2020

- Treasury Management Mid-Year Report.
 - Internal Audit Progress Report.
 - Risk Management Report
 - Review of the Audit and Governance Committee Effectiveness and Terms of Reference.
 - Review of the Anti-Fraud and Corruption Strategy
- ❖ Annual Audit Letter 2019/20

25 January 2021

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

22 March 2021

- Risk Management Report
 - Internal Audit Progress Report
 - Internal Audit Strategy and Audit Plan 2021/22.
 - Corporate Fraud Team Strategy 2021/22.
- ❖ Planning Letter 2020/21.
- ❖ Audit Plan 2020/21

- ❖ Grant Claims Audit Report 2019/20

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.

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report Reference: AGC-015-2020/21
Date of meeting: 23 November 2020

Portfolio: Leader of the Council
Subject: Internal Audit Monitoring Report November 2020
Responsible Officer: Sarah Marsh (01992 564446).
Democratic Services: Laura Kirman (01992 564273)

:

Recommendations/Decisions Required:

- (1) The Committee notes the summary of the work of Internal Audit and the Corporate Fraud Team for the period September to November 2020**

Executive Summary:

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

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:

2020/21 Internal Audit Plan

1. Current status of the 2020/21 Audit Plan, which had been stalled as a result of Covid-19 but is now progressing, is shown in appendix 1. Specialist services have been brought in to undertake a set number of audits to assist with completion of the Plan. One report has been finalised since the last Committee meeting in September.

Active Directory Management – moderate assurance

Examination of Active Directory (AD) security settings confirmed that password complexity

and minimum length had all been invoked together with robust restrictions on failed login attempts. However, testing identified that minimum password age and password history settings within the AD domain did not meet recommended best practice standards, increasing the likelihood of brute-force attacks allowing unauthorised access to data.

Documented and automated procedures are in place for the removal of Council leavers' access rights and these are disabled promptly. A review of AD user access rights identified a number of dormant accounts that need to be disabled to prevent unauthorised access.

Audit policies within AD had been enabled to capture key events and these are encapsulated in the AD security log; although the size of the security log should be increased to meet Microsoft best practice and prevent audit logs being overwritten.

The audit identified some Microsoft Windows Server 2008 servers for which vendor support ceased in January 2020 and therefore no further security patches are provided by the software vendor to address any newly identified vulnerabilities. These had already been identified by IT who are considering whether these should be replaced or decommissioned to prevent denial of service attacks, and the priority of these.

Recommendation Tracker

2. 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.
3. The current tracker is shown at appendix 2 and contains three recommendations which have passed their due dates as detailed in table 1. The progress of all recommendations is actively monitored by Internal Audit with the assistance of the Corporate Governance Group.

Table 1. Summary of tracker as at November 2020.

Recommendation type	Number (November 2020)	Number (September 2020)	Number (July 2020)	Number (June 2020)	Number (March 2020)
High Priority not passed its due date	0	0	2	2	1
High Priority passed its due date	1	2	1	1	0
Medium Priority passed its due date	2	1	6	6	7
Low Priority passed its due date	0	5	7	7	4
Total	3	8	16	16	12

Other Internal Audit activities

4. Internal Audit has continued to provide advice and guidance in several business areas:

Covid-19 central government grants for businesses and individuals: Internal Audit and the Corporate Fraud Team continue in providing advice and assistance on the Local Authority Discretionary Grants Fund (LADGF) scheme, including pre- and post-award checks has recently come to end, with the Council mopping up the last few claims. Attention has now moved over to the new Test and Trace Support Payment scheme and other prosed

government initiatives

Finance related work: Internal Audit resource was being used to assist Finance with the reconciliation of the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund payments to ensure payments are properly accounted for and to assist with returns to central government. Resource is now diverted to update the Revenue Account 2020/21 form submitted to central government and review the processes around the capitalisation of salaries costs within Housing.

Decision Making Accountability (DMA): Internal Audit is continuing to develop a schedule of corporate responsibilities for each layer of the management spine, reflecting the DMA principles used to design the Council's structure. This will ensure there is clarity and consistency of decision making at each management level and responsibility is attached to the role and not the individual. Discussions are ongoing with Service Managers to align processes with the DMA which will maintain operational effectiveness whilst ensuring accountability.

Corporate purchase cards: Internal Audit is facilitating discussions on the Council's approach to the use of purchase cards following the decision to use these routinely for low level spend.

National Fraud Initiative (NFI) 2020/21: Internal Audit is coordinating preparations for the 2020/21 NFI exercise. A revised protocol has been agreed with submission of the data taking place in October 2020. Matches are due out in January 2021.

Corporate Fraud Team Update

5. The Corporate Fraud Team (CFT) continue to proactively vet all Right to Buy applications submitted and a further three applications have been withdrawn following CFT intervention.
6. Working alongside colleagues in Housing, the CFT has been undertaking investigations into each succession application and have, in several instances, been able to establish that the application was either false or the applicant did not qualify to succeed to the tenancy. This has resulted in Housing being able to recover several properties with a view to placing them back into stock. The investigation of tenancy successions is seen as a vital part of tackling social housing fraud as it can mean that an applicant can effectively circumvent the entire application /waiting list process.
7. As mentioned earlier CFT continue to assist the Revenues Team in issues surrounding Covid-19 Business Grants.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2020/21 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.

