



EAST  
CAMBRIDGESHIRE  
DISTRICT COUNCIL

Minutes of a meeting of the Audit Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on Monday, 25<sup>th</sup> July 2022, at 4.30pm.

### **PRESENT**

Councillor Lis Every (Chairman)  
Cllr Charlotte Cane  
Cllr Mark Inskip  
Cllr Alan Sharp

### **OFFICERS**

Ian Smith – Finance Manager  
Maggie Camp – Legal Services Manager  
Tracy Couper – Democratic Services Manager  
Adeel Younis – Legal Assistant

### **IN ATTENDANCE**

Rachel Ashley-Caunt – Chief Internal Auditor  
Mark Hodgson – External Audit, Ernst & Young

#### 3. **PUBLIC QUESTION TIME**

No public questions were received.

#### 4. **APOLOGIES AND SUBSTITUTIONS**

The Democratic Services Manager reported that she had been advised that Councillor Daniel Schumann would be arriving late to the meeting.

#### 5. **DECLARATIONS OF INTEREST**

No declarations of interests were made.

#### 6. **MINUTES**

It was resolved:

That the Minutes of the meetings of the Committee held on 14 March and 19 May 2022 be confirmed as a correct record and signed by the Chairman.

#### 7. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that whilst this was the first quarter of a new financial year, there would be a continuation in the work programme of the Committee.

She referred to the Member Risk Management Seminar held on 27 June 2022 and the slides circulated to all Councillors. An Officer training session also had been held and further training would be included in the new Member Induction and Training Programme after the District Council elections in May 2024.

The Chairman referred to the delay in the Audit of the Council's Financial Statements by External Audit. She reported that, as the Annual Governance Statement needed to be approved at the same time as the Financial Statements, this document had not been presented in draft to this meeting, but would instead be coming to a future meeting, to ensure that the timeframe for the two documents remained broadly in line. She further explained that changes had been made to the Forward Agenda Plan for the Committee to reflect this and the possible movement of the November meeting to October 2022, but these matters would be discussed under the relevant Agenda item.

## 8. **EXTERNAL AUDIT – INITIAL AUDIT PLAN**

Mark Hodgson from Ernst & Young, the Council's External Auditors, presented the External Audit Plan. He reported that the format and nature of the Audit remained similar to the preceding year, with one new significant risk identified relating to the new Fixed Assets Register. Mr Hodgson stated that External Audit would not commence the audit of accounts with the Council's Finance Team until January 2023.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Members expressed deep concern at the significant delay in the commencement of the audit of the Council's Financial Statements by External Audit and the fact that this would result in the public not being able to see audited accounts for over a year. They acknowledged that this was a widespread national issue for all authorities which was worsening each year and questioned what measures were being taken to overcome this. Mr Hodgson confirmed that it was an ongoing national issue which would be the remit of the new Director of the national Audit Authority when in post from 1 September 2022. Members then expressed further concerns that these matters would not start to be addressed until September at the earliest.

A Member queried why this Committee did not receive a draft copy of the Council's Statement of Accounts. The Director Finance reported that this had not been the approach of the Council historically, but could be facilitated in future years, if requested by the Committee.

A Member also questioned why audited accounts would not be received for the Council's two Trading Companies, ECTC and ECSS, until September, why this Committee had not received the timeline for the Trading Companies financial statements requested, and why such a timeline had not been developed to enable timely submission of the accounts to this Committee. The Member requested that the Managing Directors of the Trading Companies explain the reasons for the lack of development of such a timetable.

The Director Finance reported that the Council's Financial Statements would be published at the end of July and then little work would be done on these until the Audit formally commenced in January 2023. A Member commented that the Trading Companies audited accounts could impact upon these Financial Statements and asked for this Committee to be provided with an updated set of Accounts at its autumn meeting to reflect this. The Director Finance stated that complications and confusion could be caused by different versions of the Statements of Accounts being in the public domain as it was the draft Statements published at the end of July which would be subject to External Audit review. In that connection, Members requested that a report be submitted to the autumn meeting of the Committee explaining any impacts/amendments resulting from the audited Group Accounts.

A Member commented that the statutory national deadlines remained the same, despite the delay in the commencement of the audit, and this would not show the Council in a favourable light to the public. In response, Mr Hodgson reiterated that this was a national issue, with only 9% of accounts signed-off by the November deadline last year, and the PSAA had acknowledged this unsatisfactory national position needed to be resolved.

