



Essex County Council

# Audit, Governance and Standards Committee

10:00	Monday, 30 January 2023	Committee Room 1 County Hall, Chelmsford, CM1 1QH
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**For information about the meeting please ask for:**

Sophie Crane, Senior Democratic Services Officer

**Telephone:** 03330 134555

**Email:** democratic.services@essex.gov.uk

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<b>1</b>	<b>Membership, apologies, substitutions and declarations of interest</b>	<b>5 - 5</b>
<b>2</b>	<b>Minutes and matters arising</b>  To approve as a correct record the minutes of the meeting held on 28 November 2022 and to identify any matters arising.	<b>6 - 8</b>
<b>3</b>	<b>Update on the 2020/21 and 2021/22 external audits of the Council and Essex Pension Fund (AGS/01/23)</b>  To receive a report from Nicole Wood, Executive Director Corporate Services and Christine Golding, Chief Accountant.	<b>9 - 14</b>

<b>4</b>	<b>Internal Audit and Counter Fraud Progress Report (AGS/02/23)</b>	<b>15 - 32</b>
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<b>8</b>	<b>Audit, Governance and Standards Committee Effectiveness Review proposals (AGS/06/23)</b>	<b>74 - 77</b>
	To receive a report from Paul Turner, Director Legal and Assurance.	
<b>9</b>	<b>Work Programme (AGS/07/23)</b>	<b>78 - 80</b>
	To receive a report from Paul Turner, Director Legal and Assurance.	
<b>10</b>	<b>Date of next meeting</b>	
	To note that the next meeting of the Committee will take place on Monday 27 March 2023 at 10.00am in Committee Room 1 at County Hall, Chelmsford, CM1 1QH.	

## **11 Urgent Business**

To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

### **Exempt Items**

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

**That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.**

## **12 Urgent Exempt Business**

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

## Agenda item 1

**Committee:** Audit, Governance and Standards

**Enquiries to:** Sophie Crane, Senior Democratic Services Officer  
[Democratic.services@essex.gov.uk](mailto:Democratic.services@essex.gov.uk)

### Membership, Apologies, Substitutions and Declarations of Interest

#### Recommendations:

To note

1. The membership of the committee as shown below – there is one vacancy following the resignation of Councillor Michael Hoy (Non-aligned Group).
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

#### Membership

(Quorum: 3)

Cllr Anthony Hedley  
Cllr Anthony McQuiggan  
Cllr Chris Siddall  
Cllr Susan Barker  
Cllr David King  
Cllr Luke Mackenzie  
Cllr Aidan McGurran  
Cllr Mark Platt  
Cllr Laureen Shaw  
Mr Atta Ul Haque  
Vacancy

Chairman  
Vice-Chairman  
Vice-Chairman

Independent member (non-voting)

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## **The Minutes of the meeting of the Audit, Governance and Standards Committee, held in Committee Room 1, County Hall, Chelmsford on Monday 28 November 2022**

[A YouTube recording of the meeting is to be found online.](#)

### **Present:**

#### **Members of the Committee:**

Cllr Tony Hedley	Chairman
Cllr Susan Barker	
Cllr David King	
Cllr Aidan McGurran	
Cllr Luke McKenzie	
Cllr Anthony McQuiggan	
Cllr Mark Platt	
Cllr Laureen Shaw	
Cllr Chris Siddall	

#### **ECC Officers:**

Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance
Sophie Crane	Senior Democratic Services Officer

### **Also present:**

External Auditors:  
Mr David Eagles BDO LLP  
Mr Barry Pryke BDO LLP

### **Welcome and Introduction**

Cllr Tony Hedley, the Chairman of the Audit, Governance and Standards Committee, welcomed those in attendance.

## **1. Membership, Apologies, Substitutions and Declarations of Interest**

The report of Membership, Apologies and Declarations was received, and it was noted that:

- Cllr Michael Hoy was no longer a member of the committee and a new nomination had been sought from the Non-Aligned Group Leader, Cllr Chris Pond.
- With the exception of the above change, the membership of the Audit, Governance and Standards Committee was as shown in the report.
- Apologies had been received from Mr Atta Ul-Haque, Independent Member appointed to the Committee.
- No declarations of interests were made.

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Cllr Tony Hedley reminded members that any interests must be declared during the meeting if the need to do so arose.

## **2. Minutes and Matters Arising**

The minutes of the meeting held on Monday 31 October were approved as a correct record and there were no matters arising.

## **3. 2021/22 Audit Planning report for Essex County Council**

Christine Golding, Chief Accountant introduced the report (AGS/31/22) and noted that the equivalent planning report for the Essex Pension Fund had been received at the last meeting of the committee.

Mr David Eagles of BDO confirmed that BDO intended to complete the 2020/21 audit of Essex County Council by the end of January 2023. However, this was dependant on the statutory instrument in relation to infrastructure assets being finalised by the Department for Levelling Up, Housing and Communities in December 2022. The 2021/22 audit should then be concluded in March 2023 and the 2022/23 audit would start late summer 2023, following the financial year end.

Mr Barry Pryke of BDO confirmed the following points:

- The materiality threshold for the audit was £40.3 million based on 1.75% of gross expenditure. This was set at group level because the Council is required to consolidate accounts with its two main subsidiaries, Essex Cares and Essex Housing Development LLP, however the vast majority of audit effort would be on the Council's accounts.
- BDO had not identified any issues in relation to independence.
- There was some slippage in the proposed timeline for the audit, however BDO were already working to recover that.

It was confirmed that the proposed additional audit fees would be verified by Public Sector Auditor Appointments Ltd before BDO could invoice ECC. The proposed fees were calculated based on additional work identified after the original scale of fees were set. This was mainly in relation to property valuation and IT audit costs.

It was clarified that the Whole of Government Accounts was an ECC return to HM Treasury, which required an external audit because the size of the Council was above the reporting threshold. This work was directed by HM Treasury and the National Audit Office and, although based on historic data, the tool and instructions required to submit it were unlikely to be available until later in the financial year. It was noted this was outside the Council's control and Members asked to be kept informed of progress in relation to this work.

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Mr Pryke gave an overview of the seven audit risks identified. Two of these were new for 2021/22; 'Value of infrastructure' and 'Implementation of My Oracle'. The implementation of My Oracle was a complex and significant project, Officers confirmed that the project risks had been carefully managed and checks and reconciliations were in place, however it was important that Members had independence assurance from BDO on the delivery of this.

It was clarified that the 'actuary' referred to in the report was an expert engaged by the Council to value the Local Government Pension Scheme liability and it was noted that Cllr Susan Barker, Cllr Mark Platt, Cllr David King and Cllr Anthony Hedley were also members of the Essex Pension Fund Board and Investment Steering Committee.

Mr Pryke reminded that members of the committee should contact the external auditors outside of the meeting if they became aware of suspected, alleged or actual fraud which had not already been reported.

Cllr Tony Hedley reminded members of the significance of the remit of the committee and of the importance of questioning report authors. Members thanked Officers for the quality of the answers which had been provided.

### **Resolved**

That the Committee noted the content of the External Auditor's report.

## **4. Work Programme (AGS/32/22)**

Paul Turner, Director, Legal and Assurance introduced the report and confirmed the following points:

- In line with best practice, the proposals for the Audit, Governance and Standards Committee effectiveness review would come to the January 2023 meeting of the Committee.
- There was some risk to the timeline for the external auditor's 2021/22 Audit Completion Report which is due at the March 2023 meeting, officers would continue to work with the external auditor to re-schedule this if it became necessary.

The Work Programme was noted.

## **5. Date of next Meeting**

The date was noted as 30 January 2023.

