



East Cambridgeshire
District Council

AGENDA ITEM 4

Minutes of a meeting of the Audit Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on Monday, 30th January 2023, at 4.30pm.

PRESENT

Councillor Daniel Schumann (Vice-Chairman in the Chair)
Cllr Charlotte Cane
Councillor Lavinia Edwards (Substitute for Cllr Lis Every)
Councillor Alec Jones (Substitute for Cllr Mark Inskip)
Cllr Alan Sharp

OFFICERS

John Hill – Chief Executive (until end of Minute 35)
Ian Smith – Director Finance
Maggie Camp – Director Legal
Tracy Couper – Democratic Services Manager
Hannah Walker - Democratic Services Officer (until end of Minute 35)
Adeel Younis – Legal Assistant (until end of Minute 35)

IN ATTENDANCE

Rachel Ashley-Caunt – Chief Internal Auditor

29. PUBLIC QUESTION TIME

No public questions were received.

30. APOLOGIES AND SUBSTITUTIONS

The Democratic Services Manager reported the removal of Councillor Matthew Downey as a substitute for the Committee.

Apologies for absence were submitted on behalf of Councillors Lis Every and Mark Inskip and Councillors Lavinia Edwards and Alec Jones were acting as substitutes.

31. DECLARATIONS OF INTEREST

No declarations of interests were made.

32. MINUTES

It was resolved:

That the Minutes of the meeting of the Committee held on 17 October 2022 be confirmed as a correct record and signed by the Chairman.

33. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reported that External Audit had commenced the audit of the Council's Accounts for 2021/22 during the week commencing 16 January 2023 and still planned to present the results of their audit to the meeting of the Committee scheduled for 20th March 2023.

34. **ANNUAL GOVERNANCE STATEMENT (AGS) - FINAL DRAFT**

Further to Minute 22 of the meeting held on 17 October, the Committee received a report (reference X137, previously circulated) containing the final draft of the Annual Governance Statement (AGS) for 2021/22. The Chief Executive reported that he had not received any further Member comments subsequent to the October meeting of the Committee, but had incorporated the comments made at that meeting in the final draft.

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 AGS follows:

Page 1, paragraph 2.3: A Member queried how it could be evidenced that the governance framework had been in place in both 2021/22 and 2022/23, since internal audits had highlighted a number of key aspects of systems controls not being in place, or not operating effectively/consistently. The Chief Executive reaffirmed his belief, stated in the AGS, that there was a robust governance framework in existence within the Council, although he acknowledged Members' right to challenge the adequacy of the operation of this. In that connection, another Member commented that the existence of a robust framework did not require that all controls operated effectively all of the time.

Page 19: A Member commented that the Council should not be stating that it was undertaking all of these actions relating to managing data and risk, if it was not taking place. The Member also commented that the Council should not state that it was following good practice guidance for Audit Committees, if this was not the case. In response, the Chief Executive stated that it was a matter for Councils to decide on how far to follow such guidance based upon their individual circumstances.

Page 17, 2nd bullet point: A Member commented that it was inaccurate for the AGS to state that the Audit Committee 'reviewed' the Corporate Risk Register and the reference that the Committee 'received' reports on corporate risks on page 23 section 3, 2nd bullet point, was more accurate. A similar reference to 'review' was contained on page 24 under the sub-heading 'Risk Management'. The Chief Executive commented that the Audit Committee did regularly oversee the Corporate Risk Register and robust discussion took place at meetings, which indicated to him effective 'review'. However, the wording could be amended to 'receive', if the Committee preferred. The Committee agreed that the references should be amended to 'receive'.

Page 25 2nd paragraph: A Member stated that this was not an accurate reflection of the current position regarding ICT Outages and needed amending. It was reported that the Director Finance would be making a statement with regard to the ICT position under a future item on this Agenda.

A Member commented that greater transparency was required in the AGS on items that had not worked so well within the Council. The Member reiterated their previous disappointment at the fact that the Audit Committee could not require senior officer attendance at meetings of the Committee to explain particular processes and procedures and, in particular, that of risk. They believed that the Council was demonstrating complacency and that 'satisfactory' ratings still meant that there were weaknesses representing a risk to the Council's governance and control environment.

