

Essex County Council

Internal Audit and Counter Fraud

Annual Report

2022/23



Essex County Council

Including the Annual Opinion of the Chief Audit Executive

June 2023

Distribution:

- Audit Governance and Standards Committee
- Leader of the Council
- Cabinet Member for Finance Resources and Corporate Affairs
- Chief Executive
- Executive Director for Corporate Services and S151 Officer
- Director, Legal and Assurance and Monitoring Officer
- Corporate Leadership Team

Introduction

Purpose of Annual Report

The Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective internal audit service in accordance with proper practices. The UK Public Sector Internal Audit Standards (PSIAS) requires that the Chief Audit Executive must deliver an Annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement. The Annual Internal Audit Opinion must conclude on the overall adequacy and effectiveness of the organisation's control environment (framework of governance, risk management and internal control).

The Audit, Governance and Standards (AGS) Committee, as those charged with governance, are collectively responsible for monitoring that adequate controls are in place across the Council and so, whilst the work of Internal Audit and Counter Fraud is a key element of the assurance framework required to inform the Annual Governance Statement, there are also a number of other sources within the Council from which the Section 151 Officer and Members should gain assurance, for example Service Assurance Statements and audits/inspections by external bodies.

Annual Opinion

In March 2022 the (AGS) Committee reviewed and approved the 2022/23 risk-based Internal Audit and Counter Fraud Plan. Progress reports on delivery and outcomes have been provided to the AGS Committee quarterly throughout the 2022/23 financial year.

This annual report provides an oversight and summary of the Internal Audit and Counter Fraud activity undertaken in the financial year 1 April 2022 to 31 March 2023. My audit opinion is based on, and restricted to, the work the team and I have performed during the year. The opinion does not imply that Internal Audit and Counter Fraud have reviewed and commented on all risks and assurances related to the Council. I am satisfied that I have sufficient evidence to reach an unqualified opinion.

**Annual Opinion
2022/23**



Satisfactory



Although there are some weaknesses which may put the individual system, process or service objectives at risk of achievement, there is an overall satisfactory system of internal control, appropriately designed to meet the Council's objectives; and controls are generally being applied consistently.

The assurance opinion of “Satisfactory” is the same as the prior three years’ opinions, demonstrating that the control environment has remained stable, which is commendable given the backdrop of the Council facing uncertain times in relation to the economic outlook and the aftereffects of the Covid pandemic and EU exit.

The Plan outlined the full programme of planned audit activity. A reconciliation against this is included in Appendix 1. It is my view that sufficient coverage has occurred to enable me to give an overall opinion that is unrestricted.

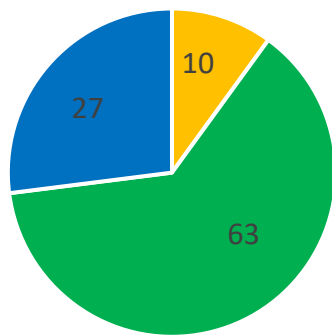
There has been a consistent number of Limited Assurance opinions given to individual Internal Audit reviews (three in 2022/23 compared to three in 2021/22) which indicates a stable direction of travel in the Council’s control environment.

Assurance Opinions

The pie charts below show the range of individual assurance opinions given over the past two financial years (expressed as a percentage) on which we have based our overall annual opinion:

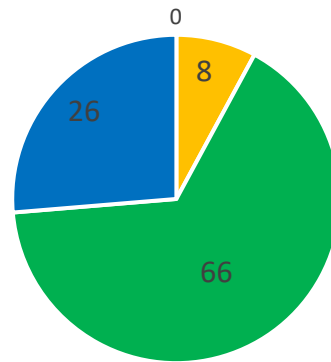
A summary of our audit opinions on finalised and draft reports is detailed below and an explanation of the basis of our opinions, assurance and risk ratings for these reviews is included in Appendix 2. In addition, a full breakdown and reconciliation of the 2022/23 Internal Audit Plan can be found in Appendix 1.