It was resolved:

That the External Audit Initial Audit Plan for the Council's 2021/22 financial statements be received and noted.

## 9. **INTERNAL AUDIT ANNUAL REPORT AND OPINION**

The Committee received a report (reference X35, previously circulated) containing the Annual Report on the work of Internal Audit and the Annual Opinion for the financial year 2021/22.

Rachel Ashley-Caunt, Chief Internal Auditor, highlighted the key sections of the report stating that overall a Satisfactory Assurance had been given of the adequacy and effectiveness of the Council's control environment for 2021/22. This was consistent with the opinions given in recent years.

Ms Ashley-Caunt referred to Table 1 in the Annual Report giving a summary of the Audit Opinions in 2021/22. No limited assurances had been given during the year and the majority of findings were substantial or good.

Table 3 summarised the overall audit opinions and risks, and Appendix B provided a summary of the completed audit assignments finalised since March 2022. Ms Ashley-Caunt stated that 1 recommendation remained overdue and 4 from the previous financial year.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Further questions were raised and comments made by Members on the Annual Report and Opinion and responded to by Officers as follows:

A Member queried whether there was sufficient capacity in the ICT Team to deal with the outstanding IT recommendations and, if so, why were they not being resolved in a timely manner. The Director Finance reported that he now had responsibility for the ICT Team and would be ensuring that the outstanding matters were resolved in a timely manner. A Member stated that the recommendations on Cyber Security had been agreed many months ago and since then the threats had heightened both at national and international levels. Therefore, Members could not be reassured as the previous recommendations had not been implemented, let alone additional steps required in response to the increased threat levels identified. Members requested that further information be provided to the Members of this Committee as a matter of urgency. The Director Finance agreed to provide an update in the next few weeks.

A Member highlighted that the Creditors audit showed payments over £50K still were not being properly authorised. The Director Finance reported that the Procedure Notes had been updated and further training undertaken. A follow-up audit would be undertaken with the results reported to Committee later in the year in an Internal Audit update report.

A Member raised questions on staff Procurement training and the Director Finance agreed to provide details of the various training courses undertaken by officers to Committee.

It was resolved:

That the Internal Audit Annual Report and Opinion for 2021/22, as detailed in Appendix 1 to the report, be noted.

## 10. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference X36, previously circulated) detailing the work of Internal Audit completed during the financial year to date and progress against the Internal Audit Plan.

Rachel Ashley-Caunt, Chief Internal Auditor, stated that 1 audit had been completed to date.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Members raised further comments and questions on the Internal Audit progress report follows:

A Member commended the rolling real time risk assurances review programme referred to in paragraph 2.5 of the update report, and asked that risk A2 be the next to be reviewed.

Members raised questions on the 5 outstanding actions overdue by 3 months or more and assurances were given that these would be followed-up and reported on at the next meeting of the Committee.

It was resolved:

That the progress made by Internal Audit in the delivery of the Audit Plan and the key findings be noted.

11. **PROVISION OF INTERNAL AUDIT SERVICE**

The Committee considered a report (reference X37, previously circulated) giving an update on plans for the Internal Audit Service from 1 April 2024.

A Member expressed disappointment that this report was presented by the Director Finance and not the Chief Executive, as requested at the previous meeting of the Committee, and that no scoping paper for the review had been provided, as there was a tight timetable for a review to take place before the expiry of the current two year delegation agreement. Therefore, an amendment to the recommendation in the report was proposed, seconded and agreed unanimously as detailed in the resolution.

It was resolved (unanimously):

That the report be noted and the Chief Executive bring an Internal Audit options paper to the next meeting of this Committee.

12. **CORPORATE RISK MANAGEMENT PROGRESS REPORT**

The Committee considered a report (reference X38, previously circulated) providing Members with a copy of the latest Corporate Risk Register.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Further comments were made on the individual risks within the Risk Register as follows:

A Member expressed concern at the removal of the risk relating to Covid-19 from the register, as this would mean that the risk was no longer monitored and there were still significant staffing implications for the Council in terms of absences, etc, and for the local population, resulting from the pandemic. Therefore, the Risk Management Group should be requested to review this decision.