Appendix 1 - Audit Plan Monitoring 2020/21
Progress as at November 2020

Page 11

	Service	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High Priority Recs	Medium Priority Recs	Low Priority Recs
Harlow and Gilston Garden Town - c/f from 2019/20	Chief Executive	15	Final report	■	■	■	Substantial	0	3	1
Fixed Assets - c/f from 2019/20	Customer Services	15	In progress	■	■					
Customer Services - c/f from 2019/20	Business Services	12	In progress	■						
IT - active directory management	Business Services	10	Final report	■	■	■	Moderate	0	11	0
IT - storage area network	Business Services	10	In progress	■						
IT Disaster recovery	Business Services	10	In progress	■						
Governance - Qualis	Chief Executive	12	Scoping							
KFC: Accounts Payable	Business Services	12	Scoping							
KFC: Payroll	Business Services	12	Scoping							
H&S compliance - council buildings and depot compliance	Housing and Property	20	Scoping							
Housing H&S – gas safety	Housing and Property	15								
KFC: Treasury Management	Business Services	12								
Business continuity: assist Council wide lessons learnt review	Business Services	10								
Contract management including exit strategies	Contracts and Technical	20								
Qualis Commercial	Chief Executive	15								
TOTAL								0	14	1

Key

c/f = carried forward

H&S = Health and Safety

KFC = Key Financial Controls

vfm = Value for Money

This page is intentionally left blank

EFDC Internal Audit Recommendation Tracker (Overdue and High Priority)

Last updated: 06 November 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Health and Safety – Satellite Offices 2019/20 Report No. 06.19/20 (February 2020)	2	<p>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.</p> <p>Centrally an officer is designated to carry out quarterly check that satellite office/depot risk assessments are up to date.</p> <p>A Lone Working Risk Assessment is undertaken at Norway House</p> <p>A fire risk assessment be undertaken at the Oakwood Hill Depot to assess whether there is an increased risk whilst the current building works are taking place.</p>	High	<p>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</p> <p>Fire Risk assessment in the hands of Facilities Management.</p>	Contingency Planning and Corporate Safety Officer.	30/03/20	31/12/20	<p>Jun 20: The Council's immediate response to Covid19 has caused a significant shift in working arrangements which has altered the risk in relation to this recommendation. The current risks in satellite offices has reduced as work from these locations has been either suspended or reduced. The focus of H&S officers has been in ensuring that staff are working safely from home and all staff are being asked to complete a home safety assessment. An additional Health and Safety Officer has recently joined Epping Forest District Council and a priority task will be addressing these outstanding recommendations, once work on ensuring staff are working safely at home has been completed.</p> <p>Jul 20: This is being prioritised by the Strategic Safety Group (SSG).</p> <p>Sep 20: A risk assessment template is ready to be signed off at the next SSG meeting.</p> <p>An online electronic accident reporting form which links directly with HR records has been produced and is being trialled by some members of staff. This will have a reminder system so the H&S Officer can check for RIDDOR and enables uploading of risk assessments and safe systems of work if the</p>	Overdue

EFDC Internal Audit Recommendation Tracker (Overdue and High Priority)

Last updated: 06 November 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Page 14								<p>incident calls for investigation. Currently working a way to produce reports for the SSG.</p> <p>Nov 20: Updated Risk Assessment Guidance and some initial templates have been approved by the SSG to be launched shortly. Risk Assessment training to be 'essential' for all levels of management. Service Managers have been required to complete a Risk Assessment Index for their Service and upload this and current.</p> <p>The Oakwood Hill Depot now has a shared occupancy with both EFDC and Qualis staff and activities on site. EFDC remains the landlord of the site. In order to establish and agree H&S duties and arrangements as landlord, occupier and tenant a liaison meeting has been arranged to be attended by Qualis H&S Manager and relevant EFDC staff. Lines of responsibility and communication will be documented with an ongoing meeting schedule to facilitate effective shared occupancy</p>	
	6	At least quarterly, the Contingency Planning and Corporate Safety Officer to receive the training matrices referred to above, to	Med	All points above are relevant to this and will ensure all training needs are identified in a timely manner.	Contingency Planning and Corporate Safety Officer.	30/03/20	31/12/20	Jun/Jul 20: Linked to the action above. A corporate health & safety officer post has been created and they will implement the issues arising from this audit. The person commenced	Overdue

Last updated: 06 November 2020

Year		
------	--	--

Page 15

EFDC Internal Audit Recommendation Tracker (Overdue and High Priority)

Last updated: 06 November 2020

Audit Year (Date Report Issued)	Rec Ref	Original Recommendation	Priority	Managers Original Response	Responsible Officer / Service Director	Original Imp Date	Revised Imp Date	Status Update from Management	Status
Asbestos Management 2019/20 Report No. 01.19/20 (April 2020)	2	<p>(a) The asbestos policy is formally assigned to Property Maintenance, so they take ownership of the document and periodically review its content and include links to other housing and asbestos policies, procedures, and informative literature (e.g. key emergency contacts and out of hours procedures).</p> <p>(b) The updated asbestos policy to be shared with the appropriate Officers who potentially come in to contact with asbestos as part of the asbestos awareness training.</p>	Med	<p>(a) Team Manager – Operational Assets and Compliance to liaise with H&S Officer and review the corporate asbestos policy; liaise with Housing Strategy team to establish links with other relevant existing policy documents; liaise with Housing Repairs and M&E Team managers with “out of hours” standby responsibilities to establish emergency contact details and procedures; incorporate relevant sections of the corporate asbestos policy into a new Asbestos Management Plan</p> <p>(b) Communicate new Asbestos Management Plan to all Property Maintenance teams and wider Housing & Property Services directorate.</p>	<p>Service Manager – Property Maintenance</p> <p>Team Manager – Operational Assets and Compliance</p>	<p>(a) 30/09/20</p> <p>(b) 30/09/20</p>	<p>(a) complete</p> <p>(b) 14 Dec 2020</p>	<p>Nov 20: The Draft Asbestos Policy incorporating an Asbestos Management Plan was circulated to and discussed with the Council’s Health and Safety Officers and comments received 21 October 2020.</p> <p>The policy will be circulated following sign off at Cabinet 16 November 2020.</p>	Overdue

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: 09/11/20

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 and Corporate Fraud Team 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 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: 09/11/20
Signature of person completing the EqlA: Sue Linsley	Date: 09/11/20

Advice
<p>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.</p>

This page is intentionally left blank

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Date of meeting

23 November 2020
AGC-016-2020/21

Ref:

Portfolio: Leader of the Council

Subject: Audit and Governance Committee - Review of Terms of Reference and Effectiveness

Responsible Officer: Sarah Marsh (01992 564446)

Democratic Services Officer: Laura Kirman (01192 564273)

Recommendations/Decisions Required:

- (1) The Committee agrees no changes are required to its Terms of Reference and
- (2) The Committee considers the results of the review of effectiveness of the Audit Committee and notes progress against last year's action plan

Executive Summary:

An effective audit committee brings many benefits to an organisation. To ensure the Council continues to provide an effective Audit and Governance Committee, a review of the Committee's effectiveness and its Terms of Reference has been undertaken.