**Chairman**  
**30 January 2023**



**Agenda item 3**  
**AGS/01/23**

<b>Report title:</b> Update on the 2020/21 and 2021/22 external audits of the Council and Essex Pension Fund	
<b>Report to Audit, Governance and Standards Committee</b>	
<b>Report author:</b> Nicole Wood, Executive Director, Corporate Services	
<b>Date of meeting:</b> 30 January 2023	<b>For:</b> Noting
<b>Enquiries to</b> Nicole Wood, Executive Director, Corporate Services <b>email</b> <a href="mailto:nicole.wood@essex.gov.uk">nicole.wood@essex.gov.uk</a> or Christine Golding, Chief Accountant <b>email</b> <a href="mailto:christine.golding@essex.gov.uk">christine.golding@essex.gov.uk</a>	
<b>Divisions affected:</b> All Essex	

**1. Everyone's Essex**

- 1.1 The Audit, Governance and Standards Committee has responsibility for approving the Council's Annual Statement of Accounts and for receiving and considering related reports issued by the Council's External Auditor.
- 1.2 The purpose of this report is to present an update by the Council's External Auditor, BDO LLP (BDO) (as appended), on the status of the external audits for the 2020/21 and 2021/22 financial years (comprising the work necessary to provide audit opinions on the financial statements of the Council and Essex Pension Fund and to provide commentary on the effectiveness of the systems in place to secure value for money in the Council's use of resources).

**2. Recommendations**

- 2.1 That the Committee notes:
  - The reasons for the further delay to completion of the audit for 2020/21.
  - The external auditor's update on the status of the audits of the Council and Essex Pension Fund for 2021/22.

**3. Background**

- 3.1 The Council is required by Regulation to:
  - Produce draft accounts, and present them for external audit, by a specified date each year.

- Make the draft Statement of Accounts available for a period of 30 working days, during which time the public have the right to raise objections, inspect the accounts and question the Local Auditor.
- Formally publish its accounts by a specified date each year.

3.2 Statutory regulations require these activities to be undertaken in accordance with the following timetable:

	2020/21 Accounts	2021/22 Accounts
Produce the draft Statement of Accounts and present them for external audit	31 July 2021	31 July 2022
Make the draft accounts available for public inspection for a period of 30 working days	To commence no later than <b>1 August 2021</b>	To commence no later than <b>1 August 2022</b>
Publish final, audited accounts	<b>30 September 2021</b>	<b>30 November 2022</b>

3.3 The draft minutes of the 28 November 2022 meeting say:

*‘Mr David Eagles of BDO confirmed that BDO intended to complete the 2020/21 audit of Essex County Council by the end of January 2023. However, this was dependant on the statutory instrument in relation to infrastructure assets being finalised by the Department for Levelling Up, Housing and Communities in December 2022. The 2021/22 audit should then be concluded in March 2023 and the 2022/23 audit would start late summer 2023, following the financial year end.’*

#### 4. External audit of 2020/21 accounts

- 4.1 The draft (unaudited) Statement of Accounts for 2020/21 was presented to the Audit, Governance and Standards Committee on **28 June 2021 (AGS/13/21)**, one month ahead of that year’s statutory deadline for production of the draft accounts. The Executive Director, Corporate Services certified the draft Statement of Accounts on **30 June 2021** and released the Accounts for external audit and for public inspection on **1 July 2021**.
- 4.2 It has not yet proved possible for BDO to finalise the 2020/21 audit, although BDO did present draft audit completion reports to the Committee on **21 March 2022** for both the Council (**AGS/12/22**) and Essex Pension Fund (**AGS/11/22**).
- 4.3 BDO explain, in the appended report, that they now anticipate being able to draw the 2020/21 audit to conclusion by the end of **February 2023**.

## **5. External audit of 2021/22 Accounts**

- 5.1 In relation to the 2021/22 financial year, the draft (unaudited) Statement of Accounts was presented to the Audit, Governance and Standards Committee on **25 July 2022 (AGS/21/22)**. The draft Statement of Accounts was released for external audit and for public inspection on **1 August 2022**.
- 5.2 BDO report that their work on the Council and Essex Pension Fund accounts has commenced.
- 5.3 BDO had previously stated to the Committee that they anticipated being able to complete their 2021/22 audit in time to present their findings to the Committee on or before **27 March 2023**. BDO may not be able to achieve this timeline now.
- 5.4 Given the considerable delays in completion of the 2020/21 and 2021/22 audits, the Council now faces the prospect of closing its accounts for financial year ending 31 March 2023 with the two prior years' audits still open. Should this be the case, the Council may be unable to publish its draft accounts for the 2022/23 financial year by the statutory deadline of **31 May 2023**.

## **6. Policy context and Outcomes Framework**

- 6.1 The annual Statement of Accounts summarise the financial performance and financial position for the Council at the end of each financial year. As such, the Accounts provide a financial representation of activities against the corporate plan.

## **7. Financial Implications**

- 7.1 As previously reported, it has been necessary to retain ongoing access to the former 'TCS' corporate systems for the purpose of seeing out the 2020/21 audit. TCS was due to be de-commissioned following 'go live' of the 'My Oracle' Corporate System in October 2021.
- 7.2 The cost of retaining access to this system has amounted to circa **£330,000** so far, but access to the system has now been secured for a further twelve months, at a reduced fee of **£4,000** per month.

## **8. Legal Implications**

- 8.1 The Council is required to produce annual accounts in accordance with the Accounts and Audit Regulations 2015 as currently amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The Council is also required to produce an annual governance statement.

- 8.2 External audit is a key way in which members and the public can be reassured that the Council is viable and is, overall, operating well. Delays in completion of the audit increase the risk that something which is wrong isn't picked up as quickly as it ought to be.

## **9. Staffing and other resource implications**

- 9.1 It has proved challenging to support the 2020/21 external audit over such a prolonged period, and the 2021/22 external audit at a much later stage in the current financial year than would usually be the case.
- 9.2 Officers are nevertheless endeavouring to continue to support the external auditor to achieve completion of the 2020/21 and 2021/22 audits.

## **10. List of appendices**

- 10.1 **Appendix A** – Report by BDO LLP on the status of the audits of the Council and Essex Pension Fund for the 2020/21 and 2021/22 financial years.

## **11. List of Background Papers**

- 11.1 Previous related reports to the Audit, Governance and Standards Committee:
- Draft Statement of Accounts and Annual Governance Statement 2020/21 (**28 June 2021 – AGS/13/21**).
  - Delay to completion of the External Audit of the Council's 2020/21 Statement of Accounts (**27 September 2021 - AGS/18/21**).
  - Further delay to completion of the external audit of the Council's 2020/21 Statement of Accounts (**13 December 2021 - AGS/23/21**).
  - 2020/21 draft Audit Completion Report for the Essex Pension Fund (**21 March 2022 - AGS/11/22**).
  - 2020/21 draft Audit Completion Report for Essex County Council (**21 March 2022 - AGS/12/22**).
  - Update on the 2021/22 Accounts and External Audit (**27 June 2022 – AGS/14/22**).
  - Draft Statement of Accounts and Annual Governance Statement 2021/22 (**25 July 2022 – AGS/21/22**).
  - 2021/22 Audit Planning Report for Essex Pension Fund (**31 October 2022 – AGS/23/22**).

*Update on the 2020/21 and 2021/22 external audits of the Council and Essex Pension Fund*

- Update on the 2020/21 and 2021/22 external audits of the Council and Essex Pension Fund (**31 October 2022 – AGS/24/22**).
- 2021/22 Audit Planning Report for Essex County Council (**28 November 2022 – AGS/31/22**).

## Update on 2020/21 and 2021/22 audits

The purpose of this note is to update the Audit, Governance and Standards Committee on the progress of the 2020/21 and 2021/22 audits.

We will present a further latest position update on progress at the Audit, Governance and Standards Committee meeting on 30 January 2023.

### 2020/21

Work on finalising the 2020/21 audits of the main Council's accounts and of the Pension Fund is underway. The audit team are currently focused on the following matters:

- Completion of quality review processes, including clearance of review points following completion of partner and manager review and final technical and External Quality Review sign-offs. At the point of drafting, no further information requests have been made to officers
- Resolution of the infrastructure issue:
  - CIPFA/LASAAC published an update to the Code of Practice on Local Authority Accounting in November 2022 and the statutory override prepared by DLUHC came into force on 25 December 2022. CIPFA issued a bulletin on 11 January 2023 to accompany these changes in relation to infrastructure assets, to explain the impact of the changes and to demonstrate how accounting for infrastructure assets can be applied.
  - In light of the guidance provided by the CIPFA Bulletin, the Council is currently preparing revised workings and sensitivity analysis, and disclosures reflecting the temporary solutions to the infrastructure issue afforded by the statutory override and amendments to the Code. This is expected to be prepared by officers and shared with BDO during w/c 16 January 2023.
  - Information relating the Council's assessment of useful economic lives of infrastructure assets drawing upon Essex County Council's Surveyor/Engineer specialist knowledge, is anticipated for w/c 23 January 2023.
  - These will be reviewed by the audit team when received.
- We anticipate the above will conclude by the end of February 2023.
- Completion of NAO Code work in relation to Use of Resources, which we anticipate will conclude by the end of March 2023.