Assurance Opinions %
2022/23



■ No ■ Limited ■ Satisfactory ■ Good

Assurance Opinions %
2021/22



■ No ■ Limited ■ Satisfactory ■ Good

Overview of Internal Audit Opinions from 1 April 2022

The Table below shows each individual Internal Audit review carried out during the year that resulted in an overall opinion and a report. There were no “No Assurance” opinions given in the 2022/23 financial year.

Limited	Section 106 Agreements
	Essex County Wide Travellers Unit – follow up
	Country Parks (Stock Control) – follow up
Satisfactory	Youth Offending IT Systems and Key Performance Data
	Software Licenses
	Education Information Management System
	Social Value
	ASC Management Information and KPIs
	Apprenticeships
	Adult Community Learning
	Accounts Receivable
	Banking and Cash
	South East Local Enterprise Partnership (SELEP)
	Business Continuity
	School Establishment Reviews
	IT Asset Management – Follow Up (Reasonable Progress)
	Income System – Follow Up (Reasonable Progress)
	Corporate Property Strategy *
	General Ledger *
	Information Governance **
	Housing Investment Fund **
	Essex Social Care Academy (ESCA) **
Good	Treasury Management
	Change Management
	Accounts Payable
	Essex Pension Fund - Administration
	Essex Pension Fund - Funding and Investments
	Access Support Unit (ASU)
	Better Care Fund
	Expenses

* Those reports marked with a single asterisk are currently in draft (i.e. not finalised) but the overall opinion is not expected to change.

** Those reports marked with a double asterisk were finalised and issued in the period since April 2022, but relate to work that was set as part of the 2021/22 plan, so were not considered when forming the overall audit opinion for 2021/22.

Advisory and Consultancy Work

The Public Sector Internal Audit Standards has a number of core principles, two of which require that Internal Audit Teams should be “insightful, proactive, and future-focused” and “promote organisational improvement.” Therefore, alongside our assurance activity, Internal Audit has provided value added support to a number of processes and projects during the year, thus acting as a catalyst for improving the organisation's governance, risk management and internal control design. Although these pieces of work do not attract individually reported assurance opinions, the observations and findings from them are considered when reaching our overall assurance opinion for the year.

By providing insight and real time guidance, for example on new business processes during their design, transition and implementation, Internal Audit can help to ensure that the controls in place are proportionate to financial cost and risk. Internal Audit will flex the approaches taken in order to best meet the needs of the Council. Further detail explaining the audit approaches we take is outlined in the [2023/24 Internal Audit Plan](#).

Activity	Brief Summary	Next Steps
Schools Thematic Review – Payroll.	Eight common themes/issues were identified and shared with all schools to help to embed good practices more widely.	Thematic reviews to continue in 2023/24.
Payroll	ECC had engaged expert external support to assist in issue resolution – Internal Audit provided a risk position statement to support this work.	N/A
Carers	Advisory work focused on the new Carers Strategy.	Process-based audit in future year.
Financial Assessments	Data Analytics to help identify the pathways for Financial Assessments being triggered	On-going activity to support the Service Area.
Sourcing and Contract Management	Critical friend approach to support good practice in the future.	Audit in 23/24 plan.
Passenger Transport	Advice and guidance as necessary.	N/A

Activity	Brief Summary	Next Steps
Occupational Health	Advice and guidance related to new contract.	N/A
New Temporary Workers Procurement Framework	Risk and Control 'Health check'	N/A
Liberty Protection Safeguards (Adults and Children)	High level advice around potential risks and governance processes that might reasonably be expected in the event LPS was to be introduced.	N/A
Transforming Mental Health	Watching brief / high level engagement to ascertain if formal IA input required.	N/A
Safeguarding (Adults)	Reviewed alternative assurances (e.g. peer review) from other providers.	N/A
Social Care Charging Reform Programme	Monthly meetings with the Project Manager to provide ongoing support and guidance linked to risk management.	Maintain watching brief into 2023/24
Social Care Case Management Platform	Observed Delivery Team meetings and provided advice as required. This will continue into 2023/24.	Maintain watching brief in to 203/24
Lone Working – Health and Safety	Research piece to establish if Lone working policies are being implemented consistently across ECC. Observations shared with Corporate Health and Safety Board.	N/A

