



Epping Forest District Council

AUDIT & GOVERNANCE COMMITTEE Monday, 25th January, 2021

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

**Virtual Meeting on Zoom
on Monday, 25th January, 2021
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), A Jarvis (Vice-Chairman), S Heap, R Jennings, P Keska and B Vaz

Independent A Jarvis (Vice-Chairman)

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.

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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 (Pages 5 - 10)

To confirm the minutes of the meeting of the Committee held on 9 December 2020.

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 11 - 12)

To consider the attached work programme for the Committee for 2020/21.

7. INTERNAL AUDIT MONITORING REPORT (Pages 13 - 92)

(Chief Internal Auditor) To consider the attached report.

8. RISK MANAGEMENT (Pages 93 - 118)

(Section 151 Officer) To consider the attached report.

9. STATEMENT OF ACCOUNTS 2019/20 AUDIT

(Deloitte) Statement of Accounts 2019/20 Audit (verbal report)

10. 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.

11. EXCLUSION OF PUBLIC AND PRESS

Exclusion:

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> | <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.

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Audit & Governance Committee **Date:** Wednesday, 9 December 2020

Place: Virtual Meeting on Zoom **Time:** 7.00 pm

Members Present: I Hadley (Chairman), T, Jarvis (Vice-Chairman), S Heap, R Jennings, P Keska and B Vaz

Other Councillors: J Philip

Apologies:

Officers Present: L Kirman (Democratic Services Officer), S Marsh (Chief Internal Auditor), S.Linsley (Senior Auditor) G Woodhall (Team Manager - Democratic & Electoral Services), A Small (Strategic Director Corporate and 151 Officer), C Hartgrove (Interim Chief Financial Officer), N Cole (Corporate Communications Officer) and V Messenger (Democratic Services Officer)

39. Webcasting Introduction

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

40. Declarations of Interest

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

41. Minutes

Resolved:

That the minutes of the meeting held on 28 September 2020 be taken as read and signed by the Chairman as a correct record.

42. Matters Arising

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

43. Audit & Governance Committee - Work Programme

The Chairman advised that the date shown as 23 November 2020 should read 9 December 2020.

The Committee noted the Work Programme.

44. Internal Audit Monitoring Report - November 2020

The Chief Internal Auditor, S Marsh, presented the Internal Audit Monitoring Report, September to November 2020. She advised that progress had been made against the approved audit plan and that specialist services had been brought in to assist with completion of the audit plan at no additional cost. The Active Directory Management audit has been finalised since the last Committee meeting in September, with moderate assurance. This was a technical audit carried out by IT specialist and related to the directory services developed by Microsoft for the administration of all PCs and servers on a windows domain; additional work is required on passwords, dormant accounts, security logs and servers, the IT department were addressing the recommendations.

The Recommendation Tracker showed three outstanding recommendations. Assurance was provided that the two outstanding health and safety recommendations were being actively worked on; additional support had been brought in for the Health and Safety Officer; a strategy and operational group had been set up; priority was being given to the completion of Health & Safety risk assessments; and a new system for staff to report accidents and near misses was due for implementation with improved training and awareness. A policy for Asbestos Management was approved by Cabinet on 3 Dec 2020, in line with the third recommendation on the tracker.

S Marsh advised that Internal Audit had worked with the Corporate Fraud Team on processing and identifying potential fraud in relation to grants as well as providing support to the Finance Department. The corporate fraud team have continued to vet all right to buy though zoom and have worked with housing in relation to succession applications.

Resolved:

- (1) That the summary of the work undertaken by the Internal Audit Team and the Corporate Fraud Team during the period October to November 2020 be noted.

45. Audit Committee Effectiveness and Review of Terms of Reference

The Chief Internal Auditor, S Marsh, reported that in line with good practice the Audit and Governance Committee reviewed its terms of reference and effectiveness on an annual basis, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) model and other councils. No change of reference was proposed.

The Terms of Reference for the Committee detailed the requirement for co-opted members. Tony Jarvis had joined the Committee; a further recruitment exercise would be carried out in the new year.

The Audit and Governance Committee had demonstrated compliance with recommended best practice for an effective audit committee, in line with the CIPFA checklist. The skills and knowledge aspect would be reported at the next meeting.

The Chairman highlighted that this Committee was responsible for the appointment of the external auditors.

Cllr Heap questioned the remit of the Committee in relation to Quails and the potential to look at documentation used for decision making as the sole shareholder. The Section 151 Officer, A Small, detailed that all governance issues fell under the remit of the Audit and Governance Committee, as such the Committee would be

responsible for oversight of the governance mechanisms. The actions and performance of Quails would fit into the remit of Overview and Scrutiny Committee, who would be able to see commercial documentation. It was noted that the delineation between the boundary of commercial sensitivity and information the Council needed to be clear.

Resolved

- (1) That no changes are required to the Committee's Terms of Reference,
- (2) The results of the review of effectiveness of the Committee be noted; and
- (3) That the progress made against the audit action plan be noted.

46. Risk Management

The Section 151 Officer, A Small, presented a report on Risk Management, the risk register and risks the Council are facing at a corporate level. He detailed the main changes to the corporate risk register since the last committee. The risk for economic development had been reduced due to a number of actions that would bolster the local economy and two risks had been removed as standalone risks; the staff travel plan risk has been subsumed within the accommodation project and the Qualis risk integrated as part of financial risk for the Council

Tony Jarvis commended the officers for the clarity of the report, analysis and actions.

Cllr Heap challenged the risk rating of the climate emergency as B2 and suggested this should be A1, as climate change was occurring and impacted upon everything that the Council did. He detailed consequences and actions that could be carried out at a local, national and global level and stressed the importance of immediate mitigation. The significance of the climate emergency at a global level was acknowledged by the Committee and discussion ensued on the role of the committee in relation to this risk. The Section 151 Officer advised that the risk register related to the actions taken by the Council in relation to that risk and if there were suitable plans in place to address the risk at a local level and for their sphere of influence. Cllr Phillips reminded the Committee that the Council had declared a Climate Emergency and that budget allocation had been made to allow the plans to be developed. The Committee requested a report for a future meeting, on the climate emergency action plan from a governance perspective, that would allow them to determine if the risk rating needed to be reviewed and if required what the risk level should be.

The Chairman raised the issue of delays to the inspection of the local plan, Cllr Philip explained that the inspectors schedule has limited latitude, a slot was missed due to Covid, but progress was anticipated.

Resolved

- (1) The changes in the risk register were noted and endorsed; and
- (2) That a report be presented at a future meeting, on the governance of actions associated with climate emergency action, to enable the Committee to determine if the risk rating needed to be reviewed.

47. Treasury Management Mid-Year Report 2020/21

The Interim Chief Financial Officer, C Hartgrove, presented the Treasury Management Mid-Year Update 2020/21 which outlined the borrowing and investment activity for the year to date and detailed how the Council performed against the relevant treasury management indicators.

During the period April to September 2020 borrowing had increased by £16.0million to £240.5million with a reduction in investments of £20.9 million to £1.2 million. Analysis of the non-treasury investments and the commercial property portfolio showed a balance sheet value of £138 million at the start of the financial year and £3.7 million net income for the for the first six month, this reflected the accrued position, there had been no write-offs against this income to date, however bad debt provision had been made in light of the COVID pandemic.

The Treasury Management indicators had been met, in the main, however, several factors in an exceptional year including: exceptionally high balance at year end (reported to the Committee 28 September 2020); funding assembled for Qualis; and unexpected Government support for local businesses for COVID had created an unprecedented cash flows, this had now stabilised.

The Chairman questioned the yield on commercial property portfolio and was advised that this was based on the Balance Sheet value which for would not be the same as the acquisitions value and the reason percentage returns were not included.

Cllr Heap asked if the Housing Revenue Account (HRA) loan that was due to mature soon, would be replaced by borrowing at a lower rate of interest. Cllr Philip advised that details of the HRA repayments had been requested at the Council Housebuilding Cabinet Committee (8 Dec 2020) and these details should be available soon. The Sec 151 Officer detailed that this related to a refinancing event and treasury management advice will be taken to determine if debt is partial of fully refinanced.

Resolved:

- (1) The Treasury Management Mid-Year Update 2020/21 was noted and recommended for comment to full Council.
- (2) The Minimum Revenue Provision Statement (MRP) 2020/21 was recommended to Council for approval.

48. ANNUAL AUDIT AND STATEMENT OF ACCOUNTS 2019/20

The Section 151 Officer outlined the annual audit and statement of accounts 2019/20 could not to be presented to the Committee and advised that officers had completed and improved the processes to ensure that the accounts were in a fit state for audit, the delay was due to the external auditor's inability to meet the deadlines due to capacity issues and COVID impact on finance teams. The Committee emphasised the requirement to present the audit and accounts at the next Committee meeting.

Resolved:

- (1) Finalised Annual Audit and Statement of Accounts 2019/20 to be presented at the next Committee meeting.

49. Any Other Business

The Committee noted that there was no other urgent business for discussion at the meeting.

50. Appointment of Vice-Chairman

The Chairman addressed the vacancy of Vice Chairman and advised the Committee that if the Chairman of the Committee was a Councillor, then the Vice Chairman must be a Co-Opted Member, and vice versa. Tony Jarvis was nominated by Cllr Heap and seconded by Cllr Vaz and duly accepted the role of Vice Chair of the Committee.

Resolved:

- (1) That the Committee appointed Mr Tony Jarvis as the Vice Chair of the Audit and Governance Committee for the remainder of the 2020/21 municipal year.

51. Exclusion of Public and Press

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

CHAIRMAN

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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

- Internal Audit Progress Report
- Annual Governance Statement 2019/20

28 September 2020

- Treasury Management Annual Outturn Report 2019/20
- Treasury Management Mid-Year Report 2020/21
- Internal Audit Progress Report.
- Risk Management Report
- Statutory Statement of Accounts 2019/20

9 December 2020

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

25 January 2021

- Treasury Management Investment & Strategy Statements 2021/22
- Internal Audit Progress Report.
- Risk Management Report
- Review of Code of Corporate Governance.
- Review of the Internal Audit Charter.
- Review of the Whistleblowing policy

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
- ❖ Audit of Accounts Annual Governance Statement 2019/20
- ❖ Annual Audit Letter 2019/20

Key

- EFDC Officer Report
- ❖ External Auditor Report

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

**Date of meeting: 25 January
2021**

Portfolio: Leader of the Council

Subject: Internal Audit Monitoring Report January 2020

Responsible Officer: Sarah Marsh (01992 564446).

Democratic Services: Laura Kirman (01992 564273)

Recommendations/Decisions Required:

- (1) The Committee approves the revised Local Code of Governance**
- (2) The Committee approves the revised Anti-Fraud and Corruption Strategy**
- (3) The Committee approves the revised Whistleblowing Policy**
- (4) The Committee approves the revised Internal Audit Charter**
- (5) The Committee notes the outcomes of the member skills and knowledge analysis**

Executive Summary:

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

A number of documents have been reviewed by the officer Corporate Governance Group as part of the annual review cycle and are presented here for approval being: Internal Audit Charter, the Local Code of Governance, Anti-Fraud and Corruption Strategy and Whistleblowing Policy.

In addition, a summary is given of the Committee's collective skills and knowledge, confirming there is no one area of the Committee's remit that lacks knowledge or experience.

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. Progress is being made on the revised 2020/21 Audit Plan as detailed in Appendix 1.
2. The following two reports have been issued since the Committee received its last update in December 2020:

Fixed Assets – Moderate assurance

The purpose of this audit was to assess the control framework for ensuring that fixed assets are properly safeguarded and accurately recorded in the Council's accounts. The review established that:

- A Fixed Asset Register is in place and sample testing confirmed that this is regularly updated for acquisitions, disposals, and the recording of depreciation.
- Sample testing of assets shown in the Corporate Asset Register confirmed that fixed assets are depreciated over the life spans set out in the accounts and that depreciation has been correctly calculated based on the expected life across the range of assets. Further, sample testing confirmed that residual values are correct calculated.
- There is a framework of controls in place to ensure that Council assets are safeguarded, and sample testing confirmed that these are adequate and are operating effectively.

However, the following areas require improvement:

- The arrangements for reconciling the Fixed Assets Register to the general ledger at the financial year-end are insufficient, with management being unable to evidence that this task was carried out at the 31st March 2020 year-end.
- There are no detailed procedures relating to the year-end processes, including the reconciliation of the Corporate Asset Register to the general ledger.
- Financial Regulations, which include a section setting out the Council's requirements relating to Fixed Assets, are dated October 2015 and require a review and, where necessary, updating.

Customer Services – Substantial assurance

The transformation of Customer Services commenced in early 2020 and this review focussed on the existing performance metrics used and how the Customer Service strategy is enabling the Council to improve customer services.

The Customer Services transformation plans are clearly defined as to actions and timescales and responsibilities. Plans have been updated to reflect to new working arrangements caused by Covid19 restrictions and the requirement for home working.

There has been ongoing performance measurements which supports activities that have been effective in delivering a reduction in 20 complaints received in quarter 1 2020/21, an increase in channel shift to online of 18%, and also improvements in call centre responses where the matter is resolved on first contact, where quarter 1 2020/21 performance exceeded the 45% target set.

There is now a need to build upon the achievements already made through:

- Formal evaluation of the benefits and savings already achieved by the Customer Services Transformation plans;
- Set a deadline for the 23 Managers to complete and return the outstanding Customer Services Health checks for their services; and
- Address the long-term solution for the cash office arrangements, where demand remains high, 35% of customers do not want to switch, but the long-term solution work is yet to be confirmed as to date and planned completion.

Recommendation Tracker

3. 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.
4. The current tracker is shown at Appendix 2 and contains one high and two medium priority recommendations which have passed their due dates (the same as reported in December 2020)
5. The high priority recommendation relates to Health and Safety where good progress is being made to implement the recommendations, being spearheaded by the Strategic Safety Group, of which the Chief Internal Auditor is a member.

Table 1. Summary of tracker as at January 2021.

| Recommendation type | Number (January 2021) | Number (December 2020) | Number (September 2020) | Number (July 2020) | Number (June 2020) |
|---------------------------------------|-----------------------|------------------------|-------------------------|--------------------|--------------------|
| High Priority not passed its due date | 0 | 0 | 0 | 2 | |
| High Priority passed its due date | 1 | 1 | 2 | 1 | |
| Medium Priority passed its due date | 2 | 2 | 1 | 6 | |
| Low Priority passed its due date | 0 | 0 | 5 | 7 | |
| Total | 3 | 3 | 8 | 16 | 1 |

Other Internal Audit activities

6. 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 practical assistance on the three current business grants schemes (National Restrictions Support Grant, Local Restrictions Support Grant and Additional Restrictions

Grant).