It was resolved:

That the final draft of the AGS for 2021/22 be approved for final sign-off by the Leader of the Council and the Chief Executive, subject to the minor amendments agreed in the meeting and responses to Member Questions.

35. **FINANCIAL MANAGEMENT CODE – PERFORMANCE AND FINANCIAL REPORTING**

Further to Minute 27 of the meeting held on 17 October, the Committee considered a report (reference X138, previously circulated) regarding the adequacy of the current arrangements for the separate reporting of performance and financial information. The Chief Executive referred to the reasons for the separate reporting arrangements detailed in paragraph 4.1 of the report. However, he highlighted the recommendation that he should be instructed to identify further opportunities for the inclusion of appropriate financial performance indicators in emerging 2023/24 Service Delivery Plans, given the fact that these were due to be submitted to the relevant Policy Committees in March 2023.

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.

A Member expressed her serious dissatisfaction at the justifications given for the separate reporting of performance and financial information and asked for further evidence as to why it was considered that the Council should not change to joint reporting arrangements. The Director Finance explained that Financial monitoring reports related to spending over the quarter, whilst performance reports contained more detailed information on the performance of individual service areas. He did not believe that there would be any added value gained from joint reporting. The Chief Executive concurred with this view, stating that the separate reporting arrangements were intended to improve the system of monitoring and control by making a distinction between financial and performance issues.

The Member welcomed the proposed recommendation as a step forward but still believed that joint reporting arrangements would assist in the monitoring and improvement of services.

It was resolved:

That the report be noted and the Chief Executive be instructed to identify further opportunities for the inclusion of appropriate financial performance indicators in emerging 2023/24 Service Delivery Plans.

36. **ANTI-FRAUD & CORRUPTION STRATEGY**

Further to Minute 23 of the meeting held on 17 October, the Committee considered a report (reference X139, previously circulated) containing a revised draft version of the Council's Anti-Fraud & Corruption Strategy. The Chairman thanked the Director Finance for addressing the points raised at the previous meeting in the revised draft.

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

Members raised additional questions and comments on the Strategy as follows:

A Member expressed concern at the response to one of the questions which stated that the Council would not get involved in a fraud relating to a supplier. The Director Finance clarified this response and agreed that further clarification would be given to Members after the meeting. He emphasised his belief that robust mechanisms were in place for detecting and monitoring fraud.

A Member referred to the inadequacy of the phrase 'as soon as possible' in relation to the reporting of fraud on page 15 of the Strategy. The Director Finance agreed to amend this to 'at the earliest opportunity' to ensure consistency with references elsewhere in the Strategy.

A Member reiterated her view, expressed at the previous meeting, that the definition of Fraud in the Strategy was too narrow and advocated the adoption of the CIPFA definition which was wider. The Chairman disagreed that the definition of Fraud in the Strategy was too narrow, as it was the legal definition, and further elaboration/clarification was given in the Strategy. The Director Finance and Internal Auditor again confirmed that the Policy was consistent with that of other Councils.

It was resolved TO RECOMMEND TO COUNCIL:

That the updated Anti-Fraud & Corruption Strategy, attached at Appendix 1 to the submitted report, be approved and adopted.

37. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference X140, 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 the Team were ahead of schedule with regard to completion of the Audits within the Plan and had only one audit still to commence. Since the last meeting, 6 further audits had been completed and she gave a summary of the findings from each of these audits. A further rolling risk assurance review had been completed - A4: Homelessness - and Ms Ashley-Caunt also summarised the findings from this. It was reported that 8 actions were overdue for implementation, with 6 high or medium priority actions being outstanding by more than 3 months. Finally, it was reported that Internal Audit were preparing the Audit Plan for 2023/24 for submission to the March meeting, and would welcome Member comments/suggestions on any areas to be included in the Plan.

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 raised a number of issues with regard to the outcome of the IT Asset Management audit and apparent inconsistencies with the Council's policy on the provision of equipment for remote working referred to in the AGS. The Director Finance referred the Member to the answer given by the HR Manager to the question on the Council's Remote Working Policy under the AGS item and agreed to clarify the position further with the HR Manager and report back to Members of the Committee.

With regard to the outstanding Audit actions relating to ICT and questions on this raised by Members, the Director Finance made the following statement:

'Clearly the Audit Report doesn't make particularly good reading with regard to outstanding issues surrounding the IT department, but as the Director responsible for IT, I would like to put this into some context for you.