### 2021/22

Work on the main Council and Pension Fund audits has commenced.

Initial focus was on the Pension Fund audit (which started in August 2022) given the reliance on some of that work placed by auditors of member bodies (for example, other Essex District and Unitary Councils, Essex Police, Care Quality Commission, and some other entities).

The majority of the Pension Fund fieldwork (including procedures to support the Letters of Assurance and other areas of the audit) is now complete and early priority Letters of Assurance have been issued to the respective auditors.

The fieldwork phase of the main Council audit (which began in November 2022) is ongoing.

**David Eagles**, Partner and Engagement Lead  
For and on behalf of **BDO LLP**, Appointed Auditor

16 January 2023

**Agenda Item 4**  
**AGS/02/23**

<b>Report title:</b> Internal Audit and Counter Fraud Progress Report	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paula Clowes, Head of Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Note
<b>Enquiries to:</b> Paula Clowes, Head of Assurance <a href="mailto:paula.clowes@essex.gov.uk">paula.clowes@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1 The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of internal controls, governance and risk management arrangements as well as the work of Internal Audit and Counter Fraud.
- 1.2 This report provides the Committee with the current position regarding activity in relation to the 2022/23 Internal Audit and Counter Fraud Plan (approved by the Audit, Governance and Standards Committee in March 2022). It reflects the situation as of 31 December 2022.
- 1.3 As part of the Committee's role to assess the adequacy of the Council's internal control environment, the Committee also receives regular updates on progress being made by service areas on whether timely and effective remedial action is being taken to resolve any significant control weaknesses that have been identified through our Internal Audit work.
- 1.4 The activity undertaken by Internal Audit and Counter Fraud in 2022/23, together with the work of other assurance providers, contributes to the Chief Audit Executive's overall annual opinion on the Council's systems of control for inclusion within the 2022/23 Annual Governance Statement.
- 1.5 The full Internal Audit and Counter Fraud report is attached at Appendix A.

## 2. Recommendations

- 2.1 The progress in audit and counter fraud activity be noted.
- 2.2 The suggested changes to the 2022/23 Internal Audit and Counter Fraud Plan be approved.

## 3. Background

- 3.1 The full Internal Audit and Counter Fraud report is attached at appendix A. The following matters are of particular note:

- No audits received No Assurance, one follow up audit remains at Limited Assurance
- One audit received a Good Assurance rating.
- Five audits have received a 'Satisfactory Assurance' rating and one follow up showed Reasonable progress
- As at 31 December 2022 there were 13 Major and 95 Moderate recommendations open. There are no open Critical recommendations.
- During this period the work of the Counter Fraud team has resulted in the recovery of £82,959.81 with a further £37,316.60 in recovery.
- A care home provider has been successfully prosecuted and received a custodial sentence of 12 months for 5 offences of fraud amounting to £58,000

#### **4. Links to our Strategic Ambitions**

4.1 Internal Audit and Counter Fraud activity is critical in ensuring that the Council successfully mitigates its risks in all areas of work and that the public purse is protected to ensure that available resources reach those most in need. This report therefore links to the following aims in the Essex Vision.

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 This report links to the following strategic priorities in the Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Financial implications**

5.1 There are no financial implications as the Internal Audit and Counter Fraud activity 2022/23 will be met within existing resources.

#### **6. Legal implications**

6.1 Internal Audit is a key way in which councillors can be assured that the Council is using its resources effectively and that the Council is discharging its fiduciary duties concerning taxpayers' money. It helps services to design systems which



have appropriate controls and also helps identify and respond to breaches if they occur. This report seeks to update the Audit, Governance and Standards Committee on the activities of the Council's Internal Audit and Counter Fraud service for the purposes of providing further assurance.

- 6.2 The Accounts and Audit Regulations 2015 require the authority to have adequate systems of internal control and internal audit is a way of demonstrating this.

## **7. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

**Appendix A** - Internal Audit and Counter Fraud Progress Report September 2022 – December 2022.

## **9 List of Background papers**

Internal Audit reports



# **Internal Audit & Counter Fraud Progress Report**

**September 2022 – December  
2022**

## Introduction

The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of internal controls, governance and risk management arrangements as well as the work of Internal Audit and Counter Fraud.

This report provides the Committee with the current position regarding activity in relation to the 2022/23 Internal Audit and Counter Fraud Plan (approved by the Audit, Governance and Standards Committee in March 2022). It reflects the situation as of 31 December 2022.

As part of the Committee's role to assess the adequacy of the Council's internal control environment, the Committee also receives regular updates on progress being made by service areas on whether timely and effective remedial action is being taken to resolve any significant control weaknesses that have been identified through our Internal Audit work.

The activity undertaken by Internal Audit and Counter Fraud in 2022/23, together with the work of other assurance providers, contributes to the Chief Audit Executive's overall annual opinion on the Council's systems of control for inclusion within the 2022/23 Annual Governance Statement.

## Internal Audit Activity

### Final Internal Audit Reports Issued

When Internal Audit issues a report it gives an overall assurance rating which is either 'Good' 'Satisfactory' 'Limited' or 'No' Assurance. Recommendations are graded as Critical, Major Moderate or Low. **Nine** final reports have been issued since September 2022, as detailed in the table below:

Assurance Rating	Audit Title	Recommendations Made			
		Critical	Major	Moderate	Low
Good	Treasury Management	0	0	0	2
Satisfactory	Software Licenses	0	0	2	0
Satisfactory	Youth Offending IT Systems and Key Performance Data	0	0	3	0
Satisfactory	ASC - Management Information & Key Performance Indicators	0	0	3	0
Satisfactory	Education Information Management System (EIMS) – Capita One Education	0	0	2	1
Satisfactory	Social Value	0	0	3	0
Reasonable Progress	IT Asset Management – Follow up	N/A	N/A	N/A	N/A
Limited	Essex County Wide Travellers Unit (ECTU) – Follow up	N/A	N/A	N/A	N/A
N/A	Schools Thematic Review - Payroll	<i>No assurance opinion – advisory / consultative approach.</i>			

Full Internal Audit reports can be provided to Committee Members upon request.

### Limited Assurance Reviews

No new Limited Opinion reports have been issued in the period.

Our follow up review of Essex County Wide Travellers Unit found that the original major risks identified have not all been mitigated by the progress made at this time and therefore the original Limited Audit Opinion remains. This includes 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.

### Grant Claims (updated as at Nov 2022)

We have completed a review of the following **grant claims**:

- 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)
- EMPOWER – Empowering the citizens – Towards European Energy Market 2.0 (Enabling More People's Ownership in Energy transition)
- LECSEA - Local Energy Communities for the 2 Seas region
- Bus Services Support Grant
- Community Renewal Fund
- SCITT – Teachers Training Bursary Return
- Supporting Families Q3 Return

## Implementation of Internal Audit Recommendations

Whenever any recommendations are made in an audit report, Managers are asked to agree what activity they will undertake to address the recommendations and to agree timescales for implementation. The current assessment rationale for grading the priority of recommendations made is attached at Appendix 1.

Between 1 September and 31 December 2022, the following number of recommendations have been marked as closed (based on justification received from recommendation owners):

Risk Rating	Number Recorded as Closed between 1 September and 31 December 2022
Critical	0
Major	2
Moderate	13
<b>Total:</b>	<b>15</b>

Critical or Major recommendations which have not been implemented within the agreed timescale are reported to the Audit, Governance and Standards Committee.

As at 31 December 2022 there were **13** Major and **95** Moderate recommendations open. There are no open Critical recommendations.