Members raised a number of follow-up questions to the advance questions and answers given on the risks relating to the Council's Trading Companies. They also commented that the fact that the Shareholder Seminar had been delayed displayed that the control arrangements in

relation to the Trading Companies were not working properly. The Member emphasised that the two Trading Companies were separate entities with different risks associated with them and should have separate entries on the Corporate Risk Register. The Director Finance reported that the Corporate Risk related to the governance of the Trading Companies, which was the same for both Companies.

A Member queried the reasons for the Council's risk appetite being set at 15 and gave reasons why they considered this to be inappropriate. The Member requested that the Risk Management Group be invited to the Committee to give an explanation of the rationale for this. The Director Finance stated that he was Chair of the Risk Management Group and could provide explanations and take comments from this Committee back to the Group. However, the Member emphasised that a Risk Appetite Options Paper was required to review the rationale for the Council's current risk appetite.

With regard to the comments detailed above in relation to the Trading Companies and the Council's risk appetite, an amendment to the recommendation in the report was proposed, seconded and agreed by a majority as detailed in the resolution.

It was resolved:

1. That the update report and Corporate Risk Register, as set out in Appendix 2 of the report, be noted and the Finance Manager bring a Risk Appetite Options Paper to the next meeting of the Committee, for a review of the Council's risk appetite.
2. That the Risk Management Group create a separate risk for each of the two Trading Companies and review their assessment of the likelihood and impact of the risks.

13. **CODE OF CORPORATE GOVERNANCE**

The Committee considered a report (reference X39, previously circulated) detailing the outcome of a review the Council's Code of Corporate Governance.

It was resolved (unanimously):

That the revised Code of Corporate Governance attached at Appendix 1 to the submitted report be approved.

14. **FINANCIAL MANAGEMENT CODE**

The Committee considered a report (reference X40, previously circulated) detailing the outcome of a review by Internal Audit of the Council's application of the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Members commended the review and the following amendment to the recommendation in the report was proposed, seconded and agreed.

It was resolved (unanimously):

That the report be noted and that a report be submitted to the next meeting of the Committee on the survey of the adequacy of Financial reports and action plan for improving the level of compliance with the Financial Management Code.

15. **FORWARD AGENDA PLAN**

The Committee received the Forward Agenda Plan for the Committee.

It was resolved:

That the revised Forward Agenda Plan be noted, the November meeting be moved to 17 October 2022 and the following items be added to the Agenda Plan for that meeting, as a result of discussions at this meeting:

- Provision of Internal Audit Service
- Risk Appetite Options Paper
- Adequacy of Financial reports and Action Plan for improving the level of compliance with the Financial Management Code

The meeting closed at 6:43pm.

Chairman:.....

Date:

**AUDIT COMMITTEE**  
**25<sup>th</sup> JULY 2022**  
**QUESTIONS FROM MEMBERS OF COMMITTEE**

**Questions received from Councillor Inskip**

Item 7 – Internal Audit Annual Report and Opinion

<p>Given that Table 5 of Appendix 1 lists five overdue recommendations and all relate to the ICT department, is there confidence that sufficient capacity exists within that department to address recommendations in a timely manner?</p>	<p>There is enough capacity in the IT team to complete the recommendations. The Director, Finance will continue to monitor capacity with the IT Manager.</p>
<p>Why are the Actions overdue more than three months not in the main report but in an exempt appendix?</p>	<p>The actions in the exempt appendix relate to cyber security issues and it was therefore felt sensible to not include these in a public document.</p>

Item 8 – Internal Audit Progress Report

<p>Table 3 of Appendix A lists the agreed action related to the ICT Outages and provides an update dated June 22 but no revised date for closure. When is this action now expected to be addressed?</p>	<p>A report will be presented to Management Team for consideration by the end of August, providing a view on the value for money of packages available and a recommendation as to how to continue.</p>
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Item 10 – Corporate Risk Management Up-date

<p>In relation to risk A2, on how many days during the past quarter has ECSS failed to achieved expected levels of performance (i) in relation to agreed performance targets for Waste Collection and (ii) in relation to the agreed performance targets for Street Cleansing?</p>	<p>The Waste service has a Service Delivery Plan (approved by Operational Services Committee on the 21<sup>st</sup> March 2022), which details that performance information will be presented to Operational Services Committee on a quarterly basis.</p>
<p>Is the actual performance of ECSS against the expected level of performance over the past quarter consistent with a Likelihood of 3?</p>	<p>Risk A2 is in relation to the governance of the trading companies, as opposed to the day-to-day service performance. In this regard, the score is felt to be appropriate.</p>