While I acknowledge that the six high or medium priority issues that are highlighted in the report as overdue for more than three months, all relate to IT, it should also be noted that of the fourteen actions that have been implemented since the last up-date report, six of these related to IT – two high and four medium. Clearly this demonstrates that progress is being made, but perhaps not at the pace that everyone would want.

However, this has to be seen in the context that the small team, nine members, currently has two members of staff on long term sick (22% of the team) resulting in the loss of 718 hours of time in the past three months alone.

Because of this, the remaining Team members have been concentrating on delivery with writing up what they need to do a lower priority. You will note that the majority of the outstanding audit recommendations relate to writing up strategies and plans, i.e. writing up the procedures that are already in operation. I hope you will understand, that when staff levels are unexpectedly reduced, it is far more important to get on with the doing, rather than documenting this, although I acknowledge that this does need to be done as soon as possible.

I have discussed this with the Committee Vice-Chair, and have agreed that in order to provide responses to the detailed written questions received this morning from Councillor Cane, a fuller report focusing on the Internal Audit actions will be prepared and presented to Committee at its March meeting.'

With regard to the Director Finance's statement, a Member commented that their enquiries were not a reflection on the staff within the ICT Team, who they had always found helpful and positive, but about the adequacy of resources allocated to this area. The Audit reports demonstrated significant issues and backlogs. Therefore, the Chair of Operational Services, Head of Paid Service and Leader of Council should be requested to attend this Committee to report on a resourcing plan to alleviate the work pressures on the Team and address the outstanding issues in a realistic time period.

The Chairman reminded Members of the remit of this Committee to receive reports and make recommendations to relevant officers/committees, as appropriate.

The Member expressed their deep concern at the apparent complacency shown, since the long outstanding nature of the actions and lack of a timeline for resolution demonstrated a serious problem that needed addressing urgently. Therefore, Members of this Committee needed to be informed of how this was going to be achieved before the next meeting.

The Chairman reminded Members that a commitment already had been given by the Director Finance to provide a fuller report to the March meeting of this Committee and that further pressure should not be put on officers by requests to do this sooner.

The Member responded by stating that they did not want to burden officers with the requirement to produce detailed reports, but wanted a schedule of 'milestones' for implementation of the outstanding issues.

It was resolved:

That the progress made by Internal Audit in the delivery of the Audit Plan and the key findings, as set out in Appendix 1 of the submitted report, be noted.

38. **CORPORATE RISK MANAGEMENT UPDATE REPORT**

The Committee considered a report (reference X141, 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.

Members raised further comments and questions on the Corporate Risk Register as follows:

Risk C2: loss of data or access to ICT systems – a Member commented that there was inconsistency in the answer to the question with regard to the security of previously used hard-drives awaiting destruction and the findings in the earlier Internal Audit report. She also queried why this had been given a medium rather than high risk rating. It was reported that this was a matter for the Risk Management Group (RMG).

A Member welcomed the separation of the risks relating to the two trading companies. The Member then queried how appropriate risk behaviours were encouraged and inappropriate risk behaviours discouraged within the Council and how the Council captured and learned lessons from past events/activities. The Director Finance explained the dissemination process from the Risk Management Group to service areas and the review undertaken by the RMG of past risk events. The Council also benefitted from the fact that the Internal Audit Team worked with other Councils, so could feed-in any learning points from these.

Councillor Cane reiterated her previously expressed concerns at the refusal of requests by this Committee for the attendance of particular officers at meetings. The Chairman reminded Members that there was a process in place for inviting Officers to attend this Committee and for getting answers to questions/issues raised by this Committee. In response to a request for details of officers who had attended this Committee since its inception, the Chairman stated that this could be obtained from the Minutes of meetings.

Councillor Cane expressed a lack of confidence in the Risk Management arrangements of the Council and the ability of this Committee to effectively oversee the Corporate Risk Register and Risk Management Policy and requested that the following statement from the Government 'Orange Book' on Risk Management be recorded in the Minutes:

'Confidence diminishes when there is uncertainty around the integrity of information or of the underlying processes.'

It was resolved:

That the update report and Corporate Risk Register, as set out in Appendix 2 of the submitted report, be noted.

39. **FORWARD AGENDA PLAN**

The Committee received the Forward Agenda Plan for the Committee.