Oracle Integrated Assurance – Assurance Opinions

In late 2021, ECC replaced TCS (The Corporate System) with a new Oracle cloud based integrated finance and HR system known locally as My Oracle. In 2021/22 due to its infancy, Internal Audit concentrated on testing control design of My Oracle rather than carry out

detailed testing on how controls were operating in practice. In the 2022/23 financial year Internal Audit has have now also assessed the operating effectiveness of these controls.

The below Table shows the individual audit opinions for the key fundamental processes that make up the Oracle Integrated Assurance review, which overall received an opinion of Satisfactory Assurance. These individual opinions are broadly in line with prior years although not directly comparable to 2021/22 which concentrated on control design only.

Process	2022/23 Opinions
Accounts Payable (AP)	Good
Accounts Receivable (AR)	Satisfactory
Banking and Cash	Satisfactory
Expenses	Good
General Ledger	Satisfactory*
Change Management	Good
Overall	Satisfactory

Risk Management

The Public Sector Internal Audit Standards (Standard 2120) require the internal audit activity to evaluate the effectiveness and contribute to the improvement of risk management processes. Internal Audit gathers the information to support this assessment during multiple engagements including a specific risk management assignment. The objective of the 2022/23 risk management piece was to conduct a risk maturity assessment.

This assessment specifically reviewed compliance against the established ALARM National Performance Model for Risk Management in Public Services (the ALARM model) to obtain a high-level view of where the Council's Risk Management practices currently operate in relation to this maturity scale. For all areas assessed against the ALARM model, a score of either 3 (Moderate) or 4 (Good) was awarded for 2022/23. This demonstrates that the Council is consistently operating in what the model classes as 'Working' or 'Embedded and Working'. Both are desirable outcomes and provide positive assurance. The outcome also

represents a positive movement forward when compared to the last assessment of this kind undertaken in 2019.

No Assurance and Limited Assurance Audits

Internal Audit have not issued any No Assurance opinions in the 2022/23 financial year.

Three reviews have received an overall opinion of Limited Assurance (compared to three in 2021/22).

For audit reviews that receive a Limited or No Assurance opinion, the AGS Committee may ask that a representative from the relevant service area attend a committee meeting to provide an overview of the issues raised and progress made against them. In 2022/23 representatives from the service attended to discuss the status of ongoing IT Disaster Recovery actions, on the basis that this area had received a Limited opinion in 2021/22.

The following three Limited Assurance opinions have been given in 2022/23:

Section 106 Agreements

Full details of issues identified were reported to AGS Committee in March 2023. [Link to report.](#)

Major actions raised related to:

- Database Functionality
- Closure of Projects
- Identification of s106 Opportunities

County Parks (Stock Control)

Our follow up review of this service found that the original major risks identified have not all been mitigated by the progress made at the time of audit and therefore the original Limited Audit Opinion remained. It was advised that the major actions linked to stock receipting, reconciliation and write-off would be mitigated through the purchase of an Electronic Point of Sale (EPOS) system (currently being procured). Since the audit, consideration has been given to outsourcing the process to terminate the Council's risk exposure.

Essex County Wide Travellers Unit

Our follow up review of this service found that the original major risks identified had not all been mitigated by the progress made at the time of audit and therefore the original Limited Audit Opinion remained. This included the major action relating to the lack of a site management plan for which there is still no budget allocated, as identified in the original audit.

Actions from these audits will continue to be followed up in 2023/24.