<p>In relation to risk C2, what is the justification for a Likelihood of 3 given there have been several email system outages and there are five overdue actions related to security and resilience of ICT systems?</p>	<p>There have been no outages in the past six months, and while not specifically linked to an audit recommendation, learning has taken place on the cause of the previous events and steps taken to start to address these.</p>
<p>In relation to risk C2, why is the Residual Risk weighted lower than the Inherent Risk rating when actions related to both the Cyber Security audit report and actions arising from the Internal Audit review of Outlook outages are not yet closed?</p>	<p>Since the outages referred to, Office 365 has been implemented which is believed to have reduced the risk in this area.</p>

Item 12 – Financial Management Code

<p>Why is the level of compliance in relation to “A. The leadership team is able to demonstrate that the services provided by the authority provide value for money” rated good when it is noted that service planning and associated performance reporting was suspended during the pandemic and not reinstated until April 2022?</p>	<p>The Council’s self-assessment on this identified the following sources of assurance:</p> <p>The Council, approves a revenue budget, MTFS and capital strategy each February; with these documents having previously been subject to Finance and Assets Committee review.</p> <p>The Finance and Assets Committee also receives an MTFS up-date report in September.</p> <p>The Council has the following mechanisms in place to ensure that this is the case:</p> <p>Constitution (which includes)</p> <ul style="list-style-type: none"> <li>• Council Procedure Rules</li> <li>• Access to Information Procedure Rules</li> <li>• Budget and Policy Framework Procedures</li> <li>• Financial Regulations</li> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Officer Employment Procedure Rules</li> <li>• Anti-fraud and Corruption Strategy</li> </ul>
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	<p>Corporate Plan</p> <p>Internal Audit</p> <p>Risk Management Policy and Framework</p> <p>Service Delivery Planning</p> <p>Equity Impact Assessment process</p> <p>While it is noted that, by exception, the performance reporting was suspended for a two year period, this has now been restored and the view is that it doesn't as a single issue require the overall assessment to be reduced.</p>
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### Questions received from Councillor Cane

#### Item 6 – External Audit – Initial Audit Plan

Why is the audit going to take so long and not report until March 2023?	The audit is planned to commence in late January and conclude in late February ready for March reporting.
How can we publish audited accounts by the extended deadline of 30 November 2022 if the audit won't complete until March 2023?	This clearly is no longer possible; the Agenda Plan has been amended to reflect the revised schedule.
Why does the timetable not include a report to Audit Committee in November 2022 prior to publishing the accounts with 'appropriate publication wording' (p9)?	The requirement to publish the accounts lies with the Section 151 Officer. There would not be a report to Audit Committee to enable this.
What would the Council need to do to ensure the audit work can be completed for an audit report to be brought to the November Committee?	The Council has agreed the audit timeline with the auditor to ensure that the audit can be completed as soon as possible. The current timeline is as a result of delays in previous years for LG sector and the widely reported impact this has had on audit firms operating in the sector.

<p>What consideration has been given to the risk of failure of ECTC Ltd to meet its financial projections and therefore failing to repay the loan from ECDC by the due date?</p>	<p>The Going Concern of ECTC will be an audit procedure performed on the ECTC accounts by their auditor and reported accordingly.</p> <p>This is continuously monitored by the Section 151 Officer with the ECTC Finance Manager. The Section 151 Officer is satisfied that ECTC will meet its obligations.</p>
<p>What is the accounts production timetable?</p>	<p>The Council's draft Statement of Accounts will be published on the website by the end of July in line with national guidance.</p>
<p>Have ECTC and ECSS provided audited accounts to ECDC? If not, when will these be provided?</p>	<p>ECTC and ECSS have provided pre-audited accounts to ECDC and these have been included in the draft Statements which will be published shortly.</p> <p>The company accounts will go to their respective boards and then onto their respective committees for noting in September 2022.</p>