In response to a query regarding the External Audit Value for Money Assessment, the Democratic Services Manager stated that External Audit had advised that this would be incorporated into the Audit Results report to be submitted to the March meeting of the Committee.

A Member queried why a further report had not been submitted to this meeting on the Council's Risk Appetite. The Director Finance stated that a further report had been dependent upon scenarios being submitted by Members of the Committee for scoring, but none had been received in advance of the Agenda deadline.

It was resolved:

That the revised Forward Agenda Plan be noted.

The meeting closed at 6:34pm.

Chairman:.....

Date:

AUDIT COMMITTEE
30th JANUARY 2023
QUESTIONS FROM MEMBERS OF COMMITTEE

Questions received from Councillor Cane

Item 6 – Annual Governance Statement

<p>Why is this so late (the AGS for 2020/21 was approved in Nov 21)? Shouldn't it have been published by July 2022?</p>	<p>The AGS has to be signed by the Leader and Chief Executive at the same time as the Statement of Accounts. The Chair of Committee made a statement on this at the meeting on the 25th July 2022, saying the two documents would be progressed broadly in parallel</p>
<p>2.2 refers to a 'system of internal control... to manage risk to a reasonable level'. Throughout this year Internal Audit have found examples of lack of documentation that controls are operating, from lack of records of training, through non replacement of vacant Safeguarding Officers to the lack of systematic records of enforcement meaning that Internal Audit was unable to even select a sample to audit. Yet 2.3 says this has been in place throughout the year. What evidence is there that it was in place in 2021/22 whilst not in place by 2022/23?</p>	<p>The purpose of the AGS is defined in paragraph 1.4 and Internal Audit play a key role in identifying risks and the appropriate actions needed to be taken against the agreed framework. The statement referred to in paragraph 2.3 is a matter of fact and the AGS itself is subject to member scrutiny and sign off by the Leader of Council and Chief Executive</p>
<p>Page 9 – are there service contracts with the Trading Cos, I understood they were Memorandum of Agreements? What compensatory measures has the Council taken during 2022/23 in the light of the significant failure to meet agreed service levels?</p>	<p>For ECTC there are Operation Management Agreements.</p> <p>For ECSSS there is a Memorandum of Agreement. No compensation has been sought from ECSS. The focus has been on resolving the service issues.</p>
<p>Page 9 Development – is written in a way that suggests this was an administrative matter. It was delayed because ECTC had not got sufficient funds to maintain their business and were therefore forced to make an urgent request for a further loan facility from East Cambs. Why doesn't the wording make this clear?</p>	<p>The report to Full Council on the 21st April 2022 detailed that the Company needed additional working capital to progress three further projects, these would not have been able to progress without this additional funding</p>

<p>Page 11 3rd bullet – how did these BCPs perform under the real-life issues with waste collection?</p>	<p>No significant performance issues were encountered in 2021/22 that required a full escalation of the BCP</p>
<p>Page 15 2nd element 3rd bullet – is our Remote Working Policy compliant with maintaining the health and wellbeing of our staff? Internal Audit has noted that staff working from home are only supplied with a laptop – any other equipment has to be purchased by the staff themselves. My understanding is that laptops are not suitable for prolonged work unless they have either a separate screen or a separate keyboard/mouse and preferably both. Furthermore, the desk and chairs need to conform to safe standards. Do we carry out an HSE DSE assessment for all places where staff work? Do we ensure that where the DSE workstation assessment indicates we need to provide equipment, our staff are not charged for this?</p>	<p>All staff working remotely must complete the Home Working Risk Assessment form before commencing working from home to ensure that workstations have been properly assessed to identify any hazards. Managers are responsible for reviewing their assessments with them before approval is given. According to the policy (page 4) the Council may refuse a request for home working if the member of staff does not have suitable equipment/facilities.</p> <p>Our DSE Code of practice guidelines (page 6) advise that where portable display screen equipment (such as laptops/notebooks) is in prolonged use it will be subject to the same requirements of assessments as for fixed workstations.</p> <p>Where staff have requested assistance with equipment at home (i.e. chairs, internet cables, adaptors) ICT or Facilities have assisted free of charge.</p>
<p>Page 19 the Audit Committee does not follow the Practical Guidance for Local Authorities and Police (CIPFA, 2018) :</p> <ul style="list-style-type: none"> a. We do not have an independent member b. We are not offered access to the Risk Management Group – we were even denied notes of the meetings, being told no notes were kept c. We do not have the right to call any other officers as required <p>There may well be other departures, but these are the main ones. I reluctantly acknowledge that this is the decision this authority has made, but why do we claim to be in line with the Guidance when we are not?</p>	<p>The Council has put in place the Audit Committee and its term of reference are defined in the Council’s Constitution. The interpretation of the guidance is a matter for Council as a whole.</p> <p>The date of the CIPFA Guidance is shown as 2013 in the report, but as detailed in the question, this should in fact be 2018. This will be up-dated in the final version of the AGS</p>