Grants

We provide audit services to certify grant claims where this is a requirement of the grant terms and conditions and/or we are a designated First Level Controller. Grants audited in 2022/2023 include:

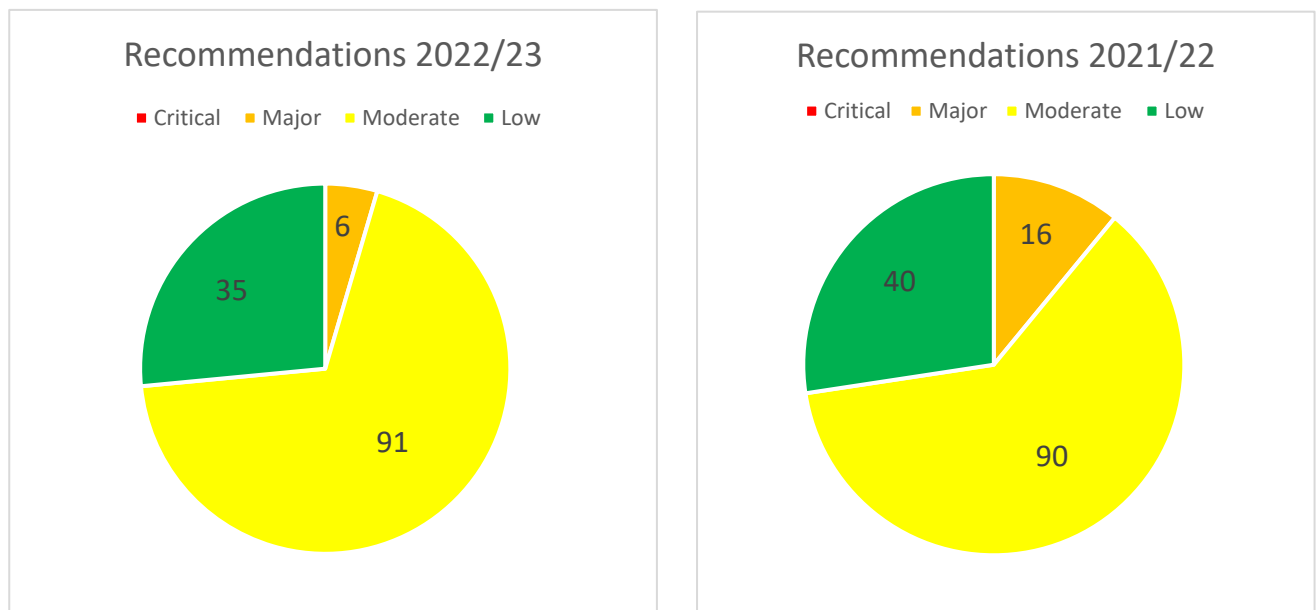
- Supporting Families:
Department for Communities and Local Government (DCLG) payment by results scheme to help troubled families turn their lives around. The DCLG require that 10% of claims are internally audited throughout the year and Internal Audit then certify the whole claim – there are usually four claims per year.
- Broadband Delivery UK (BDUK):
In 2021/22 Internal Audit have continued to maintain oversight of this programme and performed sample checking of the information submitted as part of the annual return which is also reviewed by Finance and signed-off by the S151 Officer. In addition Internal Audit checked evidence to support the project requirements as defined by DEFRA.
- School Centred Initial Teacher Training (SCITT) Grant – payment of bursaries to newly qualified teachers.
- LECSEA – Local Energy Communities for the 2 Seas Region
- Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance) Specific Grant Determination 2021-22: 31-5505, 31-5506
- Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant Determination 2021/22 (31/5571)

- BLUEPRINT – Interreg (European funded project led by Essex County Council to help local authorities move to a circular economy by the efficient use of resources when manufacturing products)

Internal Audit Recommendations

Tracking of Internal Audit recommendations takes place regularly, with monthly emails being sent to Recommendation Owners to request status updates which they provide directly via a web-based system.

