

Update from Councillor Mark Pope, Chairman of Audit and Governance Committee

At the meeting of the Audit & Governance Committee (the 'Committee') held on Tuesday, 5 April 2022 the following business was transacted:

The meeting began with members of the Committee receiving risk management training from the Head of Strategic Finance and Property.

The Committee then considered the Everyone Active Report for 2021, representatives from the organisation were in attendance at the meeting. The Committee noted that following the restrictions and closures of leisure centres due to the Covid-19 pandemic, this was the first leisure annual report of the new 15-year contract with Everyone Active which had commenced in 2020. Areas such as Health & Safety; Operational Procedures; Green Travel & Environmental Plans; Utility Consumption; Customer Feedback; Demographics; Community & Social Value; Participation Levels; and Marketing & Promotions were considered.

The new Grange Paddocks Leisure Centre was discussed and it was agreed that it was an excellent facility for the District. It was noted that the use of the new pool here represented a significant proportion of the overall increase in aquatic use across the Council's facilities during the year, indeed in Q4 customers here accounted for 70% of the total contract swimming attendance.

Overall customer satisfaction levels across the Council's facilities had remained above 80% which was broadly the same as the previous year.

The Committee noted that there had been no major incidents during 2021 (April to December). There had been 53 accidents reported which represented a fall of 16 accidents compared to the previous year. An internal review had highlighted the need for some additional training covering what constituted a reportable accident compared to a minor first aid treatment.

Rising energy costs were discussed, it was noted that this represented the single biggest risk to Everyone Active's business, and that they were keeping this matter under close review. It was further noted that overall gas consumption had increased across the Council's facilities, compared to the previous year, while electricity and water consumption had been lower. The Committee noted that these results had been affected by Covid related restrictions in the period.

The external Auditor's provisional Audit Results Report was received. It was noted that while there was still some work to be done, they anticipated being able to issue an unqualified audit opinion on the Council's financial statements. It was agreed to appoint a subcommittee of any three members of the Committee to receive the Auditor's final report and also to consider and, if thought fit, approve the Council's Audited Accounts for the year ended 31 March 2021. It was currently estimated that this should be sometime in early May.

The Annual Governance Statement, which had been reviewed and commented on by the Committee in July 2021, was approved.

The 2021/22 Q3 Strategic Risk Register was reviewed. The Committee recommend that the risks monitored at present should be retained and that the Council's Risk Management Strategy should remain unchanged for 2022/23. The Committee noted that the Shared Internal Audit team were finalising their report on the cyber security

audit. The Committee also requested that consideration be given as to how emerging risks were shown within the Strategic Risk Register.

The Internal Audit Plan 2022/23 received and approved.

The Anti-Fraud Plan 2022/23 was approved and the activities undertaken to protect the Council against fraud and corruption in 2021/22 were noted.

The Committee reviewed the Q3 revenue & capital budget forecasts. It was noted that the net revenue budget for 2021/22 was £11.056m and was forecast to be overspent by £95k at the year-end (it was noted that this forecasted figure had been £132k at the end of Q2). The principal overspends in Operations (£157k); and Strategic Finance & Property (£79k), and the underspends in Revenue & Benefits (£189k); and Shared Business & Technology (101k) were noted. Over achievements in the housing benefit subsidy (£59k) and in interest & investment income (£50k) were also noted. The Council's reserves position was discussed, and it was noted that it was forecast that £585k would need to be transferred from reserves in 2021/22 which was £184k less than budgeted for. This was due to a combination of the securing of additional external funding and also the Council's own cost reduction programme.

The Committee also noted that the revised capital budget for 2021/22 was £56.656m, with a forecast underspend of £27.669m, of which £27.603m would be carried forward to 2022/23. It was noted that the revised budget had been reduced by £404k, due to both Buntingford depot projects moving to the 'approved but not yet committed' table.

The Committee's work programme was noted.