#### Item 7 – Internal Audit Annual Report and Opinion

<p>Opinion – why do you consider that Satisfactory Assurance can be given when there were several IT outages during the year and 4 actions to improve IT from previous years remain unimplemented? IT is fundamental to our operations and security against fraud, data breaches etc. Without these improvements how have you assured yourself that this is Satisfactory?</p>	<p>The Satisfactory Assurance definition acknowledged that 'there are some control weaknesses that present a medium risk to the control environment'. Overall, all assurance opinions given during the year were of Satisfactory Assurance or above and based on the overall findings this was considered a fair opinion of the Council's wider governance, risk and control framework. The IT outages review is specifically referenced in the opinion, due to its significance, and assurance is taken from the action plan in place to address weaknesses highlighted – which will be subject to follow up assurance work.</p> <p>The opinion statement also specifically references to the overdue IT actions.</p>
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<p>Financial control – what controls have been put in place to ensure that the manual controls to ensure approval of payments over £50k is operating consistently?</p>	<p>Operational procedure notes have been up-dated and staff have been trained in the new procedures.</p>
<p>How is it Satisfactory that 45% of the payments over £50k tested had not been correctly signed off?</p>	<p>The Satisfactory opinion relates to the full control environment and the sign off on payments over £50k was one specific area tested in addition to the planned scope, as a follow up on last year's findings. As above, Satisfactory is defined in the Audit Charter as 'there are some control weaknesses that present a medium risk to the control environment'. The controls tested were generally found to be of Satisfactory assurance or above and this issue has been highlighted as a specific area requiring action.</p>
<p>Risk management – Internal Audit note that the risk register was reviewed by the Audit Committee on a six-month basis. Why is there no comment on the fact that members of the Audit Committee have consistently questioned the Risk Register and Risk Management generally and that management have consistently dismissed the suggested changes and that the Chief Executive has consistently rejected Committee members' request for members of the Risk Management Group to attend Committee to discuss the management of risk?</p>	<p>Internal Audit have reflected on compliance with the risk management framework that has been adopted by the Council.</p>
<p>How is the fraud reporting mailbox publicised to staff, members, contractors and the public and what is the address?</p>	<p>This has been promoted as part of fraud awareness campaigns (both with staff and on social media channels) and is <a href="mailto:reportfraud@eastcambs.gov.uk">reportfraud@eastcambs.gov.uk</a></p>
<p>Have there been any messages to the fraud reporting mailbox?</p>	<p>None in the year to date.</p>

<p>Which service leads have asked for ad hoc advice in the last year?</p>	<p>This has included:</p> <ul style="list-style-type: none"> <li>• Disabled Facilities Grants – independent guidance on setting up a framework; and</li> <li>• Finance – advice and support with conducting fraud checks on Covid 19 business grants / fraud alerts.</li> </ul>
<p>Debtors – is the dedicated resource to oversee sundry debt now in place? If not, when will they be in place?</p>	<p>The new resource within the Legal Team is now in place.</p>
<p>If they are in place, has this led to more timely action and better audit trails?</p>	<p>It is too early at this point, to determine the impact of the additional resource.</p>
<p>How is it Good that there is lack of evidence of recent recovery action for 9 accounts?</p>	<p>The Good assurance opinion reflects the complete control framework for this area. Testing of 25 debtor accounts confirmed that debt recovery was broadly operating as intended, however further action is specifically required to pursue the debts that have been referred to the Council's Legal department – this was the area where improvement was required. The wider control framework and debt recovery process prior to the referral to legal was found to be operating effectively. This gap had already been noted and plans were in place to devote resources to addressing this issue.</p>
<p>Procurement Compliance – have arrangements been made for all relevant managers to attend procurement training in 2022/23? How many have attended to date and how many are awaiting training?</p>	<p>A procurement training session took place for officers on the 6<sup>th</sup> June 2022, with 14 officers in attendance.</p>
<p>Internal Audit note that there was a regular use of contract exemptions, when this should be only in exceptional cases. IA note that there was a clear justification and approval – but are IA satisfied that all the contract exemptions were exceptional or are IA concerned that they might be being overused?</p>	<p>In all of the cases tested, the reasoning appeared acceptable i.e. sole providers or unforeseen issues requiring immediate action. It is for management to review and approve the basis as in line with expectations.</p>

How is the S151 Officer assuring himself that we are getting value for money, allowing fair competition and opportunities for would-be suppliers and ensuring proper controls over procurements using the contract exemption route?	Each exemption needs to be reviewed on its individual merit and I am content that all were raised for appropriate reasons.
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#### Item 9 – Provision of Internal Audit Service