Recommendation Ratings issued * in 2022/23 compared to 2021/22



*figures are based on finalised reports issued during the period 1 April to 31 March to enable easy comparison between years.

Open and Overdue Recommendations

We report outstanding recommendations to the AGS Committee as part of our regular Internal Audit Progress reports and the Corporate Governance Steering Board receive quarterly key performance indicators on overdue recommendations.

The below table shows the position on open and overdue Internal Audit recommendations by Function as at 31 March 2023. The position can change regularly as final Internal Audit reports with new recommendations are regularly issued and historic open recommendations become implemented and closed. There are currently no open Critical recommendations

and Low graded recommendations, which comprise of advice and best practice, are not formally tracked.

During quarter 4 of 2022/23 the Internal Audit team ran a small project to review the moderate and major recommendations to ensure that they are still relevant, owned by the correct person or have been implemented but not reported as such and can report an improved picture on outstanding major and moderate recommendations compared to last year (bottom line of table below)

Table of Open and Overdue Internal Audit Recommendations as at 15 May 2023

Function	Major Recommendations (number)			Moderate Recommendations (number)		
	Open	Overdue (original)	Overdue (revised)	Open	Overdue (original)	Overdue (revised)
Adult Social Care	0	0	0	3	0	0
Children Families and Education	1	1	1	3	3	0
Economy, Investment and Public Health	4	1	1	7	5	2
Corporate Services	6	5	1	37	29	9
People and Transformation	2	2	2	7	4	2
Climate, Environment & Customer Services	2	2	0	7	7	1
Chief Executive	0	0	0	0	0	0
TOTAL 2022/23	15	11	5	64	48	14
TOTAL 2021/22	19	14	11	89	65	40

NB Overdue recommendations are shown based on their revised target implementation date as well as their original agreed target date.

Overview of Counter Fraud Activity

ECC has a dedicated Counter Fraud Team who work alongside the Internal Audit Team and report to the Head of Assurance. The Counter Fraud Team are responsible for detecting and investigating a range of fraud matters that impact the council including those committed by residents, staff and contractors. In addition, a programme of data analytical work is completed by the Counter Fraud Team.

The Counter Fraud Team also maintain and update a series of e-learning modules to raise fraud awareness amongst ECC staff as well as delivering bespoke fraud awareness sessions. During 2022/23 several fraud awareness sessions have been completed, focussing on specific fraud risk areas affecting the Council, particularly relating to social care.

Referrals

Referrals come from a range of sources including ECC staff and managers, internal and cross organisation data-matching (including the National Fraud Initiative), external bodies, and the general public. Not all referrals lead to cases being set up and some referrals are forwarded to third parties, e.g. the respective district, borough or city council within Essex, for their investigation.

The table below demonstrates the source of referrals, compared with those received last year.

Source of Referral	2021/2022	2022/2023
Web referrals	70	86
Blue Badge - Parking Enforcement Officers	7	29
Blue Badge - Other authorities	16	10
Blue Badge - Members of Public	71	67
Internal - Employees	61	40
Total Referrals	225	232

The charts below show the type of referrals received and provides a comparison with the previous year. Since the pandemic we have seen that the number of referrals has slightly increased and is in line with pre-pandemic numbers.

Type of referrals received 2021/22 vs 2022/23

Type of Referrals	2021/2022	2022/23
Safeguarding / Social Care	36	24
Schools	6	6
Misuse of Blue Badge / Travel Pass	98	107
False / Inflated Claims/ Grants	16	10
Procurement / Bribery	6	2
Insurance related	1	0
Employee	8	10
Email scams / Bank mandate	4	0
Other (for third parties, not ECC related issues)	50	73

Programme of Data Matching & Analytical Work

National Fraud Initiative (NFI) Fraud Hub / NFI Mandatory biennial exercise

ECC subscribe to the NFI Fraud Hub to enhance the national data matching currently in place. Data sets are now submitted for matching against mortality lists on a fortnightly basis. This increased level of data submission and subsequent investigation of resultant matches reduces the risk of erroneous payments being made and supports faster remedial action to recover instances of overpayment. Since joining the Hub in March 2020, overpayments amounting to £106,340 have been identified and recovered in relation to pension payments that have been made following the death of the recipient.