No changes to the Committee's Terms of Reference as they adequately reflect the remit of the Committee and an action plan has been developed to address minor weaknesses identified from the effectiveness review.

Reasons for Proposed Decision:

To ensure, as a key component of the Council's governance framework, the Audit and Governance Committee continues to be effective and to follow good practice within the sector.

Other Options for Action:

None

Report:

Background

1. The purpose of this report is to review the terms of reference of the Audit and Governance Committee to ensure it satisfies the core functions of an audit committee as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA), in its 2018 guidance, Audit Committees: Practical Guidance for Local Authorities and Police. The report also seeks to ensure that the Committee remains effective, as it is a key component of the Council's governance framework.
2. The Audit and Governance Committee reviews its terms of reference and effectiveness on an annual basis. This was last undertaken in November 2019.
3. The CIPFA guidance also provides practical support to those wishing to evaluate their existing committee and plan improvements. The checklists provided in the guidance have been used in the review of the effectiveness of the Audit and Governance Committee and are attached to this report.

Terms of Reference Review

4. An effective audit committee brings many benefits to an organisation. To ensure that the Council continues to provide an effective Audit and Governance Committee, its terms of reference should be considered on an annual basis, which is in line with good practice. The Committee should ensure the terms of reference remain current and make recommendations for any significant changes to the Council.
5. The Committee last reviewed its terms of reference in November 2019 and amendments approved by Council in July 2020 via the Constitutional Working Group. Since the 2019 review the Audit and Governance Committee has strengthened its role with regards to risk management and its remit in this area is adequately reflected in its current Terms of Reference
6. Internal Audit has carried out a comparison of the Committee's current terms of reference (Appendix A) with the 2018 CIPFA model terms of reference and has undertaken benchmarking with the terms of reference of the audit committees operated by Broxbourne Borough Council and Harlow District Council. On this basis the current terms of reference are still fit for purpose and no changes are required.

Membership Review

7. A good audit committee is characterised by a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. It is important to achieve the right mix of apolitical expertise. CIPFA endorses the approach of mandating the inclusion of a lay or independent member and recommends that councils actively explore the appointment of an independent member to the Committee.
8. The terms of reference for the Committee provide for two independent (co-opted) members. The Council is in the process of recruiting to both positions which are currently vacant.

Approach to the Effectiveness Review

9. The effective operation of the Audit and Governance Committee forms a key element of the Council's assurance framework. An audit committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the Council's performance.
10. This review was performed by the Chief Internal Auditor and is based on guidance

issued in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees Practical Guidance for Local Authorities and Police (2018 edition). The checklists provided by CIPFA support an assessment against recommended practice to inform and support the Audit and Governance Committee.

11. The Committee's effectiveness reviews have been undertaken previously with the last review being in November 2019. The results of the 2019 self-assessment confirmed that the Council was able to demonstrate compliance with recommended best practice for an effective Audit Committee. Some minor areas for improvement were identified as listed in the Action Plan below:

Area	Description and Proposed Actions (November 2019)
Skills and knowledge analysis	Consider repeating the skills and knowledge analysis which was last undertaken in September 2017.
Committee engagement	<p>The Audit Committee is most effective in supporting internal accountability when it discusses governance, risk or control issues with the responsible managers directly. CIPFA gives the following examples on how this can be achieved:</p> <ul style="list-style-type: none"> • The committee focus on a significant risk area from the risk register and invite the head of service to attend to discuss risks and explain how the risk is mitigated. • When reviewing an audit report with significant weaknesses or disputed recommendations then the responsible head of service should be present to answer questions directly. • If other action plans are monitored by committee then again involve responsible heads. • Invite other members on other committees such as scrutiny if the agenda covers areas of interest to them. <p>It should be noted the Committee's Terms of Reference entitles the Committee to require any Member, Director, their representatives or any other officer to attend their meetings in order to discuss any matters under discussion and has exercised this right in the past.</p>

Results of the 2020 Effectiveness Review

12. The results of the self-assessment (appendix B) show that the Council can demonstrate compliance with recommended best practice for an effective audit committee.
13. There are no new areas that the Committee requires improvement on. Committee members are currently completing a questionnaire to ascertain the level and range of skills and knowledge the Committee has collectively.

Resource Implications:

None

Legal and Governance Implications:

To comply with CIPFA guidelines and as part of the process for gathering evidence for the

production of the Annual Governance Statement, the Council is required to review the effectiveness of its Audit Committee. This effectiveness review and review of its Terms of Reference ensures that the Council fulfils the requirements of the Accounts and Audit (England) Regulations 2015.

The Accounts and Audit (England Regulations) 2015 requires that a relevant authority must ensure that it has a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and
- includes effective arrangements for the management of risk.

The Accounts and Audit Regulations do not specify that these requirements must be met by an audit committee. However, where the audit committee undertakes or reviews the specified task, the audit committee must meet the requirements of the regulations and take them into account in agreeing their terms of reference.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

Audit Committees – Practical Guidance for Local Authorities 2018

Audit and Governance Committee Terms of Reference

Risk Management:

The Audit and Governance Committee has a pivotal role in how the Council delivers good governance. The purpose of the Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance process and reviewing the effectiveness of these arrangements.