Why has this paper been written by the Finance Manager when the Committee asked for the Chief Executive to provide us with an Options Paper?	This paper is an up-date to Committee, explaining that it is too early to form a view on what the internal audit market place will look like in April 2024. The Chief Executive will present the options paper in due course.
Why is it too early to look at options, such as in-house provision, shared services with (an)other local Council(s), understanding why other local councils withdrew from the current service etc? It's certainly too early to tender, but that wasn't what this Committee requested.	See answer above.
Can the Chief Executive give the Committee an update on work to date to consider Internal Audit options and his proposed timetable going forward?	There is no up-date at this point. An options paper will be brought to Committee in early 2023.

#### Item 10 – Corporate Risk Management Up-date

What is the level of Covid 19 infections and hospitalisations in East Cambs?	Public Health has confirmed that this information is not broken down by district.
How many staff days have been lost due to Covid 19 since 1 April 2022?	115 days have been lost to Covid in this period (this includes full time and part time positions).
How many of the ECSS absences since 1 April 2022 have been due to Covid 19, measured by staff days?	<i>This information could not be obtained in the time available, but will be reported on to Committee Members when available.</i>
In how many of each of the last 5 financial years have ECTC delivered upon their Business Plan?	ECTC continues to deliver its Business Plan and has done so for each year. There are sites which span across

	<p>several years and this is reflected in each of the business plans.</p>
<p>Why is the Inherent Likelihood of A2 just 3 – Possible, when ECTC has only ever been able to repay loans by the due date by being given a further loan by ECDC with which repay the previous loan?</p>	<p>ECTC has engaged with the Section 151 Officer early and ahead of need. It is normal business for a company to work with its lender on existing and potential loans.</p> <p>In each case ECTC has liaised with the Council's Section 151 Officer well in advance of need and the Section 151 Officer is satisfied with the financial information provided to justify the request which has led to recommendations that Council has approved.</p>
<p>How does ECTC's Business Plan for 1 April 2022 - 31 March 2023 act as a key control when it wasn't presented to F&amp;A Committee until June this year, and the Shareholder meeting had to be cancelled due to the lack of a Business Plan?</p>	<p>Until the 2022/23 Business Plan was approved in June 2022, ECTC did not conduct any 'new business' and continued to work under the 2021/22 Business Plan.</p>
<p>How are the 'established shareholder arrangements' working?</p>	<p>The arrangements meet the requirements set out in the Shareholder Agreement.</p> <p>The respective committees are responsible for approving the business plans and also receive information on a quarterly basis. For ECSS quarterly performance reports are presented and for ECTC quarterly Management Accounts are presented, both for noting.</p>
<p>What do plans in which ECTC had based its financial projections on consist of? How are such plans reviewed?</p>	<p>These plans are set out in the Business Plan. The Section 151 Officer and the ECTC Finance Manager continue to monitor the financial assumptions made.</p>

<p>How many affordable homes have been built in the District since 1 July 2021 and how many of these were built by CLTs?</p>	<p>The number of affordable homes built in the District is calculated in the period April to March. An initial figure for 2021/22 has been calculated and is being verified by Strategic Planning and will be published in the Annual Monitoring Report (usually December). Since July Haddenham CLT has completed 3 dwellings and ECCLT has completed 5.</p>
<p>How many of the 15 Shared Ownership Units in Ely have been delivered by ECCLT and how many of these are now occupied? If we don't have those figures, please can we ask ECCLT for them.</p>	<p>ECTC and ECCLT have exchanged contracts for all 15 dwellings. 5 properties are occupied, 1 is due for occupation this week and more will be occupied in the coming weeks and months.</p>
<p>How many staff vacancies does the Council currently have (please include any roles currently covered by Agency staff)?</p>	<p>There are 11 vacancies; 1 post is currently being advertised, 4 will be advertised this week, 1 has been offered, 1 is not required until later in the year, and the remainder are being considered by the relevant Service manager.</p>
<p>How many staff have left, or given notice, since 1 April 2022?</p>	<p>12 staff have left or given notice to leave in this period.</p>
<p>How many vacancies fail to successfully recruit from the first advert?</p>	<p>5 vacancies have needed to be reposted since April 2022.</p>
<p>How many ECSS staff have left, or given notice, since 1 April 2022?</p>	<p><i>This information could not be obtained in the time available, but will be reported on to Committee Members when available.</i></p>
<p>How many vacancies does ECSS currently have (please include any roles currently covered by Agency staff)?</p>	<p>1 HGV Driver 2 Operatives</p>
<p>Why has the wording in D8 been changed, to delete "and Trading Companies" from "A shortage of staff in roles across the Council and Trading Companies and a loss of knowledge and skills, could lead to service failure" Some key services are delivered by the trading companies, notably Waste Collection and Street Cleaning, so why</p>	<p>This is the Council's corporate risk register, as suggested in the question, ECSS produces its own annual Business Plan which includes a section on risk.</p>