The Counter Fraud Team also collated and submitted mandatory datasets during October 2022 and are currently investigating returned matches from the Cabinet Office. In addition, ECC systems are updated to reflect instances where service users have deceased. To date, the following outcomes have been achieved:

- Concessionary Travel Passes – the system has been updated with 120,890 records marked as deceased;
- Blue Badges – the system has been updated with 299 records being marked as deceased, and badges cancelled with an estimated saving of £193,050;
- Pensions – a further 68 records identified as deceased have been forwarded to the Essex Pension Team for checking.

- Payroll to Payroll matches – 64 potential duplicate matches have been identified which are in the process of being reviewed and investigated, where necessary.

Internal Data Matching / Data Analysis - the Counter Fraud team carries out its own data matching / analytical work and during 2022/23 work has been completed in the following areas:

- Adult social care – an analysis of care packages to identify where domiciliary and residential care packages overlap and may not have been fully closed down on the system – queries were investigated and feedback to the service area provided, where applicable to enable the system to be updated.
- Covid funding provided to Adult Social Care Providers - An analysis was started of the covid related funding that has been paid to providers. A sample of providers was selected for review and evidence requested to confirm that funding has been spent in accordance with the relevant grant agreements. The majority of providers returned evidence to confirm that funding had been spent in accordance with the respective terms and conditions of the grant. It was identified that there was some initial confusion regarding the early funding streams and how to utilise the grant. As a result one provider was requested to repay some of the grant funding that had not been spent in accordance with the grant criteria.

Counter Fraud Outcomes

There are a range of potential outcomes after a case has been investigated. Clearly not all matters that come to our attention will have been caused by fraudulent activity. However, when evidence shows wrongdoing or criminal activity we will apply appropriate sanction whether that is disciplinary, prosecution or recovery of monies (or a combination of these). The table below shows our sanction activity during 2022/23 and financial recovery.

Sanction Activity	2021/22	2022/23
Prosecution	0	1
Disciplinary Action	2	1
Monies Recovered	£349k	£305k

In Recovery	£255k	£170k
Future Losses Prevented	£237k	£163k

The chart below compares our counter fraud outcomes with the previous year, which are fairly consistent. Details of the prosecution case are outlined below.

Counter Fraud Outcomes

Outcome Type	Outcome Type 2021/2022	Outcome Type 2022/2023
Prosecution	1	1
Dismissal / Disciplinary Action	2	1
No fraud established	16	23
Referred to third party	9	12
Blue Badges – Misuse letter issued	15	19
Blue Badges - Seized	15	27
ASC - Financial recovery	13	12
ASC - PB terminated / reduced	7	7
Other / financial recovery	4	4
Other - Payment prevented / recovery of funds / misuse letter	3	1
Other	14	22

Prosecution Cases

The Covid pandemic saw an increase in suspected fraudulent grant claims being submitted to ECC by providers for funding via the Covid-19 Response Fund and Infection Control Fund. One case has concluded during 2022/2023 and one is in progress.

1. Vinay Sikand was the Director of QH The Cedars Ltd, who operated The Cedars Residential Care Home, Halstead, Essex from 2017 until it was sold in October 2020. This was the only residential home in Essex run by the QH group.

During 2020 grant claims were submitted to Essex County Council from QH The Cedars for funding under the Adult Social Care Covid Relief Fund and Infection Control Fund totalling £82,959.86.

Following concerns raised by the new owner an investigation was undertaken by the council's Counter Fraud Team who identified that a number of invoices produced to support the claims had been falsified and that the majority of the claims were in fact

fraudulent. Vinay Sikand was charged with 5 offences contrary to sections 1, 2 & 12(2)(a) of the Fraud Act 2006, totalling £58,500. Funding was returned in full to ECC.