**8** of the open **Major** recommendations are more than one month overdue compared to their latest agreed implementation date. This number has reduced by 3 with the number reported in our October 2022 Progress Report.

There are **43 Moderate** recommendations more than six months overdue compared to their latest target date for implementation. This number has increased by 16 compared to that reported in October 2022.

We are running a small project over the next 3 months 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.

The open Major recommendations as at 31 December 2022 are detailed in Appendix 2.

### Changes to the 2022/2023 Internal Audit and Counter Fraud Plan

The following changes are recommended in relation to delivery of the Internal Audit and Counter Fraud Plan in 2022/23:

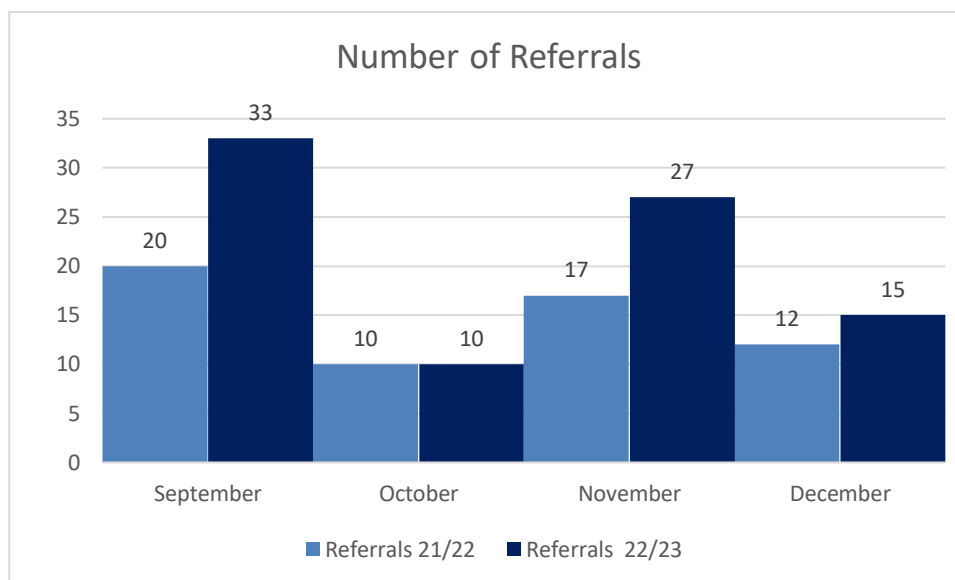
<b>Audit Title</b>	<b>Update</b>
<i>Business Cases</i>	To avoid duplication with work recently undertaken by Delivery Assurance, we suggest the audit should not be undertaken.
<i>Data Quality Assurance</i>	This was originally intended as a stand-alone audit; however we have found that better added value and assurance is provided where we cover Data Quality as a standard part of all appropriate audits. In addition, the Audit and Counter Fraud Data and Intelligence Specialist is also working on specific data exercises to help focus assurance testing. We therefore suggest that the stand-alone audit does not take place.
<i>Integrated Waste Handling</i>	The plan for the 2022/23 work was to top up early assurance findings from the 2021/22 plan by looking at the management of business-as-usual (BAU) processes. The service has since carried out their own lessons learned process and as such it would add more value for our audit to take place after this has bedded in therefore it is suggested that we defer coverage until early 2023/24.
<i>Delivery of Everyone's Essex</i>	Everyone's Essex was included in the 22/23 plan when it was in development. It is not feasible nor would it add value to audit every aspect. We therefore suggest that we revisit for the 2023/24 Audit Plan and consider if there are any specific aspects to cover (based on risk).

### Counter Fraud Activity

The Counter Fraud Team has a remit to prevent, detect and investigate fraud. This includes proactive work utilising data matching and analytical work. In some cases we will pursue sanction through the civil or criminal courts and where possible seek to recover lost/stolen monies.

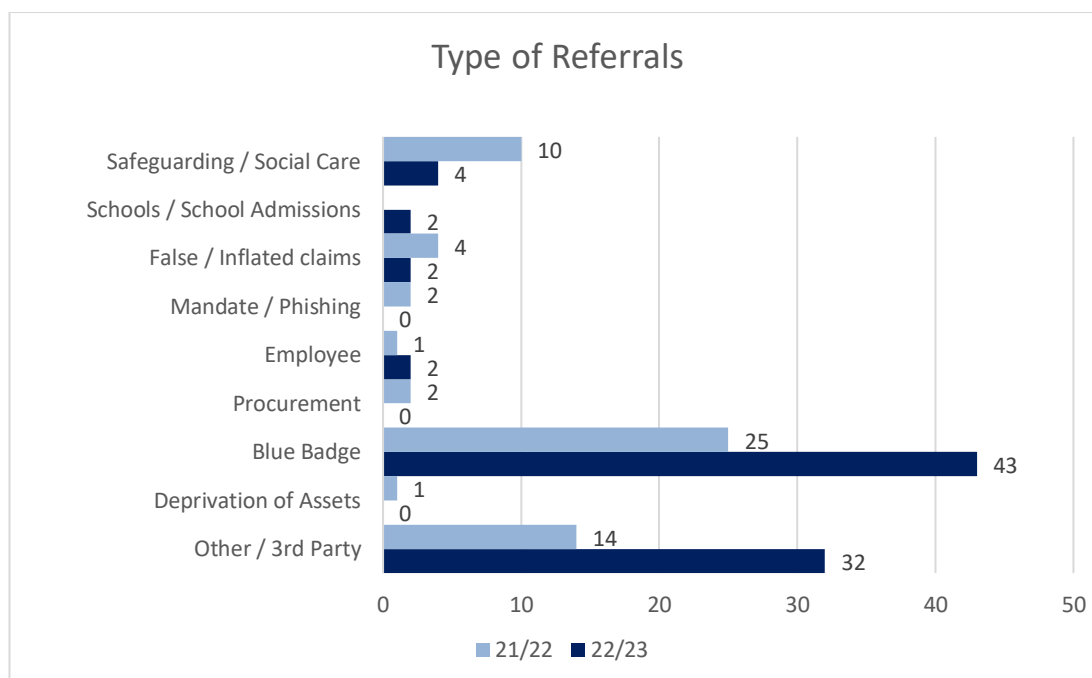
### Fraud Referrals

The total number of fraud referrals received for the period 1 September to 31 December 2022 is **85**. The total referrals received during the same reporting period for 2021/22 amounted to **59**, being a slight increase in blue badge related referrals.



## Types of Referrals

The bar chart below demonstrates the type of referrals received, with a comparison to the referrals received last year.



## Proactive Work

### Data Matching

The Counter Fraud team includes a Data and Intelligence Specialist. Data matching/ analytical work has been completed during the 4 month period in the following areas:

- Covid funding forwarded to Adult Social Care Providers. An analysis is being completed of the total covid related funding that has been forwarded to providers, per individual provider. A sample of 22 providers was selected for review and evidence requested to confirm that funding has been spent in accordance with the relevant grant agreements. To date, one provider has been requested to repay £15,600 relating to a slight over-claim on some of the funding streams. 7 providers have been reviewed and no issues identified, 12 providers have been requested to provide additional information and 2 providers have so far not provided any information.
- Work continued during October and November to collate and format all respective data sets required for inclusion within the 2022 NFI exercise (see below).

### **National Fraud Initiative Data Matching Exercise and NFI Fraud Hub**

The National Fraud Initiative is a biennial exercise overseen by the Cabinet Office. This is a mandatory exercise which all public sector bodies participate in, submitting prescribed data sets to the Cabinet Office to facilitate a national data matching exercise to be completed. Returned matches have been reviewed and investigated as appropriate.

The mandatory submission for datasets including payroll, pensions, payables and blue badges was completed in November 2022 with the resultant matches anticipated to be returned during January / February 2023 for further review and investigation.

In addition to the mandatory data matching, the Counter Fraud Team subscribe to the NFI Fraud Hub. Discretionary data matching is permitted on an ad hoc basis, using the same prescribed data sets as submitted as part of the national exercise.