Finance related work: Internal Audit resource continues to be 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.

Independent Members of the Audit and Governance Committee: With the assistance of Democratic Services, Internal Audit has co-ordinated the process for appointing to the vacant Independent Member positions. The Council went out to advert in January 2020 and interviews were being set up for the five applications received but had to be postponed due to Covid-19. The interviews finally took place via Zoom at the end of November and beginning of December by the following panel members: Cllr Hadley, Cllr Heap, Cllr Jennings and Cllr Whitehouse supported by the Section 151 Officer and the Chief Internal Auditor. One appointment was made, Tony Jarvis, as the other candidates failed to meet sufficiently the criteria set out within the selection criteria. Work is in progress on a new recruitment process, with the intention to go out to advert in February 2021.

7. In addition, Internal Audit has spearheaded a review of three key governance related documents as set out below, which have been approved by the Corporate Governance Group before being presented here.

Local Code of Governance: Reviewed annually, only minor changes are proposed in (underlined in bold in the document) to reflect the impact of Covid-19. See appendix 3.

The Code is a statement of the systems by which it directs and controls the exercise of its functions and how it relates to the local community. It is intended to provide confidence in the activities of the Council and how it goes about its business, focus the minds of those involved in decision making and ensures those decisions are made in a proper and transparent way. The Code also seeks to ensure that the Council actively engages with local stakeholders, assist the constant improvement in service delivery and the minimisation of associated risks.

Anti-Fraud and Corruption Strategy: Also reviewed annually, with the main changes reflecting the outcome from the recently issued Fighting Fraud and Corruption (FFCL) Strategy and updated guidance on accepting cash as part of the Anti-Money Laundering Policy (see appendix 4).

The FFCL strategy outlines a governance framework for continuing national and

regional collaboration on counter fraud under the Fighting Fraud and Corruption Locally umbrella. The strategy is about creating a self-sustaining counter fraud response for the sector and how this can be achieved.

The Council's strategy is aligned to the FFCL strategy which focuses upon pillars of activity that summarises the areas local authorities should concentrate efforts on. There are 'acknowledge', 'prevent' and 'pursue', There are another two areas of activity that underpin each of these pillars. These are 'govern' and 'protect' with the pillar of 'govern' sitting before 'acknowledge'. It is about ensuring the tone from the top is consistent with the pillars and that they should be included in local counter strategy, which it is for Epping Forest.

Whistleblowing policy: Last reviewed in January 2019, this policy has been updated with the key contact details and revised timescales for reporting back on concerns raised (appendix 5) This policy, along with the anti-fraud and corruption strategy will be promoted amongst staff and members through an awareness campaign.

Review of the Internal Audit Charter

8. The Internal Audit Charter sets out the common practices of Internal Audit and requires annual review in accordance with the Public Sector Internal Audit Standards (PSIAS). This was last undertaken in January 2020.
9. The Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees practical guidance for Local Authorities and Police 2018 edition states that an Audit Committee (the committee) should have a role in reviewing and approving the internal audit charter. In addition, the committee has a role in overseeing the independence, objectivity, performance and professionalism of the Internal Audit function.
10. A review of the current Internal Audit Charter (Appendix 6) confirms it is still fit for purpose and is fully compliant with the PSIAS. The only change (underlined in bold) is that the Section 151 Officer now has line management responsibility for the Chief Internal Auditor.

Corporate Fraud Team (CFT) update

11. Further to our last update in December, the CFT have continued to actively vet each Right to Buy (RTB) application received by the Council. Due to the Covid situation severely reducing the ability to visit homes interviews with RTB applicants are still taking place however the team is utilising Zoom in order to conduct them wherever possible, with the applicants' consent. Since December, a further two applications have been withdrawn following the vetting procedure taking place.
12. Video interviews are also being utilised in cases of suspected housing fraud with a successful outcome during November where a tenant was interviewed by video regarding a suspected fraudulent mutual exchange application. The tenant was found not to be utilising their council property as their main and principle home and the mutual exchange was cancelled and action is now being taken to recover the property.
13. An investigation was undertaken into a housing application whereby the applicant had been purporting to live with their partner and a baby within the EFDC area in shared and cramped conditions, thus giving them greater housing need priority. The investigation discovered that the applicant is (and has been) living in a

number of privately rented properties within a different district. They had also failed to declare on their application that they own another property. The application has been rejected on the grounds of being adequately housed and possible further action against them is being explored for making a false statement.

14. The team are also providing ongoing assistance to the Revenues team in respect of the Covid-19 business grants.

Skills and knowledge analysis

15. As part of the Audit Committee effectiveness review, as reported to the December 2020 Audit and Governance Committee, a skills and knowledge questionnaire has been completed by the majority of committee members and summarised in appendix 7. This confirms the committee has collectively a wide range of knowledge and experiences, including both public and private sector. There was no one area that lacked collective knowledge or experience.
16. Training for Audit and Governance Committee members is being reinstated as this had been stalled due to Covid-19 and will be open to all councillors. Risk management training has been arranged for just before the March 2021 Audit and Governance Committee meeting. In addition, bespoke informal training has been provided by the Chief Internal Auditor where it was requested in one of the questionnaires. This offer is available to any member of the Committee.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2020/21 Audit Strategy and 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 8 to the report.

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Appendix 1 - Audit Plan Monitoring 2020/21
 Progress as at January 2021

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| | 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 |
| Customer Services - c/f from 2019/20 | Business Services | 12 | Final report | ■ | ■ | ■ | Substantial | 0 | 1 | 2 |
| Fixed Assets - c/f from 2019/20 | Customer Services | 15 | Final report | ■ | ■ | ■ | Moderate | 0 | 3 | 0 |
| 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 | In progress | ■ | | | | | | |
| H&S compliance - council buildings and depot compliance | Housing and Property | 20 | In progress | ■ | | | | | | |
| KFC: Accounts Payable | Business Services | 12 | In progress | ■ | | | | | | |
| KFC: Payroll | Business Services | 12 | In progress | | | | | | | |
| Housing H&S – gas safety | Housing and Property | 15 | Scoping | | | | | | | |
| KFC: Treasury Management | Business Services | 12 | Scoping | | | | | | | |
| Business continuity: assist Council wide lessons learnt review | Business Services | 10 | On going | | | | | | | |
| Contract management including exit strategies | Contracts and Technical | 20 | | | | | | | | |
| Qualis Commercial | Chief Executive | 15 | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | TOTAL | 0 | 17 | 3 |

Key
 c/f = carried forward
 H&S = Health and Safety
 KFC = Key Financial Controls

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Appendix 2: EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 18 December 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 |
|--|---------|--|----------|--|--|-------------------|----------------------|---|---------|
| <p>Health and Safety – Satellite Offices 2019/20 Report No. 06.19/20 (February 2020)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 23</p> | 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 31/03/21 | <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. 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 incident calls for</p> | Overdue |

Appendix 2: EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 18 December 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 24 | | | | | | | | <p>investigation. Currently working a way to produce reports for the SSG.</p> <p>Dec 20: Risk Assessment Guidance and initial templates signed off by the September SSG, with further work on the outstanding ones.</p> <p>SSG agreed that all tiers of management must complete risk assessment training, and this is being arranged by Corporate Safety to coincide with the formal launch of the Guidance and templates. Delivery of this and the launch has been delayed due to the second Covid lockdown but will be pursued as soon as possible.</p> <p>Managers have been requested to ensure all current risk assessments have been uploaded to the Z Drive but limited resources have not enabled the information to be reviewed in detail at this stage.</p> <p>An On-line accident reporting procedure and Guidance document was launched at the beginning of December. The system will not only streamline the process but also create a database which will enable greater analysis of the data to identify trends or key issues. This can be used to target future resources effectively.</p> | |
| | | | | | | | | | |

Appendix 2: EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 18 December 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 |
|---|---------|--|----------|--|---|-------------------|---|---|---------|
| <p>Health and Safety – Satellite Offices 2019/20 Report No. 06.19/20 (February 2020)</p> | 6 | <p>At least quarterly, the Contingency Planning and Corporate Safety Officer to receive the training matrices referred to above, to ensure that the appropriate H&S training is being identified and delivered in a timely manner.</p> | Med | <p>All points above are relevant to this and will ensure all training needs are identified in a timely manner.</p> | <p>Contingency Planning and Corporate Safety Officer.</p> | 30/03/20 | <p>31/12/20 31/03/21</p> | <p>Jun/Jul 20: Linked to the action above. A corporate health & safety officer post has been created and the person commenced on 2 June 2020, and a complete review of the audit will be conducted as priority.</p> <p>Sep 20: Essential H&S training for all staff has been fully assessed by the Health & Safety Officer and options to obtain more robust online and interactive training modules at varying levels, including maintaining training records and for all H&S subjects prepared. This has been discussed with the Council’s Learning & Development Manager to agree a budget for this. Regular reporting to the H&S Officer will be introduced for monitoring purposes.</p> <p>Dec 20: Significant progress has been made with a suite of 11 on-line H&S courses procured. At present the courses are being uploaded to the existing Vine HR system and going through final checks to ensure the technology is working correctly. Course topics are: - Introduction to H&S, Manual Handling, Fire, COSHH, DSE, PPE, Asbestos, Legionella, Electricity, Working at Height, Legionella, Driver Safety and Noise. Six of the courses will be mandatory for all staff and the remaining seven will be determined by the</p> | Overdue |

Appendix 2: EFDC Internal Audit Recommendation Tracker (Overdue and In Progress)

Last updated: 18 December 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 |
|---|---|----------------------------|--|-------------------------------|--|---|---------------------|---|---|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 6</p> | | | | | | | | <p>manager dependant on the employee's job role. It is anticipated that the courses will be live and launched in January 2021. Staff will have until the end of March to complete the six essential ones and until the end of May to complete any other. Managers will be responsible for monitoring progress and uploading information to a spreadsheet on the Z drive. Corporate Safety have managed to secure some admin assistance to review progress and follow up with specific managers as needed.</p> | |
| | <p>How Gilston Garden Town 2019/20 Report No. 08.19/20 (July 2020)</p> | 3 | <p>A data sharing agreement should be drawn up to cover any personal or commercially sensitive data which may be shared between the councils as part of the Garden Town project.</p> | Med | <p>A data sharing agreement will be developed and entered into by all the HGGT partners.</p> | <p>HGGT Director and HGGT Programme Manager</p> | 31/12/20 | 31/03/21 | <p>Dec 20: HGGT legal advisors, Weightmans, have been instructed to develop a data sharing protocol for the HGGT. The most appropriate form of agreement is currently being evaluated.</p> |

Epping Forest District Council
Local Code of Governance
January 2021

Introduction

1. Epping Forest District Council has agreed a Code of Corporate Governance which reflects the key components set out within the framework produced in April 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled “Delivering Good Governance in Local Government” (the framework).
2. Corporate governance is the system by which local authorities direct and control their functions and relate to their communities. It is essential that the Council meets the highest standards and that their governance arrangements are demonstrably sound.
3. The Framework is intended to help the Council to review and demonstrate that its approach to governance ensures that resources are directed in accordance with agreed policy and priorities and there is effective decision making and clear accountability to the public.
4. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 also require the Council to conduct an annual review of the effectiveness of its system of internal control which is published with its Statement of Accounts. This code provides the framework for such annual reviews **and this document has been reviewed in light of the Covid-19 pandemic. It is important to maintain robust governance arrangements especially as the work of the Council is carried in a more virtual environment.**

Requirements of the framework

5. The Council is required to test their Governance structures against the principles contained in the framework by:
 - Reviewing existing governance arrangements
 - Having an up to date Code of Governance including its arrangements for ensuring ongoing effectiveness; and
 - Reporting annually on compliance with the code and how they have monitored the effectiveness of their arrangements
6. This Code sets out in tabular form the Council’s approach to governance and the arrangements it has in place against which annual reporting will take place. The Code tables also set out how the Councils arrangements comply with the core and sub-principles set out within the framework.

The Core Principles of good governance

7. The framework defines seven Core Principles. The Council will:
 - (1) behave with integrity, demonstrating a strong commitment to ethical values and respect the rule of law.
 - (2) ensure openness in its culture and engage comprehensively with stakeholders, citizens and service users.

- (3) have a clear vision and defined desired outcome in terms of sustainable, social and environmental benefit.
 - (4) have in place interventions necessary to optimise the achievement of its intended outcomes.
 - (5) develop its capacity and capability of its leadership and staff
 - (6) manage its risk and performance through robust internal control and strong public finance management.
 - (7) implement good practice in transparency, reporting and audit to deliver effective accountability.
8. Appendix 1 to this Code demonstrates the Council's response to these Core Principles

Annual Reporting

9. In accordance with the Framework, the Council will report annually on the extent to which they comply with this Code. This is currently within the Terms of Reference of the Audit and Governance Committee. This may change from time to time, but reporting will be on an annual basis.

Key Policies in Corporate Governance

10. The key policies and procedures that have been taken into account in the formulation of this Code are listed below:

The Council Constitution
Corporate Plan 2018-2023
Financial Regulations and Associated Guidance
Treasury Management Policy
Procurement Rules
Scheme of Delegation
Human Resource policies
Members/Officers Code of Conduct
Confidential Reporting Policy (Whistle Blowing)
Anti-Fraud and Corruption Strategy
Risk Management Strategy
Communication Strategy
Consultation Strategy
Health and Safety Policy
Data Protection Policy
Freedom of Information Policy
Equalities Impact Assessments
Health & Wellbeing Strategy
Comments, Compliments and Complaints Policy
Data sharing agreements
Annual Governance Statement

1(a) Behaving with Integrity

The Council does this by:

- Having in place an agreed Code of Conduct for members and staff which includes provisions that require a further perception test on members when acting in the public interest.
- Having in place well-structured and transparent decision-making processes and delegation arrangements
- Adoption of the Nolan Principles of Standards in Public Life and annual standards training given to all members, together with interest declarations at meetings
- Corporate Governance Group meeting on a monthly basis to consider governance and integrity issues
- Regularly reviewing its policies to ensure that they remain effective
- Regular meetings of Leadership Team (LT) and Cabinet Councillors (Cab) to ensure coherent political direction.
- Established staff procedures through HR; regular one to one's for all staff, methods of appeal and disclosure forms for staff interests

1(b) Demonstrating Strong Commitments to Ethical Values

The Council does this by:

- Appointing experienced Section 151 / Monitoring Officers with appropriate qualifications and seniority within the Council to promote ethical values
- Council appointing a Standards Committee with Independent Persons
- Established processes for quickly investigating complaint / ethical standards issues.
- Providing advice on ethical standards to Parish and Town Councils.
- A supported, effective and regularly reviewed whistleblowing policy.
- Promoting ethical values through standard contract documentation.