Equality Analysis:

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

Appendix 1

ARTICLE 11 - AUDIT AND GOVERNANCE COMMITTEE

Statement of Purpose

1. The role of the Audit and Governance Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial statements and provides a forum for considering ethical issues and ensuring high standards of conduct.
2. The purpose of the Committee is to provide independent assurance to the members of the adequacy of the risk management framework and internal control environment. It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit arrangements, helping to ensure efficient and effective assurance arrangements are in place.
3. The specific functions of the Committee are:

Governance, risk and control

- a. to review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances;
- b. to review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control;
- c. to note the Council's overall approach to value for money in ensuring the authority is making best use of its resources.
- d. to consider the Council's framework of assurance and ensure it adequately addresses the risk and priorities of the authority;
- e. to monitor the effective development and operation of risk management in the Council;
- f. to monitor progress in addressing risk-related issues reported to the Committee;
- g. to consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions;
- h. to review the assessment of fraud risks and potential harm to the Council from fraud and corruption;
- i. to monitor the anti-fraud strategy, actions and resources;
- j. to review the governance and assurance arrangements for significant partnerships or collaboration.

Internal Audit

- k. to approve the Internal Audit Charter;
- l. to review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations;
- m. to approve the internal audit strategy and plan, including internal audit resource requirements, the approach to using other sources of assurances and any work required to place reliance upon these other sources. To approve any significant interim changes to the plan and resource requirements and make appropriate enquires of both management and the Chief Internal Auditor to determine if there any inappropriate scope or resource limitations;

- n. to consider regular reports from the Chief Internal Auditor which:
 - update on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work;
 - highlights concerns about progress with the implementation of agreed actions or where management has accepted a level of risk that the Chief internal Audit considers is unacceptable to the Council;
 - reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement;
- o. To consider the Chief Internal Auditor's annual report, including:
 - the statement of the level of conformance with the Public Sector Internal Audit Standards and results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit;
 - the opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement;
- p. To support the development of effective communication with the Chief Internal Auditor

External Audit and Financial Reporting

- q. to consider the external auditor's annual letter, relevant reports and the report to those charged with governance;
- r. to review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council;
- s. to consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts;
- t. to be responsible for the appointment of the Council's external auditors and ensure it is in line with the requirements of the Local Audit and Accountability Act 2014;

Treasury Management

- u. to be responsible for the scrutiny of the Council's Treasury Management Strategy, including receiving regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities, risks and associated assurances;

Accountability arrangements

- v. to report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions; and
- w. to report to the full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

Membership

4. The Committee shall comprise 7 members, including 5 Councillors and 2 co-opted members. Councillors serving as members of the Committee shall be appointed at the Annual Council meeting of Epping Forest District Council for a term of office of one year and shall be eligible for re-appointment for further terms of office.
5. Seats on the Committee should be allocated so they are not all drawn from one political group and are also open to Councillors who are not affiliated to any political group.
6. Co-opted members shall serve for a period of 3 years from appointment. Such three year appointments shall be overlapping in terms of their expiry dates. A co-opted member may serve for a total of two such terms as of right but may be considered for two further three year terms, provided he or she is successful after open competition following public advertisement. Re-appointment for further terms shall be subject to satisfactory attendance.
7. Casual vacancies for members of the Committee who are Councillors which occur shall be filled at the next ordinary Council meeting (but not an extraordinary meeting) with a term of office expiring on the date of the next Annual Council meeting.

Eligibility for Membership - Councillor Members

8. Councillors appointed to the Audit and Governance Committee may not also be members of the Cabinet or any select Committee appointed by the Overview and Scrutiny Committee with responsibility for reviewing the Council's finances or financial procedures.
9. A Portfolio Holder Assistant (other than any Assistant involved in any portfolio dealing primarily with the Council's finances) appointed by the Leader of the Council shall be eligible for appointment to the Committee.
10. Appointment of Councillors shall be made on the basis of evidence of the aptitude, experience or interest and for this purpose the normal rules for pro rata appointments shall not apply.
11. Formal attendance standards be operated in respect of the three Councillor members when reappointment is under consideration by the Council's Appointments Panel and the Chairman and co-opted members of the Audit and Governance Committee be consulted informally about the appointment or reappointment of Councillors at the appropriate time.

Co-opted members

12. Co-opted members, independent of the Council, shall be appointed by the Council on the basis of their professional expertise, experience and background as relevant to the role and responsibilities of the Audit and Governance Committee. Initial appointments of co-opted members and the filling of casual vacancies shall be made following public advertisement and interview, the latter conducted in accordance with arrangements agreed by the Council. If the number of suitable applicants exceeds the number of co-opted places on the Committee, the Council shall keep a waiting list of suitable applicants should casual vacancies occur.

Chairman and Vice-Chairman

13. The Chairman and Vice Chairman of the Audit and Governance Committee shall be appointed at the first meeting of the Committee in each Council year for a term of one year expiring on the date of the first meeting of the Committee of the next Council year.

14. Casual vacancies in the position of Chairman and Vice-Chairman shall be filled in the same way as required in respect of members of the Committee;
15. Both Councillors and co-opted members serving on the Committee shall be eligible for appointment to the office of Chairman and Vice-Chairman.
16. Where the Chairman of the Committee is a Councillor, the Vice-Chairman will be appointed from among the Co-opted members. Where the Chairman is one of the Co-opted members, the Vice-Chairman shall be a Councillor.
17. The Chairman and Vice-Chairman shall be eligible for re-appointment.