<p>delete them from this risk? I note in the past you have said that this is for the Trading Companies to manage, but it is inextricably linked to A2 and to our ability to deliver our services.</p>	
<p>Appendix 3 Clearly the Audit Committee is best placed to review the risk register in detail – but it is a Corporate Risk Register – why did the Risk Management Group consider it would not be useful for it to be presented to Full Council, say annually so that all Councillors were aware?</p>	<p>The Council's Constitution delegates responsibility for Risk Management to Audit Committee. Any risk that exceeds the Council's residual risk appetite score would go to Full Council for consideration.</p>
<p>Were any changes made to how new risks were identified as a result of the review?</p>	<p>No; the Risk Management Group continue to be the group that decides which risks are detailed on the Corporate Register, but they continue to be open to any suggestions for additions to the register, whether these come from service leads or indeed, Audit Committee members.</p>
<p>Risk A2 The impact should be assessed as 5 because the risk is &gt;£500k. Impact is not to do with likelihood. That is assessed as unlikely. But the amount of the loan is &gt;£500k so the impact if the risk materialised is 5 – very high.</p>	<p>While the full value of the loan provided to ECTC is above £500k, the company does hold extensive assets, which would be able to be “cashed in” in a worse case scenario and so it's believed that the potential loss is far lower than the loan value.</p>
<p>How does the Risk Management Group ensure it is properly assessing Likelihood and Impact separately, recognising that the risk score is a multiple of the two?</p>	<p>The Risk Register identifies both likelihood and impact and both of these components will be discussed when the Risk Management Group assesses the risk.</p>
<p>Risk A2 is 'ECTC and ECSS fail to deliver upon business plans and expected levels of performance.' In what sense are those risks of Governance?</p>	<p>This risk is predominantly around the governance of the trading companies, and the actions being undertaken by the Council to ensure that appropriate governance is taking place.</p>
<p>How is the rating of A3 evidenced when at January 2022 just 57 affordable housing units had been completed when the need was assessed as 130 a year? I accept there is not a target – although there should be – but there is</p>	<p>For this risk, there is no target for how many units are delivered. The Council has many strategies, CLT, £100k Homes, S106 &amp; Local Plan Policy, etc. to encourage delivery of Affordable Housing in the District. There are no</p>

an assessed need and it is not being met, so the likelihood of failure must be 5 very likely as it occurs constantly.	identified issues that the Council has insufficient mechanisms in place to enable the delivery of affordable housing in the district.
The only changes to C2 that I can see are that the target date for the 2 actions has been moved from January and March 2022 to July 2022. The likelihoods remain at 3 – possible, when there is a history of regular occurrences at the Council which makes it a 5. Can the Committee see the notes of the discussion which concluded that the risk rating did not need to be changed?	There are no formal minutes taken of the discussion.
Have the two further actions now been completed?	Information on the progress of these issues is provided linked to the Internal Audit Progress Report.
Can Internal Audit confirm that the issues with non-compliance on Local Government Transparency Code and GDPR have now been addressed.	<p>The work on updating the Contract Register has been progressed, to address that gap in the Transparency Code requirements. Note - Internal Audit has not conducted a full audit on Transparency Code compliance.</p> <p>GDPR risks have just been reviewed as part of the rolling risk register reviews and will be reported to the next meeting of the Committee. Findings are currently being cleared with management.</p>

#### Item 12 – Financial Management Code

Can the Committee have a copy of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	Yes – this will be circulated to all members of Committee
How was it decided that no elements on the balance sheet pose a significant risk to our financial sustainability?	The Council has a high level of un-ringfenced reserves in the General Fund (10% of the Council's net budget) and the Surplus Savings Reserve (over £8 million at the end of 2021/22).