1(c) Respecting the Rule of Law

The Council does this by:

- A modern, up to date, Constitution that is subject to regular review.
- Ensuring all decision-making reports containing relevant legal constraints.
- Ensuring decisions are only taken after advice from appropriate officers.
- Section 151 / Monitoring Officers are part of report clearing process.

- Reporting breaches of legal / regulatory provisions through Corporate Governance Group and Audit and Governance Committee.

2(a) Openness

The Council does this by:

- Responding to FOI (Freedom of Information) and data access requests in accordance with legal provision.
- Using open data standards in on-line data sites including spend and contract information
- Publishing an FOI publication scheme
- Publishing on-line and properly documenting all decisions taken by the executive.
- Maintaining a list of decisions due to be taken by the Cabinet including transparency / notice of those decisions to be taken in private session.
- Webcasting of all Executive, Audit, Planning and Overview & Scrutiny Committee meetings
- Maintaining an effective website
- Making publicly available agenda of and clear minuting of all meetings in accordance with statutory regulations.
- **Ensuring that any emergency decisions made by the Chief Executive (Head of the Paid Service) follow constitutional arrangements**

2(b) Engaging comprehensively with institutional stakeholders

The Council does this by:

- Developing formal partnerships / making arrangements where an effective business case can be demonstrated.
- Attending and participating in meetings with other local authorities under 'duty to cooperate'
- Engaging with local organisations by officer attendance / participation
- Appointing Members to other community organisations that request it.
- By monitoring and maintaining an effective record of the partnerships we participate in
- By providing effective 'critical friend' challenge through the Council's scrutiny processes.

2(c) Engaging with individual citizens and service users effectively

The Council does this by:

- Having a consultation policy and plans
- Ensuring meaningful consultation takes place during key service changes.
- Ensuring statutory consultation processes are followed and consistently applied
- Using a combination of communication methods to engage with citizens
- Having clear compliment and complaint procedures
- Ensuring the Council and its Members take account of consultation in the context of its decision making and the financial impact on tax payers.

3. Defining outcomes in terms of sustainable economic, social and environmental benefits

The Council does this by:

- A corporate plan that has a clear vision of the economic, social and environment of the district, with supporting business/service plans
- A draft local plan that supports the Council's vision
- Full engagement with the Epping Forest Community Safety Partnership
- A Health & Wellbeing Strategy approved by partners
- That decision making takes account of these effects on its residents and paying due regard to the public sector equality duty
- By ensuring the Council provides fair access to the services it provides
- **A developed vision for the ongoing post-pandemic recovery of the district**

4. Determining the interventions necessary to optimise the achievement of intended outcomes

The Council does this by:

- Decision making processes that receive objective and rigorous analysis including involvement of the Monitoring Officer and the Section 151 Officer
- Processes that take account of service users when making decisions
- Retaining control over preparation of strategic and operational plans
- Monitoring regimes for task and finish management
- A demonstrable corporate approach to project management
- A Corporate Plan with key objectives that are measurable

- Key Performance Indicators that are measurable / SMART and take account of Council's objectives
- Regular reviews of the Councils Medium Term Financial Plan against Council priorities
- A robust budget preparation process that reflects the Council's objectives and the medium-term financial plan.

5. Developing the Councils capacity and capability of its leadership and staff

The Council does this by:

- That the Council operations, performance and use of its assets are reviewed regularly to ensure their effectiveness
- That appropriate benchmarking is used in assessing whether outcomes can be achieved
- Participate in partnerships where there is a sound business case that it will add value
- Having an effective workforce plan to enhance resource allocation
- Having clear systems of decision making and effective delegation schemes
- The Leader/ Chief Executive / Directors have clearly defined leadership roles
- Statutory Officers having the qualifications, skills, resources and support necessary to perform effectively in their roles
- Job descriptions with candidate specifications, and using interviews and tests during the recruitment process to assess the ability of candidates to carry out the duties set out in the job description
- Members and staff have appropriate induction processes, access to personal development appropriate to their roles; staff have regular one to ones and access to arrangements to maintain their health and wellbeing.

6 Managing Risk and Performance

The Council does this by:

- Ensuring risk management is an integral part of the Councils activities and decision making
- Having robust and integrated risk management arrangements with regular and dynamic consultation of risk by Leadership Team
- Clear responsibilities for managing individual risks and Risk Registers that allocate responsibility against each risk
- Ensuring Services / projects are effectively monitored at planning, specification, execution and post implementation stages by having a Transformation programme that is responsible for tracking projects.

- an effective Overview and Scrutiny function to provide constructive challenge on policy and performance
- Councillors receiving regular reports on Service / Council delivery plans
- Having counter fraud and anticorruption arrangements in place and an established Corporate Fraud Team and whistleblowing policy
- An effective Internal Audit function to provide assurance on governance / risk management and control
- An Audit and Governance Committee that is independent of the Cabinet providing additional assurance with the power to ensure its recommendations are listened to and acted upon
- Having effective arrangements in place for the safe management of data particularly data sharing with other bodies and a designated data protection officer.
- Effective financial management systems that include management of financial risks.

7 Transparency, reporting and auditing

The Council does this by:

- Having a defined process to ensure that reports for the public / stakeholders are fair, balanced and easy to access and understandable for the audience
- Reporting regularly on performance and on use of resources
- Requiring managers to produce annual assurance statements
- Ensuring that Management and Members have clear lines of responsibility for the performance results
- Preparing an annual governance statement on the robustness of this framework
- Having processes to ensure external / internal audit recommendations are acted upon / responded to by managers and the Council
- Having effective internal audit and annual audit programs that are accessible for member scrutiny and tracked subsequently.
- Ensuring arrangements are in place for confidential reporting (“whistleblowing”) which are published to staff

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Anti-Fraud and Corruption Strategy

January 2021



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Anti-Fraud and Corruption Strategy

Section 1 – Purpose of the Strategy

Epping Forest District Council (EFDC) is committed to high legal, ethical and moral standards, and the proper accountability of public funds.

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations with which it comes into contact will act towards the Council with integrity.

The purpose of this Anti-Fraud and Corruption Strategy is to support the Council's 2018 -23 Corporate Plan by protecting the public purse as every pound lost through fraud cannot be spent on Council services. In particular, this strategy:

- Sets out the aims and long-term vision of the Council's Anti-Fraud and Corruption framework
- Outlines the Council's approach to Anti-Fraud and Corruption
- Outlines the expected outcomes along with how the Council intends to achieve and monitor these

Section 2 – Key Objectives

The key objectives of the Council's Anti-Fraud and Corruption framework are to:

- protect the Council's resources and assets, ensuring they are used as intended;
- maintain a culture where fraud or corruption is not tolerated; and
- ensure staff and Members demonstrate the highest standards of honesty and integrity at all times.

This Strategy also supports the national Fighting Fraud and Corruption Locally Strategy 2020 which advocates turning strategy into action by councils considering their counter fraud response and performance against each of the six 'C' themes:

- **Culture** – creating a culture where countering fraud and abuse is an accepted part of the Authority’s normal business model and where fraud and corruption are unacceptable in line with the Council’s Values & Behaviours
- **Capability** - Assessing the full range of fraud risks and ensuring that the range of anti-fraud measures deployed is appropriate and proportionate to those risks.
- **Capacity** – deploying the correct level of resources to deal with the level of fraud risk including the maintaining of a Corporate Fraud Investigation Team staffed by fully accredited investigators and ensuring that these resources are monitored by those charged with the Council’s governance.
- **Competence** – having the right skills and standards throughout the Council’s services which are commensurate with the full range of counter fraud and corruption activity
- **Communications** – raising awareness internally and externally, deterring fraudsters, sharing information and celebrating successes
- **Collaboration** – working together across internal and external boundaries, with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice, innovation and information.

Section 3 – Definitions

In law, fraud is deliberate deception to secure unfair or unlawful gain, or to deprive a victim of a legal right. The purpose of fraud may be monetary gain or other benefits, such as obtaining a home or a job with the Council by way of false statement

Corruption is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit. Corruption may include many activities including bribery which can be defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

Both can be encompassed by the term “economic crime”, which refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others.

Section 4 – Strategic Response

The principles of the Council’s Anti-Fraud and Corruption Strategy are focussed on the following four pillars of activity (as taken from the aforementioned 2020 Fighting Fraud and Corruption Locally Strategy). These are:

- Govern
- Acknowledge
- Prevent
- Pursue
- These principles are supported by one overarching pillar which is Protect.

| Govern | Acknowledge | Prevent | Pursue |
|--|---|--|---|
| Having a holistic approach to tackling fraud is part of good governance | Acknowledge and understanding fraud and corruption risks | Preventing and detecting more fraud and corruption | Being stronger in punishing fraud and corruption/recovering losses |
| Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. | <p>Assessing and understanding fraud and corruption risks</p> <p>Committing the right support and resources to tackling fraud and corruption</p> <p>Maintaining and demonstrating a robust anti-fraud and corruption response</p> <p>Communicating the risks to those charged with governance</p> | <p>Making better use of information and technology</p> <p>Enhancing fraud and corruption controls and processes</p> <p>Developing a more effective anti-fraud and corruption culture</p> <p>Communicating its activities and processes</p> | <p>Prioritising fraud recovery and the use of civil sanctions</p> <p>Developing capability and capacity to punish corruption and fraudsters</p> <p>Collaborating with fellow practitioners across geographical and sectoral boundaries</p> <p>Learning lessons and closing the gaps</p> |

| Govern | Acknowledge | Prevent | Pursue |
|--|--|---|---|
| Some specific examples for Epping Forest District Council | | | |
| <ul style="list-style-type: none"> • Corporate Fraud Team that reports into the Corporate Governance Group and the Audit and Governance Committee • Counter Fraud activities and monitoring included in the Audit Committee's Terms of Reference | <ul style="list-style-type: none"> • Risk management process • Fraud /corruption proofing policy and processes • Fraud and corruption awareness | <ul style="list-style-type: none"> • Whistleblowing policy • Strong internal control culture • Staff and supplier vetting • Participation in the National Fraud Initiative and the Pan-Essex Council tax matching campaign • Staff and Member Code of Conduct and Declarations of Interest • Information security and IT policies | <ul style="list-style-type: none"> • Fraud response plan • Appropriate levels of powers, application of sanctions and prosecutions • Collaboration and where practicable, joint investigations / prosecutions with other Authority fraud teams |

| Protect |
|--|
| <p>Recognising the harm that fraud and corruption can cause both in the Authority and the community. Protecting itself and its' residents from fraud.</p> |
| <ul style="list-style-type: none"> • Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. • For Epping Forest District Council, this will also cover protecting public funds, protecting the Council from fraud and cybercrime and also protecting itself from future frauds. |

Section 5 – Key Fraud and Corruption Risks

It is important that the Council recognises and manages the risks relating to fraud and corruption in order to prevent them from occurring. Furthermore, it is imperative that these risks are routinely considered as part of the Council's overall approach to risk management. In order to understand the nature of these risks, the following have been identified as key issues that are relevant to EFDC:

- Social Housing Tenancy Fraud – this includes risks such as fraudulent housing applications, mutual exchanges, illegal subletting etc.
- The Right to Buy scheme – fraudulent applications and suspected money laundering
- Money Laundering – Exposure to suspect transactions
- Council Tax – fraudulently claimed discounts (including Local Council Tax Support), refund scams
- Non-Domestic Rates – fraudulent applications for exemptions, unlisted properties
- Grants (including Disabled Facilities Grants) – false eligibility and applications, diverted funds, works not carried out.
- Insurance Fraud – suspected false claims particularly those relating to personal injury
- Planning Fraud – risk of manipulation, collusion, potential conflicts of interest, bribery etc.
- No recourse to public funds – fraudulent eligibility for Council services such as Social Housing
- Payroll Fraud – false and “ghost” employees, overtime and mileage claims, expenses.
- Internal Frauds – such as fund diversion, accepting bribes, stealing monies and / or Council property, social housing misallocations for personal gain, working elsewhere whilst off sick, abuse of position such as misuse of assets / resources.
- Procurement Fraud – tendering issues, split contracts, double invoicing
- Cyber Crime / Fraud – frauds such as false applications for services, fund diversion.
- Commission of Services: including joint commissioning, joint ventures, commercial services, third sector partnerships – conflicts of interest, collusion etc.

It is important to note that the above represents the key fraud risk areas and examples of each. It is not intended to be an exhaustive list.

As with the culture, the concept of fraud prevention applies to the organisation from top to bottom.

The United Kingdom Anti-Corruption Strategy 2017-22 sets out a long term framework for tackling corruption. For local government, including Epping Forest District Council, this sets out the following goals which have been considered as part of this strategy:

- Greater procurement transparency, enabling better identification and mitigation of corruption risks.
- Strengthened awareness and capability within contracting authorities leading to a stronger awareness of corruption risks and more capability to detect and deter illegality.

Section 6 – The Council’s Approach to combatting Fraud & Corruption.

The prevention and detection of fraud and corruption and the protection of the public purse is everyone’s responsibility and this should permeate throughout the authority at every level. The key components in achieving this are:

Being Proactive

- Actively strengthening the anti-fraud culture to increase resilience to fraud
- Preventing fraud through the implementation of appropriate and robust internal controls including robust procurement and cyber security measures
- Increasing fraud and corruption awareness of Council officers, Members, Contractors and residents
- Deterring fraud attempts by publicising the actions the Council takes against corruption and fraudsters

Reactive Responses

- Detecting fraud and corruption through data and intelligence analysis
- Implementing effective whistleblowing arrangements
- Robustly investigating fraud and corruption referrals
- Applying sanctions, both civil and criminal
- Seeking redress, including the recovery of assets and money utilising all methods available.

The Role of the Corporate Fraud Team

The Corporate Fraud Team role is in both the prevention and investigation of instances of suspected fraud against the Council. Fraud awareness training is given to officers within the Council to assist in ensuring that any cases referred to the team contain good quality information to assist with the investigation. All investigations are carried out in accordance with the respective legislation.

In cases where the offence is deliberate and serious enough to warrant prosecution, consideration will be given to the Council’s fraud prosecution / sanction policy. If deemed appropriate legal proceedings will be undertaken in conjunction with Legal Services and / or other bodies such as the Police. Utilising the provisions of Section 222 of The Local Government Act 1972, the Corporate Fraud Team in conjunction with Legal Services are appropriately authorised to undertake criminal prosecutions.