Meetings of the Committee

18. The Committee shall meet at least three times each financial year.
19. The Committee shall be entitled to require any Member, Director, their representatives or any other officer to attend their meetings in order to discuss any matters under discussion including the annual audit programme.

Decision Making

20. Only the Councillors and co-opted members serving on the Committee shall be entitled to vote.
21. All members of the Committee shall be entitled to all documents advice and facilities relevant to their membership of the Committee, regardless of their status as either a Councillor or Co-opted member.

Other Requirements

22. All members of the Committee shall respect the confidentiality of Council information and proceedings where appropriate, particularly where exempt or confidential business is involved.
23. All co-opted members of the Committee shall be required to make a statutory registration of interests in the same form as those required of serving Councillors and to be aware at all times of the requirement to clear any interest relating to their work on the Committee.
24. Members of the Committee should seek to attend all meetings of the Committee unless there are exceptional circumstances which prevent this.
25. All members of the Committee should ensure that they participate fully in any training designed to assist them in their responsibilities as members of the Committee. Similarly all members should act on appropriate advice and other information supplied by the Council to improve their effectiveness.

Epping Forest District Council Audit and Governance Committee self-assessment of good practice: This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police and this publication.

Where an audit committee has a high degree of performance against the good practice principles then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment can be used to support the planning of the audit committee work programme and training plans. It can also inform an annual report.

Good Practice Questions		Yes	Partly	No
Audit committee purpose and governance				
1	Does the authority have a dedicated audit committee?	The Committee meets 5 times a year.		
2	Does the audit committee report directly to full council?	Council receives all minutes from the Audit and Governance Committee.		
3	Do the terms of reference (ToR) clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	The Committee reviews its ToR on an annual basis to ensure it remains up to date. The ToR was reviewed in November 2020 and is on the November 2020 agenda.		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	The Audit and Governance Committee forms part of the Council's committee structure. Its role and function are set out in the Council's Constitution.		

Good Practice Questions		Yes	Partly	No
5	Does the audit committee provide support to the Authority in meeting the requirements of good governance?	Through its Terms of Reference, reports it receives, member training, review and challenge of the Annual Governance Statement (AGS), annual accounts, representation by members and officers.		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	There are arrangements for holding the committee to account through its reporting to Council (including annual report and effectiveness review).		
Functions of the committee				
7	<p>Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement:</p> <ul style="list-style-type: none"> • good governance • assurance framework including partnerships and collaboration arrangements • Internal and external audit • financial reporting • risk management • value for money or best value • counter fraud and corruption • supporting the ethical framework 	<p>These are covered in the Committee's Terms of Reference and review of the Annual Governance Statement.</p> <p>The committee is now responsible for risk management.</p>		

Good Practice Questions		Yes	Partly	No
8	<p>Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?</p>	<p>The committee produces an annual report and on an annual basis reviews its Terms of Reference and undertakes an effectiveness review.</p> <p>The Committee's annual report 2019/20 was approved in June 2020.</p>		
9	<p>Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?</p> <p><i>Note: CIPFA guidance states that Audit Committees can also support their authorities by undertaking a wider role in other areas including:</i></p> <ul style="list-style-type: none"> • <i>considering governance, risk or control matters at the request of other committees or statutory officers</i> • <i>working with the local standards and ethics committees to support ethical values</i> • <i>reviewing and monitoring treasury management arrangements</i> • <i>providing oversight of other public reports, such as the annual report.</i> 	<p>The Committee includes treasury management as evidenced in their Terms of Reference.</p> <p>The Committee considered merging with Standards in 2019 but decided to maintain separation. This decision was endorsed by the 12 March 2020 Constitution Working Group.</p> <p>Other roles as suggested by CIPFA are adequately covered by other committees, Cabinet and the full Council.</p>		
10	<p>Where coverage of core areas has been found to be limited, are plans in place to address this?</p>	<p>Various reports received by the Committee throughout the year ensure the majority of core areas are covered. This includes the Annual Governance Statement</p>		

Good Practice Questions		Yes	Partly	No
		(AGS), Internal Audit's annual report and its regular progress reports, External Audit reports (including the Statement of Accounts), and risk management reports.		
11	Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes.		
Membership and support				
12	<p>Has an effective audit committee structure and composition of the committee been selected? This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • where independent members are used, that they have been appointed using an appropriate process. • consideration has been given to the inclusion of at least one independent member 	The Committee comprises five councillors and two Independent Members, with the main political parties represented. Each brings to the Committee a range of experiences and skills. This is supplemented with periodic member training.		
13	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council as appropriate for the organization?	The recruitment of two independent members is in progress.		

Good Practice Questions		Yes	Partly	No
14	Does the chairman of the committee have appropriate knowledge and skills?	Yes		
15	Are arrangements in place to support the committee with briefings and training?	The formal work programme for the Committee is reviewed at each meeting. Periodic training opportunities (internal and external) are made available to members including joint events with Broxbourne and Harlow Councils.		
16	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Member requirements and core knowledge and skills framework are taken into account when developing the training programme. A formal knowledge and skills analysis was undertaken and reported to the November 2020 Audit and Governance Committee meeting.		
17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes, and is the opinion of the Section 151 Officer and Chief Internal Auditor.		
18	Is adequate secretariat and administrative support to the committee provided?	Yes.		