Data sets relating to Adult Social Care and Pensions were originally uploaded and matched to the mortality listing. These matches have been investigated and where ECC had not been notified of the respective death, records have been updated and further payments have been prevented. This reduces the reputational damage to ECC by us not having to pursue monies paid in error.

Data in relation to ECC Pensions continues to be submitted on a monthly basis and resultant matches sent to the ECC Pension Team for investigation / suspension. Since October 2022, 376 matches have been forwarded to ECC Pensions for their review. Of the 376 matches, 332 have been investigated and closed down, with 44 matches returned at the end of December 2022 still under investigation.

To date, savings have been recorded as **£101,334** in relation to pension payments that have been recovered.

### **Fraud Awareness Training**

As at 31 December 2022 the percentage of staff that have completed the recently refreshed e-learning modules relating to the fraud modules are as follows:



- 77.7% - Anti-fraud and corruption
- 77.8% - Anti-bribery and money laundering.

Staff who have not yet completed the modules have been reminded to do so. A system change within HR has meant that reminders have only been issued within the last month.

Additional bespoke training sessions have been completed as follows:

- Understanding Fraud in Adult Social Care (two sessions for the Essex Social Care Academy)

### Counter Fraud Outcomes

During the period 1 September 2022 to 31 December 2022, the following outcomes and sanctions have been achieved:

Outcomes	September-December 2022/2023	September – December 2021/2022
Prosecutions	1	0
Disciplinary Action	0	0
No Fraud Established	8	4
Phishing / Referred to third party	1	3
Blue Badge - Misuse Letter Sent	12	4
Blue Badge - Seized	14	6
ASC - Financial Recovery	0	2
ASC - PB terminated/reduced	1	1
Other - Financial Recovery	0	0
Other - Misuse Letters	0	0
Payment Prevented	0	0
Other	7	3

*\*Other outcomes include:*

- *Referrals to the Deputyship Team where Power of Attorney not in place,*
- *Revision of financial assessments where non-disclosure of assets or deprivation of assets identified,*
- *Additional guidance & support provided where potential misuse of personal budgets.*
- *Additional guidance provided in instances where weaknesses in the control framework have been identified.*

## Outcome of Prosecution

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 has been 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. The sentence is currently being appealed.

## Summary of Current Cases

During the last four month period, the Counter Fraud team have received referrals relating to Adult Social Care Direct Payments and covid related grant claims. All cases are in the process of being investigated.

## Update of Cases relating to the Essential Living Fund

During 2022/2023 4 cases relating to the Essential Living Fund were investigated following concerns that recipients of white good items were immediately offering the goods for resale on social media sites. Where goods were found to be no longer in the recipients possession, the individual has been blacklisted from further requests for assistance via this fund and invoices issued to recoup funds, where possible.

## Financial Recoveries

In addition to the savings identified during the data matching exercise, this period, the following financial outcomes have been achieved:

	September to December	September to December
	2022/2023	2021/2022
ACTUAL - Monies Recovered	82,959.81	48,257.54
ACTUAL - Monies in Recovery	15,600.00	0.00
NOTIONAL - Future Losses Prevented	0.00	9,855.00
NOTIONAL - Estimated Losses**	37,316.60	0.00
TOTAL	135,876.41	58,112.54

\*\* Estimated losses relate to potential over-inflated covid grant claims based on vacant room rates charged by the respective provider and the amount deemed to be repayable by ECC.

The future losses prevented mainly related to personal budgets (adult social care) which have been reduced or terminated during the year due to fraud or misrepresentation of circumstances, such as care needs have been overstated, misuse of funds, deprivation of assets. Future losses are estimated as the annual value of a personal budget (i.e. the cost to ECC if the personal budget had continued to be paid until the next social care review).





Notional savings of £8,050 have also been identified as 14 expired blue badges have been taken out of circulation, each badge being attributed a value of £575 (figure determined by the Cabinet Office).

## **List of Appendices**

Appendix 1 Current assessment rationale for grading the priority of recommendations in Internal Audit reports.

Appendix 2 Open Major Recommendations.

## Appendix 1 Current assessment rationale for grading the priority of recommendations in Internal Audit reports

Risk rating	Assessment rationale
 Critical	<p>Critical and urgent in that failure to address the risk could lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> <li>Significant financial loss (through fraud, error, poor value for money)</li> <li>Serious safeguarding breach</li> <li>Life threatening or multiple serious injuries</li> <li>Catastrophic loss of service</li> <li>Failure of major projects</li> <li>Critical Information loss leading to Information Commissioner's Office (ICO) referral</li> <li>Reputational damage – Intense political and media scrutiny i.e. front-page headlines, television coverage.</li> <li>Possible criminal, or high profile, civil action against the Council, Members or officers.</li> <li>Intervention by external agencies</li> </ul> <p><b>Remedial action must be taken immediately</b></p>
 Major	<p>Major in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> <li>High financial loss (through fraud, error, poor value for money)</li> <li>Safeguarding breach</li> <li>Serious injuries or stressful experience requiring medical treatment, many work days lost.</li> <li>Significant disruption to service (Key outcomes missed, some services compromised. Management action required to overcome medium term difficulties)</li> <li>Major Information loss leading to internal investigation</li> <li>Reputational damage – Unfavourable external media coverage. Noticeable impact on public opinion.</li> <li>Scrutiny required by external agencies</li> </ul> <p><b>Remedial action must be taken urgently</b></p>
 Moderate	<p>Moderate in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> <li>Medium financial loss (through fraud, error or poor value for money)</li> <li>Significant short-term disruption of non-core activities</li> <li>Scrutiny required by internal committees.</li> <li>Injuries or stress level requiring some medical treatment, potentially some work days lost</li> <li>Reputational damage – Probable limited unfavourable media coverage.</li> </ul> <p><b>Prompt specific action should be taken</b></p>
 Low	<p>Low in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> <li>Low financial loss (through error or poor value for money)</li> <li>Minor errors in systems/operations or processes requiring action or minor delay without impact on overall service delivery schedule. Handled within normal day to day routines.</li> <li>Reputational damage – Internal review, unlikely to have a wider impact.</li> </ul> <p><b>Remedial action is required</b></p>
Assurance Level	Description
Good	<b>Good assurance</b> – 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. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere.
Satisfactory	<b>Satisfactory assurance</b> – whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at risk. There are Moderate recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any Major recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
Limited	<b>Limited assurance</b> – there are significant weaknesses in key areas in the systems of control, which put the system/process objectives at risk. There are Major recommendations or a number of moderate recommendations indicating significant failings. Any Critical recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
No	<b>No assurance</b> – internal controls are generally weak leaving the system/process open to significant error or abuse or reputational damage. There are Critical recommendations indicating major failings

## Appendix 2

### Open Major Internal Audit Recommendations as at 31 December 2022

Audit Review Title	Recommendation	Original Target Date	Latest Target Date	Last Status Update	Owner	Risk Rating
Personal Budgets (Families) (Direct Payments) (1718 C2)	<b>Monitoring and Review</b> Implement a robust process to ensure all cases with Direct Payments are managed effectively, including monitoring of spending.	31/12/18	29/01/21	<b>17 November 2022:</b> It remains a concern that the adults monitoring of DP is still not replicated in children, we are still waiting for this to be agreed. A further meeting is due to discuss further. In order to support ECC savings targets there is currently a countywide review of all DP and every DP will be reviewed by the first week in January which does significantly reduce the risk.	Director Local Delivery, Children and Families	Major
Absence Management (1718 COR5)	<b>Notifications to Line Managers/ Management Information on Compliance</b>	30/09/18	31/10/21	<b>18 August 2021:</b> Work on the Corporate Systems Programme continues, with delivery due in October 2021 and this need fed into requirements. In the meantime, reporting of individuals reaching absence triggers is due to be included within monthly People Performance packs starting within Q2 2021/22. <u><b>Audit Comment:</b> An Audit review of Absence Management is planned for Q4 2022/23 when we will undertake a review of progress against this action.</u>	Head of People Insight and Technology	Major
	<b>Completeness of Return-to-Work Action</b>	30/09/18	31/10/21	<b>18 August 2021:</b> The requirements for this have been built into the My Oracle design and are currently undergoing testing. These new features will form part of the My Oracle launch in October 2021. <u><b>Audit Comment:</b> An Audit review of Absence Management is planned for Q4 2022/23 when we will undertake a review of progress against this action.</u>		Major