The table below lists the suggested approach and expected outcomes against each of the four pillars of the Council’s Anti-Fraud and Corruption Strategy, which will be supported by a rolling action plan and annual Corporate Fraud Team Strategy:

| Principle | Approach | Expected Outcome |
|---|--|---|
| Govern by having a holistic approach to tackling fraud | Oversight and performance monitored through the regular Corporate Fraud Team updates, Corporate Governance Group and the Audit and Governance Committee meetings | Delivery of the Council's Anti-Fraud and Corruption Plan that tackles both internal and external fraud |
| Acknowledging and understanding fraud and corruption risks | <p>Using the risk management process to assess current and future fraud and corruption risks</p> <p>Continued cultural change and increase in fraud and corruption awareness both internally and outside of the Council</p> <p>Annual fraud report through central collection of fraud data</p> <p>Improved sharing of fraud and corruption threats, information and intelligence both internally and externally</p> | <p>Increased reporting of cases</p> <p>Increased awareness of anti-fraud and corruption process and procedures throughout the Council</p> |
| Preventing and detecting more fraud and corruption | <p>Fraud and corruption proofing of policy and processes</p> <p>Better use of data and technology to prevent and detect fraud and corruption</p> <p>Assessment of the Council's internal controls framework to ensure it remains robust</p> <p>Supporting anti-fraud and corruption policies and procedures including whistleblowing and money laundering</p> | <p>Increased levels of anti-fraud and corruption awareness</p> <p>When fraud or corruption has occurred because of a breakdown in the Council's systems or procedures, the Section 151 Officer will ensure that the appropriate improvements in the control systems are implemented to prevent a recurrence.</p> <p>Any significant control issues are reported in the Annual Governance Statement along with actions taken to address the issue.</p> |
| Be stronger in punishing fraud and corruption and recovering losses | <p>Maintain and further develop capacity and capability to investigate and prosecute fraud and corruption</p> <p>Consistent and effective response for dealing with fraud</p> | <p>Successful use of sanctions and/or prosecution</p> <p>Reduce the losses as a result of fraud or corruption</p> |

| Principle | Approach | Expected Outcome |
|-----------|----------------------|------------------|
| | and corruption cases | |

Section 7 – Responsibility for implementing this strategy

| Responsibility | Role |
|--------------------------------|---|
| Chief Executive | Ultimately responsible for preventing and detecting theft, fraud and corruption and promoting an anti-fraud and corruption culture. |
| Members | As elected representatives, all Members of the Council have a duty to the public to maintain the highest standards of conduct and ethics, and to ensure the Council is open and transparent in all the decisions it makes. Members are required to adhere to the Council's constitution, which incorporates a Member Code of Conduct. |
| Standards Committee | Monitoring the operation of the Code of Conduct and to take remedial action when required. |
| Audit and Governance Committee | To satisfy itself there are adequate arrangements in place to manage risk (including that relating to fraud and corruption) effectively. To monitor Council policies on Anti-Fraud and Corruption and to receive periodic reports on fraud and corruption. |
| Corporate Governance Group | Develop, review and maintain the Anti-Fraud and Corruption Framework. |
| Senior Management Team | Ensuring all Staff follow this Strategy and any related policies and procedures, supported by the Council's Internal Audit, Corporate Fraud and Human Resources functions. |
| Section 151 Officer | Has a statutory responsibility under the Local Government Act 1972 for the proper administration of the Council's financial affairs. Where irregularities, fraud or corruption are suspected the S151 Officer should be informed. On being informed of an alleged irregularity, fraud or corruption the S151 Officer will determine the arrangements for investigating the matter in line with the Council's Fraud Response Plan. |
| Monitoring Officer | Under the Local Government Act 1972 has the specific duty to ensure that the Council, its Officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. They also advise the Council on the legality of their decisions. |
| Managers (all levels) | Responsible for preventing and detecting fraud and corruption and ensuring they operate effective mechanisms in their area of control to: <ul style="list-style-type: none"> • Prevent theft, fraud and corruption thereby safeguarding the Council's assets and interests • Promote employee awareness |

| Responsibility | Role |
|--------------------------|--|
| | <ul style="list-style-type: none"> Assess the risk of fraud and corruption and take appropriate action Take prompt action in line with the Fraud Response Plan where they suspect or are alerted to possible theft, fraud or corruption |
| All staff | All staff have a responsibility to prevent, detect and report on fraud and corruption or suspected cases. |
| Partners and Contractors | Required to comply with the Council's policies and procedures when undertaking work for and jointly with the Council |
| External Audit | Under the International Standard on Auditing 240, when conducting an audit External Audit are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. |
| Internal Audit | <p>Providing assurance on the effectiveness of systems and procedures to prevent and detect fraud and corruption (by undertaking audits).</p> <p>Supporting managers in minimising fraud and corruption related risk and are alert in all their work to risks and exposures that could allow fraud and corruption to take place.</p> |

Section 8 - Supporting Policies, Procedures and Processes

In addition to this document, the Council has a range of policies, procedures and processes in place to formalise arrangements for the prevention, detection and investigation of fraud and corruption. These include:

- Fraud Response Plan (Appendix 1 of this document)
- Anti-Bribery Policy (Appendix 2 of this document)
- Anti-Money Laundering Policy (Appendix 3 of this document)
- Whistleblowing Policy and Procedure (located on the Council's Intranet)
- Employee and Member Codes of Conduct (located on the Council's Intranet, Public facing website and published as part of the Constitution)
- Financial Regulations (located on the Council's Intranet and published as part of the Constitution)
- Procurement Rules located on the Council's Intranet and published as part of the Constitution)
- CIPFA Fighting Fraud and Corruption Locally Strategy 2020:
<https://www.cifas.org.uk/insight/public-affairs-policy/fighting-fraud-corruption-local-authorities/FFCL-Strategy-2020>

- United Kingdom Anti Corruption Strategy 2017 – 2022:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf

Section 9 - Policy Reporting, Review and Monitoring Performance

This Strategy can only be varied with the collective agreement of the Chief Executive, the Section 151 Officer and the Monitoring Officer.

It will be the responsibility of the Senior Management Team, via the Corporate Governance Group, to ensure there are adequate resources to support the action plan.

The Audit and Governance Committee will receive regular fraud updates to assist in their oversight of the Council's Anti-Fraud and Corruption Strategy and arrangements.

Appendix 1

Epping Forest District Council Fraud Response Plan

Introduction

The Fraud Response Plan defines the way in which the Council applies its various policies and procedures to suspected instances of theft, fraud corruption and bribery. It fits in with and is designed to be read in conjunction with the Council's Anti Fraud and Corruption Policy, Anti-Bribery Policy, Anti Money Laundering Policy and the Whistleblowing / Confidential Reporting Policy. The aim of this plan is to provide clear guidance for dealing with these issues, access to rapid relevant advice and a guide for managers on how to react and deal with suspicions of fraud, theft, corruption and bribery.

Additionally, it seeks to give a brief outline on how investigations will be progressed (although no detail will be given regarding investigation techniques etc.).

The Fraud Response Plan is designed to ensure timely and effective action in the event of suspected fraud by:

- Seeking to minimise the extent of the fraud by taking prompt action
- Preventing further losses where fraud had occurred.
- Maximising the recovery (or the chances of recovering) any financial losses
- Ensuring the accuracy and integrity of evidence for successful criminal prosecution and / or disciplinary action
- The early identification of any system weaknesses and the lessons to be learnt for preventing them in the future
- Maximising positive publicity where frauds are discovered and dealt with.
- Deterring others from any illegal / inappropriate conduct they may be committing or contemplating.

The Manager's Role in dealing with suspected fraud

First Response

Where managers suspect a fraud or involvement in a fraud is taking place, the first course of action must be to contact the Section 151 Officer, Chief Internal Auditor or the Corporate Fraud Manager who will ensure that the Section 151 Officer and the Chief Executive are informed.

Although, the Council no longer investigates Housing Benefit fraud, where a suspicion occurs of a staff member's involvement in a Housing Benefit (including Local Council Tax Support) fraud, the above steps should still be followed.

All other suspicions of benefit fraud (including Local Council Tax Support) must be reported to the Compliance Manager within the Revenue and Benefits Division. Suspicions can also be reported directly to The Department for Work and Pensions (DWP) via their website (www.gov.uk/report-benefit-fraud) or by calling the National Benefit Fraud Hotline on 0800 854440 or by textphone on 0800 328 0512. It may be prudent to seek the advice of either The Corporate Fraud Manager or The Compliance Manager before contacting the DWP as Local Council Tax Support cannot be investigated by the DWP.

In usual circumstances, the suspicion will be passed to the Corporate Fraud Team to assess and undertake an investigation if appropriate. The Corporate Fraud Manager / Chief Internal Auditor will retain overall responsibility for the conduct of the investigation; however, it is probable that the matter will be allocated to a member of the Corporate Fraud Team to undertake any investigation. As part of the Internal Audit service, the Corporate Fraud Team will be independent of any service area under investigation and all of the officers comprising the Corporate Fraud Team are fully trained and accredited investigators each holding the qualification of Accredited Counter Fraud Officer / Specialist whilst the Corporate Fraud Manager also holds the qualification of Accredited Counter Fraud Manager.

There may be circumstances where it is appropriate for managers to undertake some preliminary enquiries to ascertain the validity of an allegation or irregularity (for example, to establish whether on the face of it, there is a case to be investigated), however, before embarking on such action, advice should always be sought from a member of the Corporate Fraud Team as such action may alert the fraudster and could result in the concealing or destroying of vital evidence or compromise the investigation and the collection of further evidence.

The investigating officer will liaise and work with The People Team at the earliest available opportunity on disciplinary matters such as suspending the staff member to enable further investigation and protect vital evidence.

Initial Enquiries

As stated above, the manager may make discreet initial enquiries in order to:

- Determine any facts that gave rise to the suspicion
- Examine any factors to determine whether there has been a genuine mistake made or whether an irregularity has occurred

Any actions and findings should be clearly recorded and documented ensuring that access is restricted (for example, not held on an “open” area of the computer network or in the case of paper notes, making sure they are securely locked away).

It is important that the suspected perpetrator is not interviewed at this stage nor any allegations / suspicions put to them. If in doubt at any point, the manager must seek the guidance of the Corporate Fraud Team or the Chief Internal Auditor.

Formal Investigation

If a formal investigation is required, it will be conducted by a qualified Corporate Fraud Investigator unless determined otherwise by the Section 151 Officer or Chief Executive. The nature of the investigation, lines of enquiry followed, and evidence obtained will vary depending on the irregularity being investigated and will, for the

most part be fluid and reactive. Generally, however, the investigating officer will be seeking to gather evidence by way of interviews, the taking of written witness statements and the obtaining of evidence be it physical, documentary etc.

The investigating officer will consult and take advice from The People Team particularly on matters regarding employment law, policies and procedural matters. It is imperative however, that a clear distinction must be made in these circumstances between those advising the investigating officer and those advising the staff member.

Legal Services will be consulted as appropriate to advise or seek external advice in order to support any investigation.

Any investigation will be conducted with full compliance with The Criminal Procedures and Investigations Act 1996 which governs the conduct of a criminal investigation (such as obtaining and recording evidence etc.) as well as any other legislation that may apply such as The Police and Criminal Evidence Act 1984 (PACE), The Regulation of Investigatory Powers Act 2000 (RIPA), The Human Rights Act 1998, The General Data Protection Regulation / Data Protection Act 2018 etc. (this list is meant as an example and is not exhaustive).

In general terms however, the following principles will apply to the investigation:

- Any investigation will be conducted promptly (subject to evidence gathering activities) with periodic updates given as appropriate to the Chief Internal Auditor / the relevant Service Director or the Section 151 Officer
- All actions and evidence will be recorded either by written or electronic means and stored securely with access given purely on a “need to know” basis.
- Enquiries and evidence gathering activities will be undertaken as discreetly as possible with sensitivities observed where appropriate.
- Confidentiality will be maintained throughout with information only shared where circumstances and the law allows.

Where it is considered appropriate, the investigation may involve the input of other agencies such as local authorities as well as other law enforcement agencies such as the Police and HM Revenue & Customs. Liaison and / or joint working will be conducted in accordance with established guidelines and protocols.

The investigating officer must not and will not accept any offer of repayment of monies or resignation at any stage during the investigation, however, any such offers will be noted and recorded on the investigation file and reported to the Chief Internal Auditor and responsible Service Director.

The Council has a right to suspend any employee involved pending the outcome of an investigation. Any such suspension, is, in the opinion of the Council, a neutral act and does not imply any guilt on behalf of the suspended employee. The suspension of an employee can, in some circumstances aid the speed in which an investigation can be conducted and serve to preserve vital evidence.

When suspects are not suspended, supervision of the employee will usually need to be increased and any manager should seek the advice of The People Team and ICT on how this can best be accomplished.

Actions following the completion of an investigation

Upon the completion of an investigation, the investigating officer will report their findings in the first instance to the Corporate Fraud Manager, Chief Internal Auditor and S151 Officer, who will in turn make the findings known to The People Team , relevant Service Director or the Chief Executive as appropriate.

In the case of any monetary losses, a report will be given to the Council's Insurance Officer.

Should any control weaknesses be identified, the Service Director and relevant manager will be informed, and remedies be actioned immediately. The Chief Internal Auditor / Internal Audit Service will be able to provide advice and support regarding effective control mechanisms.

Should there be disciplinary issues identified as part of the investigation, a full report will be made to The People Team who will work with the relevant Service Director and manager to decide what happens next. Should any course of action result in a disciplinary hearing, the investigating officer will (if required) make themselves available to give evidence at the hearing.

Although some organisations delay the bringing of any disciplinary action pending the outcome of any criminal prosecution, the Council will seek to deal with any disciplinary matters using the appropriate processes.

Should it be the case that criminal action presents itself as an option, this decision will be fully explored and subject to the Council's Fraud Prosecution Policy. Should fraud be proven, the Council will make every effort to recover any monetary losses. The method of doing so may vary depending on the type of loss and relevant legislation, however all options will be explored including civil court proceedings and in the case of criminal prosecution, proceedings brought under The Proceeds of Crime Act 2002.

Appendix 2

Anti-Bribery Policy

Objective of this policy

This policy provides a coherent and consistent framework to enable Epping Forest District Council (EFDC) Members and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable Members and employees to identify and effectively report a potential breach.

We require that Members and all staff, including those permanently employed, temporary agency staff and contractors:

- act honestly and with integrity at all times and safeguard the organisation's resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

Scope of this policy

This policy applies to all of the Council's activities. For partners, joint ventures, agents and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the Council. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all staff, including all levels and grades, those permanently employed, temporary agency staff, contractors, agents, elected Members, co-opted members of the public, volunteers and consultants.