Good Practice Questions		Yes	Partly	No
Effectiveness of the committee				
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	The Chairman meets regularly with the Chief Internal Auditor and the S151 Officer with access to External Audit. The Committee's annual report is approved by Council.		
20	Are meetings effective with a good level of discussion and engagement from all the members?	Yes. Attendance levels are high; discussion and debate actively encouraged by the Chairman.		
21	Does the committee engage with a wider range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Officers are held to account through the Committee's review of audit reports (internal and external) and progress being made to implement recommendations. The Committee can request Officers to attend if appropriate and has done so on occasion.		
22	Does the committee make recommendations for the improvement of governance, risk and are these acted on?	This is undertaken through the Committee's work programme.		
23	Has the committee evaluated whether and how it is adding value to the organisation?	The Committee looks at itself by way of assessing its		

Good Practice Questions		Yes	Partly	No
		effectiveness and governance arrangements. The annual report assists with the process. In addition, the Committee adds value by ensuring audit recommendations are acted upon which assist Officers to spend more time doing audits.		
24	Does the committee have an action plan to improve any areas of weakness?	An action plan to address relevant issues is reported to the Committee as part of the review of effectiveness.		
25	Does the committee publish an annual report to account for its performance and explain it works?	Yes, and is approved by Council.		

This page is intentionally left blank

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**

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

Title of policy or decision: **Review of the Effectiveness and the Terms of Reference of the Audit Committee**

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

Date of completing the assessment: 09/11/20

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? Review of existing Terms of Reference and effectiveness.
2.2	Describe the main aims, objectives and purpose of the policy (or decision): What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? To approve the Audit and Governance Committee's Terms of Reference and the Committee's effectiveness.
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? No
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? To improve governance processes in the Council.

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 – Does not affect any individuals
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.

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: 09/11/20

Signature of person completing the EqlA: Sue Linsley

Date: 09/11/20

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.

This page is intentionally left blank

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC-017-2020/21
Date of meeting: 23 November 2020

Portfolio: Leader of the Council
Subject: Risk Management
Responsible Officer: Andrew Small (01992 564278).
Democratic Services: Laura Kirman (01992 564723).

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 new risks for inclusion on the Corporate risk register or changes to the scoring of existing risks

Reasons for Proposed Decision:

To enhance the Council's risk management framework.

Other Options for Action:

None. Formal responsibility for making recommendations to Cabinet on risk management issues lies with the Audit and Governance Committee. Members may suggest new risks for inclusion or changes to the scoring of existing risks

Report:

Corporate Risk Register

1. The corporate risk register was reviewed by the Council's Officer Risk Management Group at their meeting of 03 November 2020 where all risks were reviewed, and subsequently by the Corporate Governance Group. The narrative for each risk has been updated to reflect the current situation. In particular:

- The risk score for risk 4 (economic development) has been reduced to reflect the implementation of the priority projects agreed by Cabinet on 19 October 2020.
- Risk 12 (staff travel plan) has been removed as it is now subsumed within risk 11 (accommodation project).
- Likewise, the Qualis risk (number 13) is integral to risk 3 (financial resilience) and is no longer a standalone risk.

2. The table below outlines the direction of travel for each risk since it was updated for the September 2020 Audit and Governance, with a brief commentary supporting each risk.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		September 2020	November 2020	
1	Local Plan	B1	B1	Still waiting for adoption of the Local Plan, which has been further delayed due to the Inspector's lack of availability. Adoption by full Council now anticipated summer 2021
2	Welfare Reform	A2	A2	Updated to reflect the use a virtual hub to help signpost customers
3	Financial Resilience	B1	B1	Narrative reflects the impact of Covid-19 and Qualis in helping to manage this risk
4	Economic Development	A1	B1	This risk has been reduced as the Council delivers the agreed priority projects for Covid-19 Economic Recovery
5	Data/information	C2	C2	Actions being progressed through the officer Information Governance Group
6	Business continuity	C2	C2	As current working arrangements bed down services will be tasked to review their business continuity in light of their response to Covid-19.
7	Housing capital finance	C2	C2	The appointment of an HRA finance expert will assist the Council in putting systems in place to mitigate this risk
8	Cyber security	C2	C2	Risk being actively managed
9	Delays in issuing Planning Permissions	A1	A1	The Council is still in discussions with Natural England but progress is being made.
10	Climate emergency	B2	B2	The Council is developing an action plan with short, medium and long term targets with the overall objective of becoming carbon neutral by 2030

11	Accommodation project	C2	C2	Project progressing well and on target, with a focus on flexible working and collaboration
12	Staff travel plan	B1	n/a	The number of staff anticipated to working from the Civic offices has significantly decreased due to staff working more flexibly. Risk now subsumed within the accommodation project (risk 11)
13	Qualis	C2	n/a	Risk now articulated within risk 3 (financial resilience). Governance related risks will form the basis of the planned 2020/21 governance audit of Qualis

5. Members are now asked to consider the attached updated Corporate Risk Register (Appendix 1) and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

Within the report

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and Leadership Team were involved in the process.

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 threatened 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. The equality information is provided as appendix 2 to the report.

CORPORATE RISK REGISTER (November 2020)

Page 51

LIKELIHOOD	A Very High			2	9
	B High			10	1 3 4
	C Medium			5 6 7 8 11	
	D Low / Very Low				
		4 Insignificant	3 Minor	2 Moderate	1 Major
	IMPACT				

RISK NO.	RISK SCORE	DESCRIPTION
1	B1	Local Plan
2	A2	Welfare Reform
3	B1	Financial Resilience
4	B1	Economic Development
5	C2	Data/Information
6	C2	Business Continuity
7	C2	Housing Capital Finance
8	C2	Cyber Security
9	A1	Delays in issuing Planning Permission
10	B2	Climate Emergency
11	C2	Accommodation project