On 16 November 2022 at Chelmsford Crown Court Vinay Sikand pleaded guilty to the 5 charges of fraud.

On 6 January 2023 Vinay Sikand received a 12 month custodial sentence, was struck off from being a Company Director for 36 months and ordered to pay costs of £25,000 back to ECC. The sentence was appealed but upheld.

2. A case relating to the submission of suspected fraudulent grant claims amounting to £274,000 is underway, with trial dates agreed for March 2024.

Effectiveness of Internal Audit and Counter Fraud

Compliance with the Public Sector Internal Audit Standards

The Head of Assurance must confirm annually that the Internal Audit function conforms with the Public Sector Internal Audit Standards (PSIAS). In line with the PSIAS and reflected in our quality assurance and improvement programme, external assessments must be conducted every five years by a qualified, independent assessor from outside the organisation. Our last external assessment was carried out by the Chartered Institute of Public Finance Accountancy (CIPFA) in 2018 and concluded that “the service is highly regarded within the Council and provides useful assurance on its underlying systems and processes.” The next external assessment is planned for 2023.

A self-assessment was carried out in 2022, as part of our on-going quality assurance process, which concluded that in all material aspects the Internal Audit function complies with the Standards.

Compliance with the Fighting Fraud & Corruption Locally (FFCL) Strategy

In March 2023 the Council's counter fraud arrangements were assessed against the Fighting Fraud & Corruption Locally (FFCL) checklist. The checklist is aligned to the FFCL Strategy and the 5 pillars of activity that the Council should focus their efforts, i.e.:

- Govern
- Acknowledge
- Prevent
- Pursue
- Protect

The results of the assessment provide an indication of the Council's position in relation to the robustness and effectiveness of their fraud arrangements and culture. Of the 37 principles we are fully compliant on 33 and partially compliant on the remaining 4, working towards full compliancy.¹

As a result of the assessment, and having considered all the principles, I am satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

Independence and Objectivity

I can confirm that during the 2022/23 financial year that the internal audit activity has been free from interference in determining the scope of internal auditing, performing work and communicating results.

In addition, I have achieved organisational independence by reporting functionally to the AGS Committee. Examples include the Committee approving the Internal Audit Charter and the Risk Based Internal Audit and Counter Fraud Plan.

Qualifications of the Internal Audit and Counter Fraud Team

As the Head of Assurance, I have assessed the qualifications of the Internal Audit and Counter Fraud Team and I can confirm that all staff hold an appropriate professional qualification or are qualified through extensive experience.

¹ Full report on compliancy available upon request.

Client Satisfaction

Feedback is received through Client Satisfaction Surveys issued at the end of each Internal Audit review. The survey canvasses the auditee's opinion on the following areas:

- Professionalism of Internal Audit staff
- Scope of the audit
- Execution of the audit
- Accuracy / timeliness of reporting
- Value of the audit

In 2022/23 **100%** of customers who completed the survey expressed satisfaction with all aspects of the service they received. Any concerns raised by auditees are followed up by the Strategic Internal Audit Manager. In addition to formal requests for feedback from Client Satisfaction Surveys, the Strategic Internal Audit Manager seeks feedback annually from Executive Directors and Directors as part of the planning process. The Internal Audit Team carry out a de-brief upon the closure of an audit to help learn lessons and continually seek to improve customer experience.