The Council's commitment to action

The Council commits to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Making all Members and employees aware of their responsibilities to adhere strictly to this policy at all times
- Raising awareness and where appropriate offer training so Members and employees can recognise and avoid the use of bribery by themselves and others
- Encouraging its Members and employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution

- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to Members and employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery.

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and hospitality

This policy does not change the requirements of our gifts and hospitality policy. This makes it clear that:

Sample tokens of modest value (for example, pens, diaries or calendars) whether given personally, or received in the post, may be retained unless they could be regarded as an inducement or reward.

You should refuse the offer or invitation (or return the gift) unless your Service Director has advised you that it may be accepted or retained. This agreement needs to be documented.

Public contracts and failure to prevent bribery

One of the main changes introduced by the Public Contracts Regulations 2015 is that a company will no longer face permanent debarment (referred to as an 'exclusion' in the 2015 Regulations) from bidding for public contracts following a corporate conviction for certain economic crimes. Instead, a company will face a period of debarment and will be able to recover eligibility to bid for public contracts if it has undergone a 'self-cleaning' process.

Member and Staff responsibilities

All Members and staff are required to avoid activity that breaches this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control.

Members and staff must:

- ensure that they read, understand and comply with this policy
- raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred or may occur in the future.

Staff

As well as the possibility of civil action and criminal prosecution, staff who breach this policy may face disciplinary action, which could result in summary dismissal for gross misconduct. Dismissal can still be an outcome with or without civil action or criminal prosecution.

Members

The Member Code of Conduct requires that where a Member acts as a representative of the Council he or she must not use or attempt to use their position

as a Member improperly to confer on or secure for them self or any other person, an advantage or disadvantage.

Allegations against a Member for breach will be routed through the Standards complaints process administered by the Monitoring Officer.

Raising a concern

This Council is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want Members and each and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

Preferably the disclosure will be made and resolved internally (e.g. to a Service Manager/Service Director or the Chief Internal Auditor). Secondly, where internal disclosure proves inappropriate, concerns can be raised with the External Auditor or relevant professional bodies or regulatory organisations.

Concerns can be reported anonymously. In the event that an incident of bribery is reported, we will act as soon as possible to evaluate the situation. We have a clearly defined Anti Fraud and Corruption Strategy which sets out procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.

Members and staff who refuse to accept a bribe, or those who raise concerns can understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

The Council is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery, or because of reporting a concern in good faith.

Appendix 3

Anti-Money Laundering Policy

Introduction

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) came into force on 26 June 2017. They implement the EU's 4th Directive on Money Laundering. In doing so, they replace the Money Laundering Regulations 2007 (MLR 2007) and the Transfer of Funds (Information on the Payer) Regulations 2007 which were previously in force.

A key difference is that relevant persons are obliged to adopt a more risk-based approach towards anti-money laundering, in particular in how they conduct due diligence. Determining the appropriate level of due diligence requires analysis of risk factors based on the EU Directive and which are set out in MLR 2017.

Whilst Local Authorities are not directly covered by the requirements of the Money Laundering Regulations 2017, guidance from finance and legal professions, including the Chartered Institute of Public Finance and Accounting (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements. Epping Forest District Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

Scope of the Policy

This policy applies to all employees and contractors, whether permanent or temporary, and Members of the Council.

Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside work should contact the Police.

Definition of Money Laundering

The most common motive for crime is financial gain or to obtain valuable property. Whenever criminals do anything with that financial gain or criminal property, they 'launder' it. Money laundering offences are serious; they carry sentences of up to 14 years imprisonment, but criminals and their associates still commit them every day.

Money laundering is the process by which criminals try to hide the origin of the proceeds of their crimes, making it look as if those proceeds were acquired legitimately. In doing so, criminal property obtained unlawfully is turned into property or money that can be accessed via legitimate methods without arousing suspicion. In other words, 'laundering' is the process of turning 'dirty' money into 'clean' money.

Money laundering has three distinct phases. They are:

- Placement; the movement of criminally-obtained money into the wider economy;
- Layering; undertaking transactions (perhaps bogus) to conceal the origin of

the money; and

- Integration; making it look as if money has come from a legitimate source.

Two distinct offences affect employees, contractors and Members of the Council

- Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

Successful money laundering means criminals can enjoy the fruits of their criminality and fund further criminal activity. Stopping money laundering disrupts organised crime by removing the life-blood of the 'business' and prevents low level criminals from moving up into major level crime.

Requirements of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures known as know your customer (KYC) and know your business (KYB).
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain record keeping procedures.

The Money Laundering Reporting Officer (MLRO)

The Council must appoint an MLRO to act as the focal point within the organisation for money laundering matters. The MLRO is responsible for:

- receiving disclosures from other staff; and
- deciding whether disclosures should be passed on to National Crime Agency (NCA).

The MLRO must keep copies of all disclosures received by them, notes of action taken and copies of all correspondence with NCA and other agencies.

Identifying and disclosing suspicious transactions

Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all are familiar with their legal responsibilities; serious criminal sanctions may be imposed for breaches of the legislation.

A key requirement is for every-one to promptly report any suspected money laundering activity to the Money Laundering Reporting officer (MLRO)

Possible Signs of Money Laundering

It is not possible to give a definitive list of ways in which to spot money laundering but facts which tend to suggest that something “odd” is happening may be sufficient for a reasonable suspicion of money laundering to arise. The following are the types of risk factors which may, either alone or cumulatively with other factors suggest the possibility of money laundering activity:

- A new customer with no previous history with the Council;
- A secretive customer: for example one who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity or identity of a customer;
- Illogical third party transactions: for example unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash;
- Overpayments by a customer
- Absence of an obvious legitimate source of the funds;
- Movement of funds to and from overseas;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations;
- Cancellation or reversal of an earlier transaction.
- Cash transactions made that are significantly outside of normal expectations.

Epping Forest District Council will consider the threats to Council being used by money launderers and put systems in place to guard against them. Policies and procedures should be laid out clearly so that all relevant staff understand and have access to them.

The officer nominated to receive disclosures about money laundering activity within the Council is the Section 151 Officer Andrew Small. He can be contacted as follows:

Andrew Small - Section 151 Officer / Strategic Director
Civic Offices
Epping
Essex
CM16 4BZ

Email: asmall@eppingforestdc.gov.uk

In the absence of the MLRO, Christopher Hartgrove the deputy MLRO (also the deputy Section 151 Officer) should be contacted in their absence on Extension 2532 or by email at:

chartgrove@eppingforestdc.gov.uk

All suspicions should be reported directly to the MLRO or his deputy using the relevant documentation, which can be found at Appendix Four of this document.

Client Identification Procedures

The Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and if appropriate, companies to provide proof of identity and current address (KYC).

All verification documents are capable of being forged and can be bought over the internet. For this reason, industry guidance usually recommends face-to-face meetings with new clients. Excuses for non-attendance and excuses for missing documents should be explored and treated with some scepticism.

The Council must identify its customers and verify that identity on the basis of documents, data or information obtained from a reliable source. Where there is a beneficial owner who is not the customer then the Council must identify that person and verify the identity and where the beneficial owner is a trust or similar then the Council must understand the nature of the control structure of that trust. Finally, the Council must obtain information on the purpose and intended nature of the business relationship. The MLR 2017 introduces the need for the Council to consider both customer and geographical risk factors in deciding what due diligence is required.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed, and a disclosure report must be submitted to the Money Laundering Reporting Officer.

The Council is also obliged to maintain ongoing monitoring of its business relationships which means it must scrutinise transactions throughout the course of the relationship to ensure that the transactions are consistent with the Council's knowledge of the customer and keep the information about the customer up-to-date.

Enhanced Customer Due Diligence and Ongoing Monitoring

In certain circumstances, it will be necessary to undertake what is known in the Regulations as Enhanced Customer Due Diligence. In summary, this will be necessary where:

- The customer has not been physically present for identification purposes; or
- In any other situation which by its nature can present a higher risk of money laundering or terrorist financing.

Where this applies, the Council will need to take adequate measures to compensate for the higher risk. For example, this will mean ensuring that the customer's identity is established by additional documents, data or information.

Similarly, where the Council is in an ongoing business relationship with a customer, the Regulations impose a special obligation to carry out ongoing monitoring. This means that the Council must:

- scrutinise transactions undertaken throughout the course of the relationship to make sure that these transactions are consistent with the Council's knowledge of the customer and their business and risk profile
- keep documents, data or information obtained for the purpose of applying Customer Due Diligence measures up-to-date.

All personal data must be collected, kept or destroyed in compliance with the General Data Protection Regulation and The Data Protection Act 2018.

In order for the Council to be as effective at combatting this type of crime as possible, the following measures should be implemented wherever possible:

- No payment to the Council should automatically be accepted in cash (including notes, coins or travellers cheques in any currency) if it exceeds £10,000. This can be a single transaction, or a group of related transactions. However, it is important to be vigilant when receiving any cash payment over £1,000. This does not, however, mean that cash transactions below this value will be valid and legal and should not arise any suspicion. Professional scepticism should remain at all times.
- Staff who collect cash payments are asked to provide the details of any cash transaction over £10,000 to the MLRO so that precautionary checks can be performed. It is best practice to insist on payment by cheque or electronically from a UK clearing bank.
- The Council, in the normal operation of its services, accept payments from individuals and organisations. If an employee has no reason to suspect or know that money laundering activity is taking/has taken place and if the money offered is less than £10,000 in cash as payment or part payment for goods/services offered by the Authority then there is no need to seek guidance from the MLRO. If a member of staff has reasonable grounds to suspect money laundering activities or proceeds of crime, or is simply suspicious, the matter should still be reported to the MLRO. If the money offered is £10,000 or more in cash then payment must not be accepted until guidance has been received from the MLRO even if this means the person has to be asked to wait.
- Any officer involved in a transaction of this kind should ensure that the person provides satisfactory evidence of their identity personally, through passport/photo driving licence plus one other document providing evidence of current address in the form of a bank statement, credit card statement, mortgage or insurance details or a utility bill covering the previous 3 month period. Where the other party is a company, this can be done through company formation documents or business rate bill.

Reporting Procedure for Suspicions of Money Laundering

Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to your attention, not weeks or months later.

Your disclosure should be made to the MLRO using the disclosure report; the report must include as much detail as possible including

- Full details of the people involved

- Full details of the nature of their/your involvement.
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions he may give you. You must NOT make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of "tipping off".

Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Consideration of the disclosure by the Money Laundering Reporting Officer

Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. They should also advise you of the timescale within which he expects to respond to you.

The MLRO will consider the report and any other available internal information they think relevant e.g.:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

And undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from the NCA for a particular transaction to proceed.

Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then they must note the report accordingly; they can then immediately give their consent for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO must seek independent legal advice or consult with an Accredited Financial Investigator to decide whether there is a reasonable excuse for not reporting the matter to the NCA.

All disclosure reports referred to the MLRO and reports made by him to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The MLRO commits a criminal offence if they know or suspect, or has reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

Training

Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.

Additionally, all employees and Members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and themselves.

Notwithstanding the paragraphs above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

Appendix 4**Money Laundering Reporting Form**

CONFIDENTIAL
Report to the Money Laundering Reporting Officer (MLRO)
Report of Suspected Money Laundering Activity

To: Money Laundering Reporting Officer (Epping Forest District Council)

From:

| | |
|--|--|
| Name of Staff Member Reporting Suspicion | |
| Job Title | |
| Service Area | |
| Telephone Number (inc. any extension) | |
| Email address | |

Details of Suspected Activity

| | |
|--|--|
| Name and address of ALL persons involved If a company / public body, please include details of the nature of their business | |
| Nature, value, timing of activity involved Please include full details (what, when, where and how) | Continue on a separate sheet if necessary) |
| Please explain the nature of your suspicions regarding such activity in as much detail as possible. | Continue on a separate sheet if necessary |
| Has any form of investigation been undertaken? If, Yes, please explain what. | Continue on a separate sheet if necessary |
| Have you discussed your suspicions with any other person? If so, whom? | |
| Have you consulted any Regulatory / Supervisory Body (e.g. The Law Society) | |

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described above. To do so, may constitute the offence of “tipping off” which can carry, upon conviction a maximum penalty of 5 years imprisonment.

Signed..... Date.....

For Completion by MLRO (EFDC)

| | |
|---|--|
| Date Suspicious Activity Report (SAR) Received | |
| Date SAR acknowledged | |
| Unique Case Reference Number | |
| Are there reasonable grounds to suspect money laundering activity? | |
| If Yes, confirm date of report made to NCA | |
| Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be a prohibited act? If yes, please give full details. | |
| Date consent received from the NCA | |
| Date consent given to employee for the transaction to proceed. | |

| | |
|--|--|
| If there are reasonable grounds to suspect money laundering but you have not or do not intend to report the matter to the NCA, please set out the reasons for non-disclosure | |
| Date consent given by you to the employee for the transaction to proceed | |

Signed..... Date.....

THIS REPORT TO BE RETAINED FOR A MINIMUM OF FIVE YEARS

Epping Forest District Council

Whistleblowing

Policy and Procedures

(Confidential Reporting)

| | | | |
|----------------------------|--------------------------------------|----------------------------|---|
| Version | 3 | Status | Draft |
| Implementation Date | January 2019 | Next Review Date | November 2020 |
| Revised by | Sarah Marsh (Chief Internal Auditor) | Policy Lead Officer | Nathalie Boateng (Legal Services Manager) |

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Introduction

Epping Forest District Council (EFDC) will not tolerate activities such as criminal activity, improper conduct, unethical behaviour, malpractice etc. or any attempt to conceal such activities in the administration of its responsibilities.

The Council believes in having an open and honest culture underpinned by a core set of Values and Behaviours and is committed to the highest possible standards of probity and accountability. In line with that commitment, the Council encourages anyone with serious concerns about any aspects of the Council's work to raise those concerns.

The Council is committed to tackling the types of conduct listed above and other forms of malpractice, including abuse of vulnerable people, and treats these issues extremely seriously.

Employees and Members are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, they may feel it is easier to ignore the concern rather than report what may just be a suspicion for fear of being wrong.

The Council recognises that some concerns may be extremely sensitive and have therefore established a framework to allow concerns to be raised confidentially and provide for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion. It is intended to encourage and enable employees and Members to raise serious concerns within the Council, irrespective of seniority, rank or status, rather than overlooking a problem.

This policy fully complies with and supports The Public Interest Disclosure Act 1998 and The Enterprise and Regulatory Reform Act 2013 (which amends The Employment Rights Act of 1996).

Aims and scope

This policy applies to all employees, Councillors, agency workers and contractors working on the Council's behalf. It also covers suppliers and those providing services under a contract with the Council.