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:</p> <p>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:</p> <p>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. (Note the published 2018 household projection figures have resulted in an annual requirement of 868 homes per annum)</p>	<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 almost complete.</p>	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 took place between February & 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 Cttee 22 November 2018 following submission of plan for independent examination. this will be updated once there is some certainty on programme for consultation on MMs.</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) A revised timeline of the programme of work for the final tranche of the Main Modifications (MM) agreed with the Local Plan Inspector. Regular updates are provided and posted on the Council's website. The last update was provided on 2 October 2020 in which the Inspector explained that due to other commitments there would be a delay in reviewing the MMs submitted as agreed in September. The MM consultation due late October for 6 weeks is therefore delayed which will push back the adoption to Spring/Summer 2021.</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). Scrutiny Function to be undertaken by Stronger Place Select Committee</p>	Planning Services Director	Regular programme meetings (but at least 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 2 Welfare Reform	<p>Vulnerability:</p> <p>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> <p>Action Plan developed in 2019/20 by baselining the effects of Universal Credit is being implemented in 2020/21. A multi-agency hub has been created in Waltham Abbey to act as a one stop shop for vulnerable residents and is seen as a potential model for the district in affected areas. Covid lockdown has temporarily curtailed this. A virtual portal has been created to provide a resource for customers to use that signposts them to the online services from partners involved in the physical hub. It is currently targeting those who are at highest risk when furlough ceases i.e. younger working age</p>	VERY HIGH	MODERATE	A2	To continue to develop the online customer offering and nuance it according to changing circumstances.	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 3 Financial Resilience	<p>Covid-19</p> <p>The Council has had a strong Balance Sheet for several years with a high level of unallocated General Fund Reserves. However, the impact of Covid-19 is posing a significant threat to accumulated reserves; there is also some legacy risks to the base budget as income streams from sources such as car parking and leisure may never recovery to pre-pandemic levels. The following matters therefore assume heightened importance;</p> <p>Qualis Income</p> <p>Securing planned income returns from the LACTO initiative is vital to maintaining financial self-sufficiency and avoiding service cuts; and</p> <p>Financial Control</p> <p>Tighter financial control is essential in a more challenging financial environment that lies ahead</p>	<p>Covid-19 estimated overall financial pressure £7.782m (at 24 October 2020)</p> <p>Slippage in timetabled income and benefits from Qualis initiative (although positive progress being made)</p> <p>Corporate financial planning, management and reporting processes in transition following significant upheaval during 2019/20.</p> <p>CIPFA Financial Management Code effective from 1 April 2021: step change improvement required to achieve compliance</p>	MAJOR	VERY HIGH	A1	<p>Covid-19</p> <p>Short term financial impacts controlled through management of Government support packages and budgetary control mitigation measures in 2020/21</p> <p>Medium/Long Term financial impacts to be managed through Medium Term Financial Planning Process (first iteration of 2021/22 to 2025/26 due to Cabinet in November 2020)</p> <p>Qualis</p> <p>Council's interests directly overseen and managed by Section 151 Officer with tailored support from specialist professional advisors</p> <p>Financial Control</p> <p>Process improvements being rolled out by Deputy S151</p> <p>Interim support for Finance Team to address temporary capacity shortages; permanent solution under development</p> <p>Specialist professional advice utilised to address specific risks to Housing Revenue Account</p> <p>Continued improvement in monitoring</p>	HIGH	MAJOR	B1	<p>Deliver updated Financial Planning Framework for 2021/22 to 2025/26 (adopted by Cabinet 2020), including developing a sustainable budget for 2021/22 that addresses underlying structural deficit (either in one-year or over an extended period, through the selected use of reserves).</p> <p>Complete transformation of Finance function</p>	Strategic Director & 151 Officer	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 Economic Development	<p>Vulnerability:</p> <p>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.</p> <p>Consequence:</p> <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 	<p>Risk that Council performs relatively poorly compared to other authorities.</p> <p>Risk remains high in terms of the general economy, however, the Council is making good headway in terms of the Council's response to Covid-19 and economic recovery. For example, from the initial appraisal of Waltham Abbey, that there is a lower vacancy rate than the national average; assessed as being 5%. In addition, the Council has no vacant commercial premises.</p>	VERY HIGH	MAJOR	A1	<p>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 13th. A revised Economic Strategy and associated report was submitted to Cabinet in May which was agreed and contained a request for additional staff to undertake High Street Recovery work.</p> <p>With the impact of Covid-19 a completely new action plan has been developed which considers a range of options for recovery of local high streets as this is now seen as the priority for Economic Development.</p>	MEDIUM	MODERATE	B1	<p>At its' meeting of 19th Oct, Cabinet formally agreed the priority projects for Covid Economic Recovery; these include regeneration of the five Town Centres in the District, Employment and skills, NWA Business Zone, Sustainable Transport and Local Gazetteer. A decision was made to remove the Digital Gateway for Place project.</p> <p>The work on these projects will serve to help recovery and sustainability of the local economy, but will not provide certainty for local businesses. Therefore the risk for the local economy remains high</p>	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 5 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 	<p>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.</p> <p>The work programme for the Information Governance Group, who oversees this risk, is comprehensive but has limited resource to progress the work.</p>	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.</p> <p>A Senior Information Risk Owner has been identified and an Information Governance Group has been formed. In addition, an Information Governance Group and Information Asset Owner Group has been set up.</p> <p>The Information Governance Group has put together a draft work programme and other acts will be reviewed and monitored through this Information Governance Group</p>	MEDIUM	MODERATE	C2	<p>The introduction of the Information Governance Group is reviewing current arrangements and ensure these are strengthened where required.</p> <p>The IGG will work with the Information Asset Owner Group to embed understanding of the importance of information governance across the authority.</p> <p>The IGG Work Programme will need to be prioritised and the expectations of the organisation managed.</p> <p>A Retention and Disposals Policy will be launched by mid November</p> <p>Additional support will be put in place to assist service areas to coordinate and collate FOI/SARS requests. This is in addition to the FOI/SARS Support Officer.</p>	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 6 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 were 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> <p>All departments now have their own departmental BC plans</p> <p>Corporate strategy now sits above all plans and has been tested</p>	VERY HIGH	MAJOR	A1	<p>Improvement of current business continuity (BC) management arrangement is currently in progress.