Audit Review Title	Recommendation	Original Target Date	Latest Target Date	Last Status Update	Owner	Risk Rating
Building Security (1920 PPH5)	<b>Partner Organisation Leaver Process</b>	31/08/19	14/05/21	<b>17 October 2022:</b> New Manager / Recommendation owner took over recently. Advised there are longstanding issues with regards to obtaining third party leaver information. A solution has now been identified and new manager is progressing implementation. <b>Audit Comment:</b> Previous Facilities Manager left, and the new post holder has only recently been appointed and allocated this action.	Facilities Manager	Major
Review of Utility Invoice Processes (1920 PPH8)	<b>Energy Profile Audits:</b> In line with the contractual agreement all properties should have an Energy Profile Audit conducted every 12 months and be reported in line with the template provided in the contract.	31/12/20	30/04/22	<b>09 June 2022:</b> A follow up of this audit occurred in the 2021/22 financial year, the final report was issued 21/03/22. Review of Energy Profile Audits is being picked up as part of the wider review of the D2 Specification for Energy as well as ongoing discussions around reporting and streamlining the provision of management information systems to be able to provide this. As this recommendation has not been fully implemented, it remains open. A revised target date for end April 2022 was sought when the follow-up report was finalised.	Procurement Specialist	Major
IT Disaster Recovery (2021 F19)	<b>IT Disaster Recovery Testing</b>	30/09/22	31/05/23 (not yet due)	<b>06 December 2022:</b> The actions are undergoing replanning to accommodate resourcing for essential dependencies of DR Testing: i) SQL Failover design and remediation ii) Refactoring of Availability Groups iii) Applications failover planning. As such, the target date for remediation has been extended to align with the Cloud programme phase 2 of May 2023 – DR Testing is planned to recommence from Feb 2023, subject to resource availability, with an initial period to iron out teething issues with the new process.	Head of Technology Operations	Major

Audit Review Title	Recommendation	Original Target Date	Latest Target Date	Last Status Update	Owner	Risk Rating
	<b>Incomplete Business Impact Analyses (BIA)</b>	30/09/22	31/05/23 (not yet due)	<b>01 December 2022:</b> As an outcome of discovery analysis undertaken, replanning and resource assessment is underway to enable a fit-for-purpose risk matrix to be created, tracking tiers of Disaster Recovery events and associated IT capability against the Recovery Time Objectives (RTO) and Recovery Point Objectives. This is to be aligned to dependencies on the Cloud programme schedule, the updating of RTOs in Continuity2 and formulation of a joint plan with EP&R to complete the RPO information. As such the revised deadline has been extended to May 2023 with a plan of interim milestones to be published by end Dec 22.	Head of Technology Operations	Major
IT Asset Management (2021 FT17)	<b>Leavers Not on The Corporate System (TCS) and Inactive Assets</b>	01/09/22	31/12/22	<b>22 August 2022:</b> A follow up review has recently been undertaken. Testing evidenced that there are still issues in recovering assets from Non-TCS (now Non-MyOracle) Leavers. The recommendation remains open with plans in place to address the residual risk by the end of December 2022.	Head of Technology Operations	Major
Country Parks (2021 PPH9)	<b>Stocktake and Reconciliations</b>	31/12/21		<b>29 September 2022:</b> There have been recruitment difficulties, delaying full implementation. Food and Beverages Manager has now started and is working on a business case for required investment in outlets, including an 'electronic point of sale' (ePOS) system with supporting infrastructure. <b>Audit Comment:</b> An Internal Audit follow-up review of Country Parks is underway. It is noted that implementation will not be verified until after the ePOS has been procured and utilised to allow the expected control improvements.	Commercial Operations Manager	Major
	<b>Absence of a stock write off and stock discounting procedures</b>	31/12/21			Commercial Operations Manager	Major
Essex Traveller Unit (2021 PPH6)	<b>Site Management Plan</b>	31/03/22	31/03/23 (not yet due)	<b>30 September 2022:</b> A follow up review has recently been undertaken. There is evidence of increased engagement with Councillors, ECC Services, District and Borough Councils, and Heads of Service, which is enhancing the Service's visibility across ECC. As yet, funding decisions have not been agreed. As such, the financial constraints in which the Gypsy & Travellers Service is working are still in place and will determine the future planning for the Service. The recommendation remains open with a revised due date of March 2023.	Wellbeing, Place and Communities Lead	Major

Audit Review Title	Recommendation	Original Target Date	Latest Target Date	Last Status Update	Owner	Risk Rating
Housing Infrastructure Fund (HIF) (2122 FT19)	<b>Disconnect between Bid and Delivery</b>	30/09/22		<b>04 July 2022:</b> Verbal assurance received to suggest that the structure of the Highways and Transportation service now allows for individuals involved in the bidding stage and the delivery stage to better coordinate. Advised that the relevant project sponsor is now involved with the bid process to allow them to assess the feasibility of the bid. Once supporting evidence is provided this action can be closed.	Director Highways & Transport	Major
Accounts Receivable (2122 FT12AR)	<b>Advanced Collections Screen</b>	31/12/22		<b>13 September 2022:</b> We are currently working with Evosys to resolve this issue as there are still missing customers on the September portfolios	Service Manager	Major



**Agenda Item 5**  
**AGS/03/23**

<b>Report title:</b> Risk Management Update Report	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paula Clowes, Head of Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Noting
<b>Enquiries to:</b> Paula Clowes, Head of Assurance <a href="mailto:paula.clowes@essex.gov.uk">paula.clowes@essex.gov.uk</a> ; Karen Gooch, Risk and Insurance Manager <a href="mailto:karen.gooch@essex.gov.uk">karen.gooch@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1 The Audit Governance and Standards Committee has a key role to maintain oversight and to monitor the effectiveness of the council's risk management arrangements.
- 1.2 Effective risk management is a key component of good Corporate Governance and as such the Council is required to have effective arrangements in place for the management of Risk. All services delivered by the council carry an element of Risk and as such is important that these risks are acknowledged and mitigated as appropriate.
- 1.3 This report provides the Committee with the current position regarding activity in relation to Risk Management and our Strategic Risks. It covers the six months from July to December 2022.

## 2. Recommendations

- 2.1 The activity in relation to Risk Management and the Strategic Risk Register be noted.

## 3. Background

- 3.1 The purpose of this report (attached at **appendix A**) is to provide Audit Governance and Standards Committee (AGS) with a regular update on the Strategic Risks the Council is currently managing, risk management activity that has taken place across the council and any emerging risks or other risk related matters that may be of interest to the Committee. This report has been introduced to support the Committee in the discharge of their responsibilities in relation to Risk Management oversight and to provide enhanced knowledge of the strategic risks facing the council and the wider operating environment.
- 3.2 As part of our risk management strategy the risks are already reviewed by senior leaders, the Corporate Leadership Team and by individual services. Whilst the risk team ensure that risks are reviewed and can advise and assist,

it is senior leaders and managers who are responsible for ensuring that risks are identified and recorded.

#### **4. Links to our Strategic Ambitions**

4.1 A strategic approach to risk management is critical in ensuring that the Council successfully mitigates its risks in all areas of work to ensure vital services continue to be delivered and available resources reach those most in need and the council remains resilient. This report links to the following aims in the Essex Vision.

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Financial implications**

5.1 There are no financial implications as the risk management activity will be met within existing resources.

#### **6. Legal implications**

6.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes a requirement to have adequate arrangements for the management of risk.

#### **7. Equality and Diversity Considerations**

7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that this strategy will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

**Appendix A** - Risk Management Update Report July – December 2022

## **9 List of Background papers**

- CIPFA's Position Statement 2022: Audit committees in local authorities and police
- ECC Risk Management Strategy



# **Risk Management Update Report**

**July – December 2022**

## Introduction

The purpose of this report is to provide Audit Governance and Standards Committee (AGS) with a regular update on the Strategic Risks the Council is currently managing, risk management activity that has taken place across the council and any emerging risks or other risk related matters that may be of interest to the Committee. This report has been introduced to support the Committee in the discharge of their responsibilities in relation to Risk Management oversight and to provide enhanced knowledge of the strategic risks facing the council and the wider operating environment.