This policy aims to:

- provide ways to raise concerns and receive feedback on any action taken.
- allow staff (and others covered by this policy) to take the matter further if they are dissatisfied with the Council's response.
- reassure staff (and others covered by this policy) that they will be protected from reprisals or victimisation for reporting in good faith.

What is a whistleblower?

It is an employee, a former employee or member of an organisation who reports suspected misconduct to people or entities that have the power and presumed willingness to take corrective action. Officially this is called 'making a disclosure in the public interest'.

Whistleblowing occurs when an individual raises concerns, usually to their employer or a regulator, about a workplace danger or illegality that affects others. The Public Interest Disclosure Act 1998 is the key piece of UK legislation protecting individuals who 'blow the whistle' in the public interest.

Responsibilities

Every-one has a duty to draw attention to bad and/or poor practice in the workplace, including practice that may be criminal, abusive and/or neglectful and unethical. Failure to report amounts to collusion with the perpetrator and abuse. Additionally, those who work with vulnerable people have an individual responsibility to raise concerns with someone who has the authority to take action.

It may be necessary to go outside the immediate work environment or the immediate organisation, for example to Social Services or the Police.

Any person covered by this policy can report things that they know or suspect aren't right, are illegal or if anyone at work is neglecting their duties. Concerns must be raised when a person reasonably believes that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- a criminal offence (including fraud, corruption, bribery, money laundering)
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- improper use or misappropriation of assets (for example, theft of council property)
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety
- staff perpetrating abuse of a vulnerable individual
- damage to the environment
- any other similar occurrences
- any instance of unethical behaviour
- deliberate concealment of any of the above

If someone is unsure whether a concern should be raised, advice can be sought from the Section 151 Officer, the Monitoring Officer (the Section 151 Officer and Monitoring Officer are statutory roles), the Chief Executive, the Strategic Director, the Chief Operating Officer, any of the Service Directors or the Chief Internal Auditor. The overriding concern should be that it would be in the public interest for malpractice to be corrected and, if appropriate, sanctions applied.

Safeguarding - allegations of abuse made against staff

All Council staff (and everyone else covered by this policy) should be aware that colleagues could carry out abuse of children and vulnerable adults and that all allegations are taken seriously so that appropriate action can be taken.

In the event of a serious allegation against a member of staff regarding children or young people, the Council will follow the procedures set out in the Southend, Essex and Thurrock (SET) Child Protection document and will involve the Local Authority Designated Officer (LADO) employed by Essex County Council.

The Council will use similar procedures in order to protect vulnerable adults.

If someone feels a colleague has:

- (a) behaved in a way that has harmed a vulnerable person, or may have harmed a vulnerable person; or
- (b) possibly committed a criminal offence against, or related to, a vulnerable person; or
- (c) behaved towards a vulnerable person in a way that indicates they are unsuitable to work with them

then they *must* inform their line manager immediately and follow the relevant procedure as outlined in the Council's Safeguarding Policy and Procedures.

Harassment or Victimisation

Whistleblowers are protected by law and should not be treated unfairly or lose their job because they have 'blown the whistle'.

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate harassment or victimisation and will take action to protect staff when they raise a concern in good faith. This does not mean, if they are the subject of disciplinary or redundancy procedures, that those procedures will be halted as a result of confidential reporting.

Types of whistleblowing eligible for protection

People have in the past often been deterred from whistleblowing about abuse or neglect by duties of confidentiality and/or fear of the consequences of speaking out.

The Public Interest Disclosure Act 1998 seeks to protect individuals making disclosures and expects that malpractice disclosures will generally be made in the first instance to the person's employer or another person/body who appears responsible for the malpractice.

The Act expects employers to have procedures so that staff who have justified concerns about breaches of practice or the law can pass on these concerns to be investigated. Staff are only protected by the Act if they are acting in good faith, and reasonably believe that their allegations are true. Allegations made for financial gain are not protected, even if they are true.

It may be justified for the whistleblower to disclose to a third party in the first instance rather than the employer.

A disclosure made in accordance with the Act's expectations will mean that:

- a confidentiality clause in an employment contract cannot be used to prevent staff from disclosing relevant breaches of the law or practice. This means that confidentiality terms in employment contracts cannot be used by employers who are responsible for breaking a law or for abuse or neglect or other malpractice.
- dismissal on grounds of disclosure within the terms of the Act is automatically unfair, and can be challenged before an employment tribunal.

Someone who is treated detrimentally at work because of making a disclosure, which is protected by the Act, may be able to claim compensation at an Employment Tribunal.

The person providing the information may be reluctant to give their name or they may ask that they remain anonymous. Their wishes will be recorded and respected as part of the referral process.

Whilst respecting their right to confidentiality, they cannot however be given an absolute undertaking that they will not be identified at a later date, especially, if any legal action is indicated.

Who is protected?

The following people are protected:

- employees
- agency workers

- people that are training with the Council, but not employed
- self-employed workers engaged by the Council, if supervised or working off-site
- volunteers
- Council Members

A worker will be eligible for protection if:

- they honestly think what they're reporting is true
- they think they're telling the right person
- they believe that their disclosure is in the public interest

Workers who aren't employees cannot claim unfair dismissal because of whistleblowing, but they are protected and can claim what is known as 'detrimental treatment'.

Tribunals

Workers dismissed for whistleblowing can go to an employment tribunal. If the tribunal decides the employee has been unfairly dismissed, it may order that they are:

- reinstated (get their job back)
- paid compensation

A tribunal judge can reduce any compensation awarded by 25% if they find the person has acted dishonestly.

A whistleblower who is bullied at work will also be able to bring a claim to the employment tribunal against their employer or colleagues.

Confidentiality

The Council will respect confidentiality and all steps will be taken to ensure that confidentiality is maintained throughout the process. However, it must be appreciated that the investigation process may reveal the source of the information.

Any statement made by a whistleblower may be required as part of the evidence but could be submitted anonymously, if requested.

Anonymous Allegations

This policy encourages staff to put their name to their concerns. Anonymous allegations make it difficult to assess the veracity (truth) of the person making the allegation as well as the credibility of the facts and evidence on which the concern is based. It is worth remembering that some cases will rise and fall on the credibility of the person making the allegation. Concerns expressed anonymously are more difficult to action effectively, but they will all be considered. In such circumstances, the Council will take the following factors into account when establishing the scope and depth of the investigation:

- the seriousness of the issues raised
- the credibility of the concern
- the likelihood of confirming the allegation from attributable sources and information provided.

Untrue Allegations

If staff make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. In raising a concern, you should exercise due care to ensure the accuracy of the information. If you knowingly make a malicious or vexatious allegation, or make an allegation for personal gain then further action may be taken against you (which may include disciplinary action).

The Responsible Officer

The Legal Services Manager, as the Council's appointed Monitoring Officer, has overall responsibility for the maintenance and operation of this Policy. They will maintain a record of all concerns raised and their outcomes (but in a form which will not endanger confidentiality) and will report as necessary to the Council.

The Chief Internal Auditor's annual report to the Audit and Governance Committee will contain details of any concerns raised under this policy. It will also provide updates on whistleblowing arrangements as necessary.

Reviewing the Policy and Procedure

The Legal Services Manager will review this policy annually in conjunction with the Chief Internal Auditor.

Other relevant information

Other relevant EFDC documents that may be read in conjunction with this Policy and Procedure:

- Anti-Fraud and Corruption Strategy (including the Fraud Response Plan and Anti Money Laundering Policy)
- Safeguarding Policy and Procedures;
- Recruitment Policy and Procedures;
- Staff Handbook – Disciplinary, Grievance and Bullying and Harassment Policies and Procedures;
- Staff Code of Conduct;
- Safety Policy;
- Accident and Incident Report Guidance.
- Safe Working Practice Guide – A guide to professional boundaries for Staff;
- A Guide to Risk Management for Managers and the Risk Assessment Template;
- Equality and Diversity Policy;
- Compliments and Complaints Booklet;
- Dealing with Complaints – for officers and Members
- Data Protection Policy and Procedures.
- IT Policies and Procedures regarding e-safety and appropriate use of the internet.

Other organisation's policies and procedures:

- Southend, Essex & Thurrock (SET) - Child Protection Procedures.
- Southend, Essex & Thurrock (SET) - Safeguarding Adult Guidelines.

Whistleblowing Procedure

Raising a concern

The way a worker can 'blow the whistle' on wrongdoing depends on whether they feel they can tell their employer. If staff feel they can't tell their employer, they should contact a prescribed person or body such as a trade union etc. If staff decide to blow the whistle to a prescribed person rather than the Council, they must make sure that they've chosen the correct person or body for the issue.

For example:

- HM Revenue and Customs - for taxation, business, finance or fraud.
- The National Audit Office - fraud and corruption in local government.
- The National Crime Agency - about money laundering and major financial crimes.
- The Information Commissioner - data protection and freedom of information rights and duties.
- The Health and Safety Executive - health and safety at work.
- The Pensions Regulator - about occupational and private pensions.

Staff should make disclosures to people other than their employer if:

- they reasonably believe that they will be treated detrimentally for disclosing to the employer; or
- they reasonably believe that the evidence will be destroyed or hidden if the employer is 'tipped off'; or
- the employer has been told, but has not taken appropriate action.

Raising concerns within the Council – staff should contact one of the following:

- their Line Manager
- their Service Director
- their Trade Union representative
- the Corporate Fraud Manager
- the Chief Internal Auditor
- the People Team Service Manager

Staff may also raise a concern or discuss the issue with:

| Job Title | Name | Contact |
|---|---------------------|--------------|
| The Chief Internal Auditor | Sarah Marsh | 01992 564446 |
| The Chief Executive | Georgina Blakemore | 01992 564233 |
| Chief Operating Officer | Nick Dawe | 01992 562541 |
| Strategic Director / Section 151 Officer | Andrew Small | 01992 564278 |
| Service Director (Planning) | Nigel Richardson | 01992 564110 |
| Service Director (HRA) | Deborah Fenton | 01992 564221 |
| Service Director (Community and Wellbeing) | Jennifer Gould | 01992 564073 |
| Service Director (Corporate Services) | Paula Maginnis | 01992 564536 |
| Service Director (Customer Services) | Rob Pavey | 01992 564211 |
| Service Director (Technical Services) | Qasim (Kim) Durrani | 01992 564215 |
| Monitoring Officer | Nathalie Boateng | 01992 564323 |
| The External Auditor (who may liaise with the Chief | Craig Wisdom, | |

| | | |
|--|---------------------|---------------|
| Internal Auditor depending on the type of concern) | Partner at Deloitte | 01727 88 5634 |
| Corporate Fraud Manager | Martin Crowe | 01992 564170 |
| People Team Manager | Jo Budden | 01992 562312 |

Elected Members should raise concerns with:

The Chief Executive, Chief Internal Auditor, Corporate Fraud Manager, Section 151 Officer or the Monitoring Officer.

How to raise a concern

The earlier a concern is expressed and the more details provided, the easier it will be to effectively investigate and take action. At this stage, staff are not expected to prove the allegation but will need to demonstrate that there are sufficient grounds for the concern, to enable a meaningful investigation to take place.

Staff can raise a concern in the following ways:

In Writing

- Staff can send a letter or email to one of the people or organisations mentioned in the table above.

Staff should give as much information as they can about their concern giving background information (where relevant), the reason why they're concerned and any important details such as names, dates and places etc. If any evidence is held (such as documents, photographs etc.) this should be provided also.

By Telephone

- Staff can leave a message on the 24-hour Anti – Fraud / Whistleblowing Hotline 01992 564444; or
- Speak to the Chief Internal Auditor on 07973 733332, a member of the Corporate Fraud Team on 01992 564170 or any other person listed in the table above.

This service is strictly confidential and staff do not have to give their name if they do not wish to. The person receiving the concern will make notes of any conversations so that, if required, a proper investigation can be undertaken.

Through an Advocate

Staff may prefer, in order to protect themselves or maintain anonymity, invite their trade union or other representative to raise the matter on their behalf. The representative may be required to obtain additional information so that a proper investigation can be undertaken.

How the Council will respond

Action to be taken

This will depend on the nature of the concern. The process for fraud, corruption and other criminal investigations is covered in the Fraud Response Plan section of the Anti-Fraud and Corruption Strategy and whistleblowing matters raised may:

- be investigated internally by Internal Audit.
- be investigated internally by the Corporate Fraud Investigation team

- be investigated internally by an investigating officer appointed by the Monitoring Officer
- be referred to the Police.
- be referred to the external auditor or Ombudsman.
- be referred to the Local Authority Designated Officer (regarding child protection cases).
- form the subject of an independent enquiry.

or any combination of the above.

If the concern is a safeguarding matter then it will be referred to the Safeguarding Lead Officer or one of the designated deputies who will follow the procedures in the Council's Safeguarding Policy and Procedures.

In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it will take. Some concerns may be resolved by agreed action without the need for further investigation. Any investigations will follow the course of natural justice and in particular will adhere to Articles 6 and 8 of the Human Rights Act 1998 (right to a fair hearing and right to private family life), the Regulation of Investigatory Powers Act 2000 and other appropriate legislation such as The Police and Criminal Evidence Act 1984 and The Criminal Procedure and Investigations Act 1996 (this list is not exhaustive).

Acknowledging receipt

Within ten working days of a concern being raised, the person to whom the concern has been forwarded will write to the Whistleblower to:

- acknowledge that the concern has been received
- indicate how the matter will be dealt with
- give an initial estimate of how long it will take to provide a final response
- inform on any initial enquiries made (if any)
- inform whether any further investigation is to take place, and if not, why not.

Timescales

Due to the varied nature of these sorts of matters, which may involve internal investigators and / or the police, it is not possible to lay down precise timescales for such investigations in this Policy. Such matters are expected to be investigated quickly but without compromising a proper investigation.

The Council will respond to all concerns as quickly as possible but the Council will have to test the concerns as appropriate. It must be noted however that testing a concern is not the same as either accepting or rejecting it. The overriding principle for the Council will be the public interest. In order to be fair, initial enquiries will have to be made to decide whether an investigation is appropriate and, if so, what form it should take.

Investigating Procedure

Depending on the nature of the allegation received, it is not feasible to incorporate every stage or action in an investigation. However, the following should serve as a set of minimum standards. The Monitoring Officer or their nominated officer may arrange for the appointment of an investigating officer who will:

- Ensure that full details and clarifications of the concern are obtained.
- Consider the involvement of any external agencies at this stage (e.g. the Police).
- Ensure that the allegations are fully investigated with the assistance, where appropriate, of other individuals / bodies.