Internal Audit and Counter Fraud Plan 2022/23 - Reconciliation





✓ = completed i.e. final report issued

Internal Audit Activity	Status as at 05 May 2023
Corporate Services	
Essex Pension Fund – Administration	✓
Essex Pension Fund – Funding & Investments	✓
South East Local Enterprise Partnership (SELEP)	✓
Key Financial Systems - Accounts Payable	✓
Key Financial Systems - Accounts Receivable	✓
Key Financial Systems - Banking & Cash	✓
Key Financial Systems - General Ledger	At Draft Report Stage
Key Financial Systems - Scheme of Delegation	✓ (Relevant testing incorporated into wider suite of key financial audits)
Key Financial Systems - Change Management	✓
Key Financial Systems - Expenses	✓
Income System – follow up	✓
Risk Maturity Model	✓
Access Support Unit (ASU)	✓
Financial Management and Reporting	✓
Business Cases	AGS Committee approved removal of this audit from the plan in January 2023.
Data Quality Assurance	AGS Committee approved removal of this audit from the plan in January 2023.
Treasury Management	✓
Software License Management	✓
IT Asset Management – follow up	✓
Cyber Security	Reliance placed on commissioned penetration testing
Essex Owned Companies	In Progress
IT Disaster Recovery – follow up	Followed-up via Pentana process
Corporate Property Strategy	At Draft Report Stage
Financial Assessments (Adult Social Care)	Ongoing Data Analysis Exercise
Sourcing and Contract Management	Ongoing advice and guidance provided
Social Value	✓
Business Continuity	✓
Reprocurement of the Council's banking arrangements	✓ (Relevant testing incorporated into wider suite of key financial audits)

Internal Audit Activity	Status as at 05 May 2023
Economy, Investment and Public Health	
Passenger Transport	Ongoing advice and guidance provided
Adult Community Learning	✓
Essex County Wide Travellers Unit – follow up	✓
Section 106 Agreements	✓
Country Parks – Stock Control Follow Up	✓
Climate, Environment & Customer Services	
Integrated Waste Handling	AGS Committee approved removal of this audit from the plan in January 2023.
People and Transformation	
Absence Management	In Progress
Apprenticeship Scheme	✓
Occupational Health	✓
Payroll	At Draft Report Stage
New Temporary Workers Procurement Framework	✓
Adult Social Care	
Better Care Fund	✓
Liberty Protection Safeguards (Adults and Children)	Watching brief provided
Transforming Mental Health	Watching brief provided
Safeguarding (Adults)	✓
Management Information and Key Performance Indicators	✓
Carers	✓
Individual Care Package Awards	Linked to Ongoing Financial Assessment Data Analysis Exercise above
Social Care Charging Reform Programme	Ongoing advice and guidance provided
Children, Families and Education	
Schools - Establishment Reviews	✓
Schools Thematic Review – Payroll	✓
Schools Financial Value Standard (SFVS)	✓
Education Information Management System	✓
Social Care Platform Programme	Ongoing advice and guidance provided
Youth Offending – IT systems and key performance data	✓
Personal Budgets / Direct Payments to Families	Followed-up via Pentana process

Internal Audit Activity	Status as at 05 May 2023
Chief Executive	
Delivery of Everyone's Essex	AGS Committee approved removal of this audit from the plan in January 2023.

Explanation of Assurance and Risk Priority Levels

Assurance level		Assessment Rationale	
Good		There is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieving those objectives. Actions will normally only be of Low risk rating. Any Moderate actions would need to be mitigated by significant strengths elsewhere.	
Satisfactory		Whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at risk.	
Limited		There are significant weaknesses in key areas of the system of control, which put the system/process objectives at risk. Improvement in the design and/or operational effectiveness of the control environment is necessary to gain assurance that risks are being managed to an acceptable level, and core objectives will be achieved.	
No		The system of internal control has serious weaknesses and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.	
Risk Priority Level		Definition	
Corporate	Critical	 Red	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, for example, reputational damage, significant financial loss (through fraud, error or poor value for money), intervention by external agencies and / or lack of compliance with statutory regulations. Remedial action is required immediately
	Major	 Amber	Audit findings indicate a serious weakness or breakdown in the control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently
	Moderate	 Yellow	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Prompt specific action should be taken
Service	Low	 Green	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. Remedial action is suggested