## Role of AGS Committee in Risk Management

The ECC Risk Management Strategy and the Committee's terms of Reference require the committee to "consider the Council's arrangement for corporate governance and risk management and advise on any action necessary to ensure compliance with best practice"

CIPFA's Position Statement 2022: Audit committees in local authorities and police<sup>1</sup> states 'maintenance of governance, risk and control arrangements are a core responsibility of the Committee'. In relation to risk this means in practice:

"Consider the effectiveness of the authority's **risk management** arrangements. It should understand the **risk profile** of the organisation and seek assurances that active arrangements are in place on **risk-related issues**, for both the body and its collaborative arrangements"

## Risk Management Activity

The ECC Risk Management Team carry out a range of activities to support Senior Leaders and Management in identifying and managing their risks effectively. In addition the Team are supported by Risk Coordinators who work within their Functions to provide practical and day to day risk management support. A range of training, workshops and e-learning is available for staff, management and members as part of the Risk Management Tool-kit.

## Senior Management Engagement

In order for ECC to effectively manage its risks it is critical that Senior Leaders are actively engaged with the full risk management lifecycle. To support this the Head of Assurance and/or the Risk Manager regularly attend CLT, FLT's and SMT's to facilitate effective risk identification and mitigation. During this reporting period the following support activities took place.

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<sup>1</sup> <https://www.cipfa.org/services/support-for-audit-committees>

Date	Activity
25.10.22	CLT received Strategic Risk update with facilitated discussion on new and emerging risks
20.7.22 & 12.10.22	People & Transformation Performance Board received risk update with facilitated discussion on existing risks and mitigations
1.9.22	Corporate Services FLT received risk update with facilitated discussion on existing risks and mitigations
22.9.22	Children's & Families FLT received risk update with facilitated discussion on existing risks and mitigations
26.9.22 & 19.12.22	Climate, Environment & Customer FLT received risk update with facilitated discussion on existing risks and mitigations
11.8.22 & 4.11.22	Finance SMT facilitated risk review
31.8.22	Chief Execs Office SMT facilitated risk review
13.10.22	Customer Services SMT facilitated risk review
9.11.22	Environment & Climate Action SMT facilitated risk review
15.11.22	Highways & Transportation SMT facilitated risk review
4.7.22 & 3.10.22	Sustainable Growth SMT facilitated risk review
8.11.22	Performance, Infrastructure & Delivery SMT facilitated risk review
16.12.22	Transformation Delivery & Support SMT facilitated risk review
16.12.22	Legal & Assurance SMT facilitated risk review
19.12.22	Wellbeing, Public Health & Communities SMT facilitated risk review
20.12.22	Technology Services SMT facilitated risk review

## Business Continuity Validation Exercise and Test - Cyber Attack

As part of the Council's ongoing Business Continuity Programme, designed to support Functions and ECC to manage incidents after risks materialise, an ECC wide exercise was carried out in October 2022 to test our response to a Cyber Attack. This exercise was called Operation Black Hat. The aims of the exercise were to:

- Validate the Council's Corporate Business Continuity Plan
- Provide Essex County Council Staff with an opportunity to practice their skills and knowledge of the business continuity procedures in a simulated and controlled environment.

The exercise was based on a Ransomware attack on the Council's IT infrastructure. The 'attack' scenario meant Technology Services pretending to disable access to ECC-corporate systems whilst they investigated the ransomware and understood what it was directly impacting. The disabling of the ECC-Corporate System meant that staff had to test the scenario that they could no longer login to their laptops or sign into any of the single sign-on services. The exercise was carried out over 2 days and involved all key staff and functions. By carrying out this exercise we have a clear picture of where our response would go well and have identified opportunities for learning should we face a real attack. The full de-brief report is available to members upon request.

## Summary of Current Risk Profile

The ECC Risk Management Strategy (reviewed and approved by AGS Committee in March 2022) sets out our approach to managing risks across the council. We manage risks at a Strategic, Function and Operational level. The table below shows the number of risks recorded at each level across the council

In the period from July – December 2022 our strategic risk profile has remained relatively stable after a very uncertain couple of years managing risks related to EU Exit and Covid-19. The highest rated risks, considered to be almost certain to happen and have a critical impact if they do are related to our supply chain (considered an issue), and placement sufficiency for Children In Care.

The full Strategic Risk register can be found at **appendix 1**

We categorise our risks to help assess the nature of the impacts. The table below shows the number of risks we are managing in each category.

Category	Strategic level	Function Level	Service Level	Total risks	Direction of Travel*
Business Continuity/Emergency Planning	0	2	5	7	---
Compliance/Governance	0	8	18	26	---
Contracts / Partnerships /Markets	0	2	9	11	---
Economic	0	2	17	19	---
Environmental	0	4	6	10	---
Financial	0	11	39	50	---
Health & Safety	0	1	11	12	---
Human Resources	0	4	10	14	---
Information Security	0	0	29	29	---
Legal / Regulatory	0	10	18	28	---
People in the community	0	7	0	7	---
Project / Service Delivery	0	5	17	22	---
Reputational	0	4	35	39	---
Strategic	13	0	0	13	---
Technological / Data Quality	0	4	9	13	---
Unassigned	0	0	7	7	---
<b>Total</b>	13	64	230	307	---

\*data not available as this is first report – will be supplied from second report onwards.

ECC assesses risk levels using a 4x4 likelihood x impact.

			Impact/Consequences			
			Minor	Moderate	Major	Critical
			1	2	3	4
Probability	4	Almost Certain	Medium (4)	High (8)	Very High (12)	Very High (16)
	3	Likely	Low (3)	Medium (6)	High (9)	Very High (12)
	2	Possible	Low (2)	Medium (4)	Medium (6)	High (8)
	1	Unlikely	Low (1)	Low (2)	Low (3)	Medium (4)

The table below outlines the percentage of our current risks at each level.

Risk Level	% Very High	% High	%Medium	% Green
Strategic	56.25	37.5	6.25	0
Function	50	27.8	14.8	7.4
Service	10.04	28.38	44.54	17.04

## Horizon Scanning

It is clear that we are in a further period of uncertainty and as such there are number of risk areas that could emerge and we are keeping a watching brief. These include (but not limited to) Local Government Reform / Devolution, cost of living, Winter Pressures and Risk of Power Outages, which the Government has added to the Community Risk Register.

The Institute of Internal Auditors recently published its annual paper Risk in Focus for 2023, the executive summary is extracted from the full report and attached at **appendix 2** and the full report (48 pages) can be found here [Risk In Focus](#). The 'Looking Ahead' section of the report suggests that the top 3 risks for organisations over the next 3 years could be

- cybersecurity and data security
- human capital, diversity and talent management,
- climate change and environmental sustainability

## Risk Maturity

It is considered best practice for organisations to regularly assess their risk maturity against a recognised risk maturity model. ECC has adopted the ALARM model for this purpose. (attached at **appendix 3**). Our first assessment was carried out in 2019 by PWC and we were assessed as 3 – 'working' in some areas and 4 - 'embedded and working in others'.

Our next risk maturity assessment is in currently in progress and being carried out by Internal Audit to provide independence and objectivity. The results will be reported once the review is complete.