- Consider in conjunction with the People Team and/or relevant Service Director the potential for suspension from duty of employees for one of the reasons as detailed in the Council's disciplinary policy
- Hold interviews with all relevant people as soon as possible.
- Prepare a written report containing the findings of the investigation promptly at the conclusion of the investigation.
- Keep the complainant informed of the progress of the investigations and, if appropriate, of the final outcome.
- If one or more member(s) of staff is implicated then:
 - They should be informed as soon as is practicably possible;
 - The investigator should liaise with the relevant manager(s), where appropriate;
 - The investigator must keep an open mind;
 - The investigator's report will be passed to the Monitoring Officer who will decide what further action to take; and
- The Monitoring Officer will inform any individuals under investigation and the relevant manager(s), where appropriate, as to whether or not the concern has been substantiated.

Future contact and meetings

The amount of contact between staff raising the concern and the officer(s) considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from staff in a discreet manner. When any meeting is arranged, staff have the right, if they wish, to be accompanied by a trade union or other representative. The meeting can be off site, if requested.

Support offered during the enquiry

The Council will take steps to minimise any difficulties staff may experience as a result of raising a concern, and will provide the appropriate level of support. For instance, if staff are required to give evidence in disciplinary or criminal proceedings, the Council will advise them about the procedure and provide reassurance where required.

With internal proceedings, staff will have the option of asking someone else to represent them.

To maintain confidence in the process, staff will be kept advised of the outcome of any investigation (subject to legal constraints).

Staff can withdraw from the process at any stage but they, or their representative, must inform the person with whom the initial concern was raised and the investigating officer. Staff will be requested to provide a reason for their withdrawal.

Alleged perpetrator

The person against whom the concern has been raised will be informed following the initial investigations if it is considered that there is an issue to be investigated further. This person will be supported in an appropriate manner and will be informed of the progress of the investigation. It should be noted there is a potential for the individual to be suspended from duty for one of the reasons detailed in the Council's disciplinary procedure.

How the matter can be taken further

The Council hopes staff will be satisfied with the response to their concern. However, if staff are not satisfied they should inform their Service Director, Strategic Director, the Chief Operating Officer or Chief Executive in the first instance.

If staff feel it is right or necessary to take the whistleblowing matter outside the Council, the following are possible contact points:

- the External Auditor
- relevant professional bodies or regulatory organisations
- their solicitor or other legal representative
- the Police
- their Trade Union
- their local Council Member

Other useful contacts:

Protect – whistleblowing charity (formally Public Concern at Work)

Provides free confidential advice on how to raise a concern about malpractice at work.

Tel: [020 3117 2520](tel:02031172520) www.protect-advice.org.uk/

GOV.UK

More information on whistleblowing can be found on the GOV.UK website at

www.gov.uk/whistleblowing.

INTERNAL AUDIT CHARTER

Author: Sarah Marsh

Title: Chief Internal Auditor

Date: January 2021



INTERNAL AUDIT CHARTER

1. INTRODUCTION AND PURPOSE

- 1.1 The purpose of this Charter is to set out the nature, role, responsibility, status and authority of Internal Audit within Epping Forest District Council (EFDC), and to outline the scope of internal audit work. The Charter will also be used to monitor the performance of the Internal Audit function.
- 1.2 The United Kingdom Internal Auditing Standards (UKPSIAS) define Internal Auditing as:
- 'An independent objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.*
- 1.3 Internal Audit work is conducted in accordance with the UKPSIAS and is consistent with the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing).

2. REVIEW OF THE AUDIT CHARTER

- 2.1 This Charter will be subject to annual review by the Chief Internal Auditor, and any significant changes presented to the Audit and Governance Committee for approval.

3. ROLE OF INTERNAL AUDIT

- 3.1 Within local government there is a statutory requirement for an Internal Audit function. The Accounts and Audit (England) Regulations 2015 require that a local authority 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes'.
- 3.2 In addition, the Council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. The S151 Officer relies, amongst other sources, upon the work of Internal Audit in reviewing the operation of systems of internal control and financial management.
- 3.3 Internal Audit's activities and responsibilities are defined and approved by the Audit and Governance Committee, via this Charter, as part of their oversight role, as it is the committee charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.
- 3.4 The Chief Internal Auditor reports functionally to the Chief Executive. In recognising the unique and critical role of the Chief Internal Auditor, CIPFA's *Statement on the Role of the Head of Internal Audit (HIA)* sets out five key principles for delivering an effective internal audit function. Each of these five principles is underpinned by expected governance arrangements, core HIA responsibilities and personal and professional standards expected of the post holder. As part of the continuous assessment of the effectiveness of the Internal Audit function, these principles are benchmarked against current practices and reported accordingly.
- 3.5 Internal Audit's primary role is to assist the Council's management team, particularly the Chief Executive, the Chief Financial Officer/Section 151 Officer, the Monitoring Officer, and Service Directors in the effective discharge of their responsibilities. To this end, Internal Audit provides them with analyses, appraisals, recommendations, advice and information to enable effective control over the activities reviewed, including the Council's financial affairs.
- 3.6 Importantly, the Internal Audit Plan culminates in the Chief Auditor providing an annual audit opinion to Members and management on the overall adequacy and effectiveness of the Council's

framework of governance, risk management and control which, in turn, informs the Annual Governance Statement. Internal Audit has a significant role / input into the production of the Annual Governance Statement (AGS) as part of the publication of the Annual Accounts.

- 3.7 Internal Audit has a role in understanding the key risks of the Council and to examine and evaluate the adequacy and effectiveness of the systems of risk management and internal control operated by the Council.

4. MISSION AND AIMS OF INTERNAL AUDIT

- 4.1 The Internal Audit function has adopted the Global Institute of Internal Auditors mission and principles as follows:

Mission: To enhance and protect organisational value by providing risk based and objective assurance, advice and insight. The core principles being:

1. Demonstrates integrity
2. Demonstrates competence and due professional care
3. Is objective and free from undue influence (independent)
4. Aligns with the strategies, objectives and risks of the organisation
5. Is appropriately positioned and adequately resourced
6. Demonstrates quality and continuous improvement
7. Communicates effectively
8. Provides risk-based assurance
9. Is insightful, proactive and future focussed
10. Promotes organisational improvement.

- 4.2 The provision of assurance services is the primary aim for internal audit, requiring the Chief Internal Auditor to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. Consultancy services are advisory in the nature and are usually performed at the request of the Corporate Governance Group or Service Directors, with the aim of improving governance, risk management and control and contributing to the overall opinion. Most of Internal Audit's work is assurance rather than consultancy based.

5. RESPONSIBILITIES OF INTERNAL AUDIT

- 5.1 Internal Audit is responsible for: -

- The examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management and internal control processes.
- Compliance with significant policies and procedures established by management and Members.
- Conducting its work in accordance with UKPSIAS and associated codes of ethics and other guidance for the Professional Practice for Internal Auditing.
- Ensuring that it is appropriately resourced to be able to deliver the agreed Audit Plan.

- 5.2 The delivery of the Internal Audit function is predominantly via in-house resources supplemented where necessary by engaging external resources to cover for periodic shortfalls or, for example, to provide a specific expertise.

6. INDEPENDENCE AND OBJECTIVITY

- 6.1 Internal Audit will remain free from interference by any element in the Council, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective approach to its work.

- 6.2 Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment. Internal Audit may, however, review systems under development and advise on appropriate controls without prejudicing its right to subsequently audit such systems.
- 6.3 Where the Chief Internal Auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. For example, the Chief Internal Auditor may be asked to take on responsibility for compliance or risk management activities. These roles could impair, or appear to impair, the organisational independence of the Internal Audit function. Safeguards would include oversight by the Audit and Governance Committee, periodic evaluation of reporting lines and responsibilities and developing alternative processes to obtain assurance related to the areas of additional responsibility.
- 6.4 The Chief Internal Auditor will confirm to the Audit and Governance Committee, at least annually, the organisational independence of the Internal Audit activity.

7. CONFLICTS OF INTEREST

- 7.1 Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 7.2 Each auditor is required to proactively declare any potential 'conflict of interest' prior to the commencement of each audit assignment. Where possible audits are rotated within the team to avoid over-familiarity and complacency.
- 7.3 In any circumstances where a potential conflict of interest were to arise this would be reported and, where applicable, appropriate arrangements approved by the Chief Executive to avoid any compromise of internal audit independence.

8. STATUS OF INTERNAL AUDIT IN THE COUNCIL

- 8.1 Internal Audit has direct access to senior management, the Audit and Governance Committee, the Chief Executive and the Chair of the Audit and Governance Committee. The S151 Officer will advise the Audit and Governance Committee in relation to the required level of Internal Audit resource required in order for the Committee to make an informed decision in such matters. The Chief Internal Auditor will communicate and interact directly with senior management and the Audit and Governance Committee, including between meetings as appropriate. Outside of formal senior management meetings and meetings of the Audit and Governance Committee, the Chief Internal Auditor will have unrestricted access to the Chief Executive and to the Chair of the Audit and Governance Committee.
- 8.2 For the purposes of the Internal Audit activity, the following groups are defined:

Audit and Governance Committee

The Audit and Governance Committee is responsible for providing independent assurance to the Council of the adequacy of the risk management framework, associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit and Governance Committee is also responsible for oversight of the Internal Audit function, including:

- To agree the Council's Internal Audit Strategy Plan, Annual Audit Plan and monitor performance against all associated plans.
- To review summary Internal Audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- To receive an Annual Report from the Chief Internal Auditor.

Corporate Governance Group

The Council's Corporate Governance Group helps provide leadership and direction for the Council. The Group is responsible for monitoring and reviewing the corporate governance framework including:

- The Council's constitution, including financial regulations, contract standing orders and officer delegation;
- The Local Code of Corporate Governance;
- The annual governance statement for inclusion in the council's statutory statement of accounts;
- Risk management, including the corporate risk register;
- Anti-fraud and anti-corruption policies and measures.

Senior Management

- 8.3 For line management purposes, the Chief Internal Auditor reports to the ~~Chief Executive~~ **Section 151 Officer**, who approves all decisions regarding the performance, evaluation, appointment, or removal of the Chief Internal Auditor, in consultation with the Audit and Governance Committee. The Section 151 Officer should ensure an effective Internal Audit function is resourced and maintained.
- 8.4 The day to day operational management of the Internal Audit function lies with the Chief Internal Auditor who is accountable through the ~~Chief Executive~~ **Section 151 Officer** to the Audit and Governance Committee for standards of performance and the proper discharge of the audit function.
- 8.5 The Chief Internal Auditor is responsible for the preparation of the Annual Audit Plan, agreeing it with Members and the effective implementation of the Audit Plan. Prior to drawing up the Audit Plan, the Chief Internal Auditor will consult with Service Directors, Service Managers and Corporate Governance Group with regard to risks, concerns etc. and take account of any issues raised by them.

9. AUTHORITY AND ACCESS FOR INTERNAL AUDIT WORK

- 9.1. Internal Audit, with strict regard to confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to any and all Council records (paper and computerised), physical properties, IT systems and personnel pertinent to carrying out any engagement. Such access will be granted on demand and need not be subject to prior notice. However, Internal Audit will endeavour to give adequate and reasonable notice, where possible, when working on routine audit reviews.
- 9.2 Internal Audit also has free and unrestricted access to the Audit and Governance Committee and senior management. Internal Audit examines and evaluates, on a risk focussed basis, the whole system of controls established by management, not just the controls over financial accounting and reporting, but all operational and management controls.

10. SCOPE

- 10.1 The scope of Internal Audit work encompasses but is not restricted to the following: -

- the adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the Council's defined goals and objectives;
- the extent of compliance with, relevance of, and financial effect of, policies, strategies, standards, plans and procedures established by the Council and the extent of compliance with external laws and regulations;
- the extent to which the assets and interests are acquired, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause;
- the suitability, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic aims;
- the suitability of the organisation of the areas audited for carrying out their function, to ensure that services are provided in a way which is economical, efficient and effective;
- the follow-up actions taken to implement recommendations made and remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and widely communicated;
- the operation of the Council's corporate governance and risk management arrangements.

10.2 Internal Audit may undertake consultancy activity (normally additional activity requested by management) where it has the necessary skills and resources to do this, and this will be determined by the Chief Internal Auditor in consultation with Chief Executive on a case by case basis.

11. PLANNING AND REPORTING

11.1 A risk based approach is adopted in planning the work of the audit function. This involves a needs and risk assessment of all the activities carried out by the Council from which an Annual Plan is prepared. The type of audits covered include: -

- Key financial systems reviews
- Systems/Operational Reviews – either high level assurance or full scope detailed reviews.
- Proactive Anti-fraud work and fraud investigations are referred to the Corporate Fraud Team as appropriate.
- Specialist Audits (for example, contract/computer/major projects)
- Corporate governance and risk management support work
- Audit Advice
- Staff training and promotion of awareness

11.2 The Chief Internal Auditor submits to Members for approval an Annual Internal Audit Plan, setting out the recommended scope of audit work in the period based upon risk assessment criteria. The Annual Plan is developed with reference to a longer term strategic outlook for Internal Audit work for the three year period, prepared in conjunction with management. The Audit Plan is a dynamic document, which is flexible and reactive to situations arising during the course of the period covered and hence may be subject to review and revision during the year.

- 11.3 In determining the Annual Internal Audit Plan and coverage, the Chief Internal Auditor takes into account several factors including the Council's risk management arrangements and other assurance and monitoring arrangements for achieving the Council's objectives. The allocation of resources is based upon the relative knowledge, skills, experience and any specialisms that may be required. The Chief Internal Auditor can also draw upon other parties to deliver internal work for example to meet "in-house" shortfalls arising from sickness, vacancies or to provide a particular specialism providing the costs can be managed within the approved operational budget for the audit service. If the Chief Internal Auditor considers that the audit resources available in any way limit the scope of Internal Audit or prejudice the ability of Internal Audit to deliver a service consistent with the standards expected, then those charged with the governance of the Council would be advised accordingly.
- 11.4. Internal Audit carry out the work, as agreed, report upon the outcome and findings, and make appropriate recommendations on the action to be taken as a result. Directors' response will include a timetable for anticipated completion of action to be taken. The reporting arrangements will include both individual and composite reports to Service Directors and the Corporate Governance Group and where appropriate to the Audit and Governance Committee, at the agreed intervals.
- 11.5 Internal Audit is responsible for appropriate follow up on engagement findings and recommendations and will report to the Audit and Governance Committee on the results.
- 11.6 Internal Audit will report to the Audit and Governance Committee, in accordance with the agreed arrangements, on the overall adequacy of the internal control system, governance and risk management arrangements and major findings, recommendations and management actions. Any significant deviation from the approved Audit Plan will be communicated through the periodic activity reporting process.
- 11.7 Based upon its work, Internal Audit is responsible for reporting significant risk exposures and control issues identified to the Audit and Governance Committee and to the Corporate Governance Group, including fraud risks, governance issues, and other matters needed or requested by these bodies. This ensures that Internal Audit plays a key role in providing assurance to the Audit and Governance Committee and the Corporate Governance Group on the effectiveness of the entire control environment.