Which section of the Public Sector Internal Auditing Standards defines the role of the Audit Committee?	The Standards refer to the 'Board', the role of which at the Council is fulfilled by the Audit Committee – as stated in section 1.4 of the Internal Audit Charter. As an example, Standard 1111 states that 'The chief audit executive must communicate and interact directly with the board'.
P25 Section 7 Should we clarify that EY does not plan to report on the 2021/22 Accounts before March 2023?	Yes, it is proposed to include the following as a separate bullet in this section, specifically: The Council's external auditors do not plan to report on the 2021/22 Statement of Accounts before March 2023
P26 2 nd bullet wasn't the Covid 19 member working party disbanded in November 2020?	The Covid 19 Working Party was disbanded on 25 November 2020, with all operational and briefing responsibilities being transferred to the Director Operations and any residual reporting requirements to Finance and Assets Committee. The sentence about this in the AGS will therefore be deleted

Item 7 – Financial Management Code

4.1 Why is it not possible to maintain quarterly financial reporting with those reports on each 2 nd quarter (i.e. half year and year end) being combined with the performance reports?	The reasons for the retention of the current constitutional and operational arrangements for the separate reporting of performance and financial information are outlined in paragraph 4.1
4.2 and 4.3 why don't the CE and FM consider that integrated performance and financial reporting would improve services and retain the robustness of the financial position?	As above. The recommendation in paragraph 2.1 provides an alternative proposition for member consideration

Item 8 – Anti-Fraud & Corruption Policy

Where is the 'generic definition of fraud' in the Fraud Act 2006?	Section 1 states that the offence is defined under three subsections: (a) section 2 (fraud by false representation), (b) section 3 (fraud by failing to disclose information), and (c) section 4 (fraud by abuse of position). The link provided in the Document Fraud Act 2006 (legislation.gov.uk) takes you to the definition as described in the Act
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5.4 refers to all frauds involving sums over £10k but lower value frauds are only reported at the year end if the Council suffers losses – why not report all frauds whether or not the Council suffers losses, e.g. a fraud where a supplier suffers a loss?	The £10,000 value relates to the reporting of frauds to External Audit. Paragraph 3.3 details that all frauds should be reported internally. The Council see's no reason why it would report get involved in fraud relating to a supplier
What is the difference between 'as soon as possible' and 'at the earliest opportunity'?	Committee asked that "as soon as possible" be changed, so this has happened.

Item 9 – Internal Audit Progress Report

Why were we assured at our meeting in July that 'outstanding [ICT] matters [would] be resolved in a timely manner'. When staff were already aware that a further four agreed actions – 2 of them high priority had also not been completed to timetable (but were not then beyond the 3 months)?	The discussion at the July meeting related to the Internal Audit Progress Report presented at that time
Why when we discussed the 2 reported ICT matters still not completed in October were we not told about the other 4 overdue actions?	The discussion at the October meeting related to the Internal Audit Progress Report presented at that time
Why were the agreed ICT actions not completed by the end of June or the end of July not reported by Internal Audit to the Audit Committee in October?	Due to the lead in time for preparing committee papers, the actions reported at the October 2022 meeting were based on the status as at 28 th September 2022. At this point of collating the data, the actions dated 30 th June and 31 st July had not exceeded more than three months beyond their due dates – so were included in Table 2 statistics as overdue but not reported in full in Table 3, as they were not yet over three months overdue