</p> <p>Our organisational response to the current covid-19 emergency demonstrates a generally effective BCP with essential services / critical functions continuing.</p> <p>Next phase is to co-ordinate the review and updating of plans on an ongoing progressive program.</p>	MEDIUM	MODERATE	C2	<p>Following the desktop exercise scenario earlier this year, and as a result of covid-19 emergency, Service Plan owners are tasked with reviewing their plans and amending and adjusting accordingly. This work will start January 2021 and be completed by March 2021.</p> <p>Alongside this the Emergency Planning Officer will review the Corporate BC Plan from January 2021</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 7 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) The development team are working with finance to develop reports to enable clear visibility around capital funding</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> <p>3) Financial reporting requirements to be developed to ensure clear accounting and governance</p> <p>4) The appointment of a HRA finance expert has been agreed. They will assist the Council in putting systems in place to mitigate risk</p>	Service Manager Housing Management and Home Ownership	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 8 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 Corporate fines 	<p>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.</p> <p>EFDC is targeted directly. Unknown vulnerabilities in systems. Misconfigured systems. EFDC staff error. Disgruntled EFDC staff.</p> <p>System Loss, Data unavailable, Data stolen, Data changed,</p>	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>IT monitoring & installing system updates & patches</p> <p>Data is backed up daily with forty days retained. Three backups are also stored off site.</p> <p>Staff training.</p>	HIGH	MODERATE	C2	Continued monitoring & researching security attack methodologies and best practice procedures	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 9 Delays in issuing Planning Permission	<p>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.</p> <p>Consequence:</p> <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	<p>Regular meetings held with key stakeholders including Natural England to update the HRA and develop a mitigation strategy. Interim mitigation strategy was 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 Pollution Strategy was agreed by Cabinet in July 2020 for further consultation with Natural England. An update HRA has been prepared and comments received from Natural England on 11 September 2020. Leading Counsel's advice and further updates were sent to NE on 29 September and a meeting held on 15 October. As a result of further comments received on 23 October further amendments are being made with a view to finalising the APMS and policy wording in the Local Plan.</p> <p>Budget has been set aside to buy in additional resource to assist with issuing planning decisions once this strategy has been agreed. A draft template S106 is currently being finalised</p>	VERY HIGH	MAJOR	A1	<p>Mitigation strategy in place for both recreational pressure and air quality issues.</p> <p>Interim air pollution strategy has been prepared and updated following July 2020 Cabinet in light of the draft 2020 HRA.</p> <p>Legal Opinion and a note for NE has been prepared following their comments on the draft amended policies on Air Quality and EFSAC.</p> <p>The Chief Executive and PFH meeting with NE representatives on 3 November has been postponed. Work is progressing to achieve final sign off of the APMS under delegated powers.</p>	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 10 Climate Emergency	<p>Vulnerability:</p> <p>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.</p> <p>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.</p> <p>Consequence:</p> <ul style="list-style-type: none"> • Reputational damage • Increased costs from Climate Change Mitigation requirements 	Failure in achieving identified carbon reduction targets and taking action to reach the carbon neutral District by 2030 pledge.	VERY HIGH	MODERATE	A2	A Climate Change Officer and a Sustainable Transport Officer have started in post. They are working to develop an action plan with short, medium and long term targets with the overall objective of becoming carbon neutral by 2030. The action plan will cover all service areas so a workshop is taking place with key officers to capture projects and initiatives both undertaken and planned that will contribute to the action plan.	HIGH	MODERATE	B2	<p>Agree on short term priority climate and sustainable transport actions to propose to Cabinet in December. Continued development of the action plan using knowledge gained from the workshop and appraisal of possible carbon reduction initiatives to identify suitable targets.</p> <p>The move to staff working from home and covid-19 associated projects including increasing active travel as part of the Safer Places project for High Street recovery, will contribute towards a positive impact on carbon reduction</p>	Chief Operating Officer	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 11 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"> • Need to ensure IT resilience that supports agile working practices 	VERY HIGH	MAJOR	A1	<ul style="list-style-type: none"> • Contractor ISG started refurbishment in July and programme is progressing well. Current target completion date is mid-March 2021. • Currently in the process of planning how the space will be utilised with a focus on flexible working and collaboration • Monthly Accommodation Board meeting manages risks and issues raised by workstream leads • Lessons learned from C19 will inform the new ways of working focused on collaboration. 	MEDIUM	MODERATE	C2	Embed new ways of working based on the space created and how it will be used. Align with digital collaboration tools for office based and remote working. Hire of a change manager to support the embedding of New Ways of Working Financial savings will be realised through the development of the Conder building via Qualis	Strategic 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 12 Staff Travel plan	Failure of the Staff Travel Plan compromises the ability of collaborative working at the Civic Offices Potential knock on effect of being able to lease out office space (links with risk 11 above – accommodation project)	Failure to develop and implement a park and share solution at NWA due to cost, not getting planning permission and not finding a way to transport staff from NWA to Civic. Inability to free up parking spaces for Civic office tenants This, however, has been superseded by the flexible working arrangements developed as a result of Covid 19. There are a limited number of bookable car parking spaces at Civic Offices	HIGH	MODERATE	B2	Demand responsive transport, car share and dynamic car park booking and usage systems to be developed. Staff continue to work from home	HIGH	MAJOR	B4	Embed new ways of working based on the space created and how it will be used. Align with digital collaboration tools for office based and remote working. This is being overseen by the Accommodation Board.	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 No 13 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 has been completed</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	Q2	The Section 151 Officer will act on behalf of EFDC as the main conduit with Qualis Group and other Qualis Companies.	Section 151 Officer	Monthly

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: **Strategic Director**

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

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

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

Date of completing the assessment: 09/11/20

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? No
2.2	Describe the main aims, objectives and purpose of the policy (or decision): N/A What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? N/A
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: Andrew Small

Date: 09/11/20

Signature of person completing the EqlA: Sarah Marsh

Date: 09/11/20

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.

This page is intentionally left blank