12. FRAUD AND CORRUPTION

- 12.1 Internal Audit does not have responsibility for the prevention or detection of fraud and corruption. However, internal auditors should be alert in all their work to risks and exposures that could allow fraud and corruption to take place and to any indicators that fraud and corruption may have occurred. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected.
- 12.2 It is individual service areas' responsibility to consider the risk and impact of fraud and to design and implement suitable safeguards to mitigate these risks. The role of Internal Audit in relation to countering fraud is to support services in minimising fraud-related risk. It does this in several ways including:
- Liaison and provide assistance to the Corporate Fraud Team, as part of the Internal Audit Function.
 - Developing and reviewing the Council's Anti-Fraud and Corruption Strategy.
 - Maintaining a Fraud Response Plan.
 - Financial Regulations requiring all incidents of suspected or detected fraud to be notified to the Chief Internal Auditor.
 - Developing and maintaining data and intelligence networks with appropriate bodies including the Cabinet Office (National Fraud Initiative), Police, other Local Authorities and Government agencies.

12.3 Suspected or detected fraud should be notified to Internal Audit and the Section 151 Officer, who will decide on the most appropriate course of action and a decision taken as to who should lead any subsequent investigation, whether it is Internal Audit, the Corporate Fraud Team or service management, and whether to report to the police.

13. PERIODIC ASSESSMENT

13.1 Internal Audit will, in conjunction with the Audit and Governance Committee, provide regular reports on its performance and effectiveness drawing upon both quantitative and qualitative measures including feedback adherence to professional standards. Furthermore, there will be mechanisms for quality control/continuous improvement in service delivery through such measures including internal self-assessments, peer reviews and independent external assessment, the latter to be conducted at least every five years.

14. RESPONSIBILITIES OF CORPORATE GOVERNANCE GROUP AND DIRECTORS

14.1 The Council's Corporate Governance Group and Service Directors have responsibility for determining the scope of Internal Audit work, in relation to relevant professional standards / guidelines, and for deciding the action to be taken on the outcome of, or findings from, their work.

14.2 They also have a responsibility to ensure that the Internal Audit function has: -

- the support of management,
- adequate resources; and
- direct access and freedom to report to senior management and Members, including the Section 151 Officer, Monitoring Officer, Chief Executive and Cabinet / the relevant Committee.

14.3 The Corporate Governance Group and Service Directors also have primary responsibility for establishing and maintaining a proper and effective control environment and for managing risk, including proper accounting records and other management information for running the Council. In addition there is also a primary responsibility for the prevention and detection of fraud, including the prompt reporting to all relevant parties of any evidence or reasonable suspicion of an irregularity.

14.4 During the course of an audit, Service Directors and their staff will be required to cooperate fully with the auditor's requirements, including the completion of action plans, signing off audit reports and the timely implementation of specific and agreed recommendations made by Internal Audit.

15. RELATIONSHIP WITH THE EXTERNAL AUDITORS / OTHER REGULATORY BODIES

15.1 Internal Audit will consult and where appropriate work closely with others, including the external auditors, to minimise areas of duplication and to maximise the value obtained from the total audit resource. However, the work of Internal Audit will not be driven by external audit's own priorities.

Sarah Marsh – Chief Internal Auditor

January **2021**

(Date of next review; January 2022)

APPENDIX 7 – SUMMARY OF SKILLS AND KNOWLEDGE OF AUDIT AND STANDARDS COMMITTEE MEMBERS

| Number of returns | 5 | Number of expected returns | 6 |
|---|---|-----------------------------------|--------------------------------|
| Area of knowledge | Level of knowledge | | |
| | Confident | Aware | Development appreciated |
| Council knowledge | 3 | 1 | 1 |
| Audit Committee role and function | 4 | 1 | 0 |
| Governance | 2 | 2 | 1 |
| Internal Audit | 3 | 1 | 1 |
| Financial management and accounting | 4 | 1 | 0 |
| External Audit | 5 | 0 | 0 |
| Risk Management | 4 | 1 | 0 |
| Anti-fraud and corruption | 3 | 2 | 0 |
| Values of good governance | 3 | 1 | 1 |
| Other areas of knowledge | Some of this knowledge is coming through professional backgrounds ... | | |
| Other comments | None stated | | |
| Qualification or experience of working in this field | Level of skill | | |
| | Skilled | Novice | Nil |
| Accountancy | 1 | 2 | 2 |
| Internal Audit | 1 | 2 | 2 |
| Risk management | 4 | 0 | 1 |
| Governance and legal | 2 | 2 | 1 |
| Service knowledge relevant to the functions of the Council | 2 | 1 | 2 |
| Programme and project management | 4 | 0 | 1 |
| IT systems and IT governance | 1 | 3 | 1 |
| Other areas of expertise declared | Former Directors including a joint authority, consultants/advisors, magazine production and journalistic input, budgetary control, IT, Project Management, Business Service Management. | | |
| Other comments | None stated | | |

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Equality Impact Assessment

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

| |
|---|
| Section 1: Identifying details |
| Your function, service area and team: Internal Audit, Chief Executive |
| If you are submitting this 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: Internal Audit Monitoring Report |
| Officer completing the EqIA: Tel: 01992 564446 Email: smarsh@eppingforestdc.gov.uk |
| Date of completing the assessment: 8/1/21 |

| | |
|---|--|
| 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. Report includes a number of policy reviews but the changes proposed are minor (more housekeeping) in nature then any fundamental change. |
| 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 | <p>What does the information tell you about those groups identified? N/A – report is for noting only</p> |
| 3.2 | <p>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</p> |
| 3.3 | <p>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</p> |

| 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 |
|---|
| Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken. |

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Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC--2020/21
Date of meeting: 25 January 2021

Portfolio: Leader of the Council
Subject: Risk Management
Responsible Officer: Andrew Small (01992 564278).
Democratic Services: Laura Kirman (01992 564273).

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 06 January 2021 where all risks were reviewed, and subsequently by the Corporate Governance Group. The narrative for each risk has been reviewed and, where appropriate, updated to reflect the current situation (appendix 1).

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

| No | Risk | Residual risk rating (i.e. after controls) | | Commentary |
|----|-------------------------|--|--------------|---|
| | | December 2020 | January 2021 | |
| 1 | Local Plan | B1 | B1 | No change since December's update. Still waiting for adoption of the Local Plan, which has been delayed due to the Inspector's lack of availability. Adoption by full Council anticipated summer 2021 |
| 2 | Welfare Reform | A2 | A2 | Use of a multi-agency community hubs to help signpost customers continues to be rolled out to help mitigate this risk |
| 3 | Financial Resilience | B1 | B1 | Updated to reflect adoption of the MTFP (Medium Term Financial Plan) by Cabinet in November 2020 |
| 4 | Economic Development | B1 | B1 | With the departure of the Community and Partnerships Service Director this risk is now owned by the Council's Partnerships & Economic Development specialist, with reports from them on progress going to January's Cabinet |
| 5 | Data/information | C2 | C2 | Actions continue to be progressed through the officer Information Governance Group, which is currently meeting monthly |
| 6 | Business continuity | C2 | C2 | The Council continues its business continuity activities as part of its recovery response to Covid-19. |
| 7 | Housing capital finance | C2 | C2 | The recommendations from the consultant's high-level review of the HRA will be prioritised. The HRA strategy, including housing capital requirements, is being worked on |

| No | Risk | Residual risk rating (i.e. after controls) | | Commentary |
|----|--|--|--------------|--|
| | | December 2020 | January 2021 | |
| 8 | Cyber security | C2 | C2 | This risk continues to be actively managed |
| 9 | Delays in issuing Planning Permissions | A1 | A1 | An interim air pollution strategy has been agreed with Natural England, however, Council's decision had been called in at the time of this report. Therefore, the risk score remains unaltered for now |
| 10 | Climate emergency | B2 | B2 | The Council continues to develop and consult on its action plan. |
| 11 | Accommodation project | C2 | C2 | This risk has been assigned to the Service Director Strategy, Delivery and Performance who also oversees the accommodation project, which is making good progress |

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 (January 2021)

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| | | | | | |
|-------------------|-------------------------------|---------------------------|-------------------|------------------------|-------------------|
| 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: Without an adopted Local Plan and with the introduction of the Housing Delivery Test from November 2018, the Council's ability to deliver housing at the required rate will lead to the presumption in favour of sustainable development being applied and the requirement to prepare an action plan.</p> <p>Consequence: Without an adopted plan setting the Council's housing requirement at 518 the measurement used will be the 2014 household projection figures/standard method for assessment with an annual requirement of 724 homes. This will result in vulnerability to planning appeal decisions and potential development in the Green Belt as the presumption in favour of sustainable development will apply.</p> | <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. An interim Air Pollution Mitigation Strategy has been agreed with Natural England and will allow planning applications to be determined.</p> | VERY HIGH | MAJOR | A1 | <p>1) Local Plan Submission Version 2017 agreed by Council Dec 2017 and published. Following the JR the plan was submitted for examination which took place between Feb & June 2019. The Inspector's advice issued 2 August 2019 requires the Council to undertake further work to support the Local Plan, which has largely been completed – the HRA is still to be finalised.</p> <p>2) Revised Local Development Scheme (LDS) adopted by Local Plans Cabinet Cttee Nov 2018 following submission of plan for independent examination. This will be updated once there is some certainty on programme for consultation on MMs. At the current time the Council is waiting for the Inspector to agree the MMs submitted in September</p> <p>3) Systematic approach to Duty to Co-operate, engaging public bodies including Natural England and the Conservators to finalise the HRA in respect of the SANG strategy</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) Revised timeline of the programme of work for the final tranche of the Main Modifications (MM) agreed with the Local Plan Inspector. Regular updates provided and posted on the Council's website. Last being on 2/10/20 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 was delayed, pushing back the adoption to Spring/Summer 2021. Still awaiting feedback from the Inspector</p> <p>2) Review progress against new key milestones</p> <p>3) Important that key decisions do not precede Duty to Co-operate i.e. "fait accompli".</p> <p>4). 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: 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>A multi-agency hub was 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 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> <p>The Council is developing a Community Hub at the refurbished Civic Offices. This will include partners to provide joined-up services together to help families and individuals affected by welfare reform.</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>Underlying GF budget deficit of circa £4 million for 2021/22 identified in MTFP (Cabinet 16 November 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 adopted by 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 budget monitoring and reporting process</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: 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> | Partnerships & Economic Development specialist | 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 actions 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 is working with the Information Asset Owner Group to embed understanding of the importance of information governance across the authority.</p> <p>The IGG Work Programme is being prioritised and the expectations of the organisation managed.</p> <p>A Retention and Disposals Policy will be launched by February.</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: 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>Strain on/or lack of staff resources;</p> <ul style="list-style-type: none"> ▪ Increased sickness absence due to Covid19 – staff availability to work ▪ Additional capacity needed for projects ▪ ICT restructure | <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> <p>Currently, the organisation is continuing to deliver services to a high standard, working remotely, in new ways etc, however there are strains on project delivery and in some areas BAU due to staff absence, restructures, turnover.</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> <p>Mitigation re staff resources:</p> <ul style="list-style-type: none"> ▪ New recruitment process and careers page to attract new candidates. More efficient and less bureaucratic processes ▪ The category A, B, C list of staff availability has recently been reviewed ▪ ICT Portfolio Governance Group is established ▪ Flexible use of salary budget to plug short term gaps | 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> <p>Senior managers to keep situation under regular review. Have staffing issues as a standing item on fortnightly Wider Leadership Team Meeting</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: 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> <p>4) Grant Thornton employed to carry out an overall review finances process</p> <p>5) Plan in place to review and update the HRA business plan</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> <p>5) Action plan to be developed following the report from GT by April 21</p> <p>6) Consultant to be appointed to review and update the HRA business plan</p> | Project Director HRA | 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. 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 | Regular meetings held with key stakeholders including Natural England to update the HRA and develop a mitigation strategy. Interim mitigation strategy (SAMMS) 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. However there are still outstanding concerns in relation to the SANG strategy which will be included in the GI Strategy due to be considered by Cabinet on 11 February 2021. Draft Air Pollution Strategy was agreed by Cabinet in July 2020 for further consultation with Natural England. An updated strategy 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 and an Interim Air Pollution Mitigation Strategy has been agreed with Natural England (letter received on 10 December). | 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 agreed with Natural England and is being adopted by the Council through a PFH report, however, the decision has been called in.</p> <p>Budget has been set aside and a planning officer and transport planner are in post to assist with issuing planning decisions once this strategy has been agreed</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: 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 | <p>A Climate Change 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.</p> <p>The action plan will cover all service areas. Workshops took place pre-Christmas with key officers to capture projects and initiatives both undertaken and planned that will contribute to the action plan. A Members briefing on the Climate Action Plan is scheduled for early February 21. An introduction will be given to the Youth Council on the 2nd February who received a Sustainable Transport update on 8th December.</p> <p>A three-month Demand Responsive Transport trial service launched on 2nd January, replacing the Arriva 87 bus, which ceased due to ECC funding problems.</p> | HIGH | MODERATE | B2 | <p>Continued development of the action plan using knowledge gained from the workshop and Members briefing with the aim to submit a draft to Cabinet for consultation approval in March 21.</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> <p>EFDC staff offered free use of DRT service during January, consider extending offer to March.</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 | <p>Failure of the accommodation project to deliver:</p> <ul style="list-style-type: none"> • New ways of agile working • Better use of Council assets • Financial savings delivered through Qualis when Conder building is released <p>which ultimately impacts on the Council's objectives and delivery of services</p> | <p>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.</p> <p>Effects</p> <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 | 2 | <p>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.</p> <p>Hire of a change manager to support the embedding of New Ways of Working. Communications, Workshops and Employee engagement sessions held to support change.</p> <p>Financial savings will be realised through the development of the Conder building via Qualis and is part of the Qualis financial plan.</p> | Service Director Strategy, Delivery and Performance | 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 | 2 | 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 |

Appendix 2

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 EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups? | No <input checked="" type="checkbox"/> | |
| | | Yes <input type="checkbox"/> | If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place. |

Section 6: Action plan to address and monitor adverse impacts

| What are the potential adverse impacts? | What are the mitigating actions? | Date they will be achieved. |
|---|----------------------------------|-----------------------------|
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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: 13/01/21

Signature of person completing the EqlA: Sarah Marsh

Date: 13/01/21

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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