<p>When will the Incident Management Planning action, overdue since March 2022, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>When will the ICT Strategy, overdue since July 2022, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>When will the Infrastructure renewal plan, overdue since July 2022, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>When will the Public folder action, overdue since June 2002, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>When will the Lessons learnt reviews action, overdue since July 2022, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>When will the Microsoft support package action, overdue since March 2022, be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	
<p>Can the ICT Manager confirm that the department has adequate resources in</p>	

<p>place to complete these actions, and those arising for the recent IT Asset Internal Audit as well as renewing contract as required, maintaining API keys and other day-to-day work. If there are sufficient resources, why has so much fallen behind? If there are not sufficient resources what is being done to correct that?</p>	
<p>What stage is the tender for hard drive destruction and when will it be complete? Who is leading the tender, what resources have they been given to successfully complete the tender and which senior manager is taking responsibility for this?</p>	
<p>Does the tender include destruction of SSDs?</p>	
<p>Why wasn't the tender process undertaken before the contract expired? What controls are in place to ensure all contracts are re-tendered in good time for the new contract to be in place once the old contract expires?</p>	
<p>Why does this tender not appear on our Tender/Contract Opportunities site?</p>	
<p>How do we manage the safe disposal of other equipment which stores data, e.g. phones and tablets?</p>	
<p>How is data protected in the event of a laptop/phone/tablet/USB drives etc being lost or stolen?</p>	
<p>Is the software asset register now complete? If not why has this been delayed when it was due to complete in December 2022, when will it be completed, by whom will it be completed, what resources have they been given to complete the action, and which senior manager is taking responsibility for its completion?</p>	

How many residents have used the community bus advice service in the last 12 months?	48 residents have been assisted around the district by the community bus, however in community advice drop in's 1,131 residents have been seen and 976 in housing drop in's
How many residents are sleeping rough?	Two
Can the hostels take couples and pets, or just single people without pets?	The hostels take singles, couples or families that have a priority need for housing, if the pets are registered with the doctor as an assistance pet the hostels will take them, the team can assist residents to register their pets as assistance pets if need
How does the housing team follow up on residents' welfare once they have been referred to another agency?	We can work with clients for up to six months and more in some cases, even if we have referred to another agency we will work together with the agency either with housing or community advice until the client no longer needs our support

Item 10 – Corporate Risk Management Monitoring Report

Does ECTC expect to meet its budget for 2022/23?	<p>ECTC Business Plan 2022/23 had assumed that all properties would be sold at both Haddenham and MOD Phase 1. Due to a slowdown in the market in Quarter 3 it is now anticipated that some sales will complete in early 2023/24. ECTC review sales progress on a weekly basis.</p> <p>This does not impact ECTC's ability to repay its loans.</p> <p>ECTC receives a progress report and risk management plan at every board meeting. The next board meeting is scheduled for 9th February 2023.</p> <p>Markets is currently projecting a profit above business plan assumptions in 2022/23.</p> <p>Grounds Maintenance is projecting a loss in 2022/23 mostly relating to the NJC pay increase. This will not have an adverse impact on ECTC's ability to repay its loans.</p> <p>Updates were reported to the Finance & Assets Committee on 24 November 2022 (Agenda Item 12) in the Half Year Update report.</p>
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<p>Does ECTC expect to repay its loans to CPCA by the due date without further draw down from its loan facility from ECDC?</p>	<p>The £6.5m Haddeham loan from CPCA has now been fully repaid, two months ahead of schedule.</p> <p>ECTC is confident that it will repay the MOD loan from CPCA by the due date.</p> <p>ECTC will use its own financial resources, as well as the drawdown from the ECDC loan facility as necessary, to repay the MOD loan from the CPCA. The possibility of this was considered as an option at the time that Council approved the £7.5m loan in April 2022.</p>
<p>Is ECTC confident that it will not need further loans from ECDC before finalising its 2022/23 accounts?</p>	<p>Yes - the business of ECTC can be carried out within the £7.5m loan facility approved by Council in April 2022.</p>
<p>When will the 2023/24 budget be presented by ECTC to the Shareholders Seminar?</p>	<p>It is anticipated that the Member Seminar will be in June 2023.</p> <p>The Business Plan for 2023/24 will be considered by the Finance & Assets Committee on 30 March 2023.</p>
<p>As ECTC only reports its Management Accounts to Finance and Assets 3 months after the quarter end how does that act as a control? Their financial year will be over by the time Finance & Assets review the Management Accounts to December. How can timely action be taken?</p>	<p>The Management Accounts are a noting item for Finance & Assets Committee. The control is that it is an indicator of financial performance in that quarter.</p> <p>The ECTC Finance Manager and ECDC Finance Director have regular meetings to discuss the financial performance of ECTC.</p>
<p>Why is ECTC not planning to present its accounts to Finance & Assets until September 2022?</p>	<p>The Accounts will be considered by ECTC Board on 6 September 2023. Finance & Assets receive the accounts for noting. This timetable reflects the time for preparation and external audit of the accounts.</p> <p>The ECTC Finance Manager and ECDC Finance Director liaise on the timetable for the production of ECTC draft accounts to assist with the ECDC external audit.</p> <p>The ECTC external audit field work will be carried out in mid-May which will report any variances from the draft in time for ECDC's deadline for draft statement of accounts.</p> <p>It is not expected that the external audit of the ECDC accounts will happen until after September 2023, so the approved ECTC /</p>

	ECSS accounts will be available in advance of this.
When do our Group Accounts have to be published?	The timetable for the Council's Statement of Accounts for 2022/23 is that a draft version should be published by the end of May 2023
What security does the debenture agreement give the Council when the CPCA has the first charge on most of ECTC's assets?	<p>ECTC has assets that are not secured by the CPCA.</p> <p>Haddenham - 4 houses sold awaiting completion and 1 for sale. Now that CPCA loan has been repaid the security reverts to ECDC - value approximately £2.7m.</p> <p>Kennett- value of invoices to be paid is £1.8m.</p> <p>Kennett - value in promoter agreement for the commercial and care home land.</p> <p>Cash in bank, work in progress and any assets not covered in the CPCA security for MOD land.</p> <p>Note - once the MOD loan has been repaid to the CPCA all assets will fall under the ECDC debenture.</p>
Why is it considered 'Possible' that we will fail to deliver the housing strategy, reduced to 'Unlikely' after controls, when just 24% of the housing completions in 2021/22 were affordable compared to our Policy of at least 30 or 40% depending on location?	The rating relates to the believed impact of the Council's actions (as listed) to enable the delivery of future Affordable Housing in East Cambridgeshire
Why is the likelihood of ECSS failing to deliver expected levels of performance rated as 'Possible' rather than 'very likely' when it is known to be missing its service delivery targets?	The residual likelihood score reflects the implementation of the Improvement Plan in 2022/23 and will be monitored by the Director, Operations
Why is "Government Connect and Public Sector Network compliance listed as a control for C2 when the PSN Compliance itself states "PSN compliance is not a way to deliver security across your business. Directing your resources towards simply meeting our requirements is no substitute for engaging in on-going risk assessment,	Government Connect and Public Sector Network Compliance requires penetration testing to ensure levels of vulnerabilities and security are met. This aids the security of the ICT Network but is just one of the methods used to help protect the network.

<p>management and mitigation across your business.”?</p>	
<p>For C2 a cause of failure is identified as ‘lack resource to implement change’. The outstanding actions from Internal Audit – some of which should have been completed by March last year and the backlogs identified in the IT Asset management Internal Audit are clear evidence that there is ‘lack of resource to implement change’. We have had IT outages, emails hacked and issues with API certificates over the new year. The Internal Auditor has flagged a risk to data security from the backlog of unwiped hard drives – which is not expected to be resolved until March 2024. In the light of all this why does the IT Manager believe that it is only possible that there will be a loss of data, access to ICT , breach of information security rather than likely or very likely and why does the RMG agree with that assessment?</p>	<p>No ECDC email accounts have been hacked. The IT Team are unsure of what the API Certificate issues being referred to are; but can confirm a Software and Certificates Expiry Register with auto reminders set to ensure software and certificates are renewed before expiry.</p> <p>The hard-drives are securely locked away with only the IT Team having access to the locked area.</p>
<p>For C2 we have not resolved the Microsoft Support provision and we have a shortage of available staff to implement agreed actions. In the light of this, why does the IT Manager think the impact would be medium rather than High or Very High and why does RMG agree with that assessment?</p>	<p>The Risk score is based on all issues and not the Microsoft score alone.</p> <p>The Microsoft support provision is to provide support during incidents and not proactive in design and configuration. If required separate support for setup and configuration would be sort on a case by case basis</p>