## - Risk Register (As at 18/01/2023)

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0046 Treat</b></p> <p>Placement sufficiency for Children in Care: There is a shortage of placement choice and increasing costs nationally. This is compounded by; increasing CiC numbers nationally, Ofsted inspection outcomes and the current economic situation. The consequences are two potential risks arise; insufficient placements resulting in a failure to meet our statutory duty to provide lawful placements for children requiring care, and increased pressure on budgets due to rising costs. There may also be increased risk of harm in unregulated placements and reputational damage for the LA.</p> <p><b>Owner :</b> Helen Lincoln</p>	<ul style="list-style-type: none"> <li>- <b>Residential Care Strategy</b> Our Residential Care Strategy is in development; overseeing a range of workstreams established to increase access to local, good quality residential placements. Alongside our strategic partners, Barnardo's. <b>Status :</b> In Progress</li> <li>- <b>Joint Protocol</b> To make sure ECC does not pick up care costs inappropriately, discussions are taking place with the Essex housing authorities and London Boroughs at a political level, and via the Local Government Association and Association of Directors for Children's Services at officer level, to develop a Joint Protocol regarding the migration of children and their families from London <b>Status :</b> In Progress</li> <li>- <b>Lobbying</b> Lobbying Ofsted, Department of Education, Policy makers and Independent review of Children's social care to provide flexibility in closure of units to prevent short notice actions being taken. <b>Status :</b> In Progress</li> <li>- <b>Monitoring</b> The East of England Regional Improvement &amp; Innovation Alliance are monitoring the impact. Comparing the three months December to February 2021 to the same period in 2022, there was: a 150% increase in unregulated placements, with average costs increasing 68%; and a 67% increase in residential placements, with average costs increasing 72%. <b>Status :</b> In Progress</li> <li>- <b>Prevention of entry into care and re-unification</b> Prevention of entry into care both via the d-bit intervention and supporting the re-unification, particularly of under 10's with their families <b>Status :</b> Ongoing</li> <li>- <b>Transformation board work on fostering</b> Transformation board investment in in-house fostering - intended to increase proportion of CiC in fostering, and proportion of fostered children placed in-house. Targets will be re-calibrated in response to increasing numbers of 16/17 year olds, and SMC entering care. Our in-house fostering provision is the most effective, cost-efficient placement-type, for children to attain good outcomes. <b>Status :</b> Ongoing</li> <li>- <b>Children and Young People's Placement Service (CYPPS)</b> - All placements are centrally sourced and matched centrally CYPPS, to ensure most efficient and cost effective use of all placements. - Fortnightly face-to-face liaison with Ofsted providing transparency around use of unregulated. - Unregulated arrangements - ongoing work to reduce use of unregulated arrangements via residential group care with 3 units, first one will be operational Spring</li> </ul>	<div>16</div> <div>4, 4</div>	<div>9</div> <div>3, 3</div>

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p>- <b>Children and Young People with Disabilities (CYPWD)</b> Project board and workstreams is in place – Short Break Hub in place, development of in-house carers for CYPWD ongoing, looking at re-tender process for short breaks offer. <b>Status</b> : Ongoing</p>			
<p><b>SRR0087 Treat</b> ISSUE- Supply Chains: Due to the impacts of EU Exit and the conflict in Ukraine, there is a risk of supply chain disruption and escalating cost. This could be due to:</p> <ul style="list-style-type: none"> <li>- Rising Inflation and particularly concerns over continued and high energy costs, leading to concerns over viability of suppliers with high energy consumption eg residential care and construction.</li> <li>- Vacancies in key sectors e.g. Haulage, Construction and Care</li> <li>- Long lead times and escalating costs</li> <li>- Fuel and air freight disruption</li> <li>- A raw material shortage caused by the shutdown of industries</li> </ul> <p>This could impact on our ability to fulfil our statutory duties which results in escalating costs to the council and failure to deliver services. Additionally, shortages in supply and labour could result in suppliers sourcing less ethical solutions, e.g. modern slavery.</p> <p><b>Owner</b> : Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Reviewing additional support required for energy costs</b> We are awaiting the outcome of the government review into continued energy support for business from April 2023. <b>Status</b> : Proposed</li> <li>- <b>Additional capacity</b> Exploring lots of different solutions to bring in additional capacity e.g. block arrangements, Provider of Last Resort contract, mobilising new Domiciliary Care providers etc. <b>Status</b> : In Progress</li> <li>- <b>Reviewing sourcing strategies</b> Reviewing sourcing strategies to see how we can mitigate any potential cost pressures, potentially extending contracts where we can even if at a slightly increased price to avoid going to the market at such a volatile time. We are also reviewing and updating specifications to allow more flexibility from bidders as, at times, we are too prescriptive and this is causing additional cost and availability challenges <b>Status</b> : In Progress</li> <li>- <b>Business Impact Analysis</b> From September 2022, Business Continuity Planning evidence will be a requirement for all medium and high-risk contracts awarded by Essex County Council. Using the Strategic Business Impact Analysis as guidance, medium and high-risk contracts for critical services will be subject to more stringent checks to ensure business continuity planning is of sufficient quality to provide assurance to the Council. Checks are carried out in partnership between Procurement and the Emergency Planning &amp; Resilience Team.  Functions are responsible, as part of the Service-Level Business Impact Analysis, for identifying their critical suppliers and ensuring that business continuity measures are in place for the continuation of service delivery, should a critical supplier's business be disrupted. These arrangements are to be reviewed annually as a part of the Business Continuity Lifecycle. <b>Status</b> : In Progress</li> </ul>	16 4, 4	12 3, 4
<p><b>SRR0047 Treat</b> ASC Provider Failure: The fragility of the care market continues and is currently exacerbated by ongoing workforce pressures in the care market. This could result in providers being unable to meet demand due to financial pressures, in particular increase on costs and staff shortages/recruitment.</p> <p><b>Owner</b> : Nick Presmeg/ Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Intergrated approach with health</b> Ensure integrated approach with health maximises productivity and ongoing work with providers is taking place. <b>Status</b> : In Progress</li> <li>- <b>Market shaping</b> Robust market shaping is in progress, working closely with providers and partners in the NHS to ensure the short term supply chain is stable and shape the market to meet future needs and support recruitment to care market workforce. <b>Status</b> : In Progress</li> </ul>	12 3, 4	6 2, 3

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<ul style="list-style-type: none"> <li>- <b>Risk Management</b> Ongoing monitoring of risks for older people in care homes with proactive management of high-risk settings. The report is sent to a range of colleagues within Operations and Commissioning, and proactive conversations take place to understand and assess the plans of highest risk providers in addressing their issues. <b>Status</b> : In Progress</li> <li>- <b>Monitor and review</b> Annual review of fees payable and pricing matrix on framework re-opening to recognise cost pressures faced- uplift to historic prices this year and change in policy to recognise price pressure. All costs of care models will be refreshed by Sept 2022. Development of robust contingency arrangements for critical services Regular monitoring of financial information and other risk measures to identify those providers most at risk of failure <b>Status</b> : Ongoing</li> <li>- <b>Market communications</b> We actively communicate to the market and make known any information, advice and technical guidance we receive that is relevant to providers. <b>Status</b> : Ongoing</li> <li>- <b>Market relationship</b> ECC are well sighted on issues due to strong relationships with the market. ECC fund a role at the Essex Care association – the Director of Development which strengthens relationships, and have also agreed to fund a workforce role too. <b>Status</b> : Ongoing</li> <li>- <b>Serious concerns review group (SCRG)</b> These meetings are held regularly to review any providers where there are concerns using a RAG rating system <b>Status</b> : Ongoing</li> </ul>		
<p><b>SRR0055 Treat</b> ASC Safeguarding: Risk of potential death or serious injury of a child or vulnerable adult as a result of market failure or poor practices. This would have a significant impact on service delivery, officer morale and the reputation of the Council .</p> <p><b>Owner</b> : Nick Presmeg</p>	<ul style="list-style-type: none"> <li>- <b>Liberty Protection Safeguards</b> We are preparing for the Liberty Protection Safeguards. We are training relevant staff, identifying processes and pathways and ensuring that our colleagues across the council and partners are prepared and ready to implement this new important safeguarding legislation in 2023 via a dedicated network and regular information sharing, should this legislation be commenced <b>Status</b> : In Progress</li> <li>- <b>Strong relationships</b> Strong relationships with the Local resilience Forum (LRF) and incident and risk management plans in place. <b>Status</b> : Ongoing</li> <li>- <b>Essex Safeguarding Adults Board (ESAB)</b> The Essex Safeguarding Adults Board (ESAB) published its strategic priorities and business plan in April 2021 which set a clear direction and work programme for the next three years, The ESAB sub-groups have been reviewed and refreshed to ensure they are well placed to deliver the Board's plans. <b>Status</b> : Ongoing</li> </ul>	<div>12</div> <div>3, 4</div>	<div>8</div> <div>2, 4</div>

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<p>- <b>Ongoing relationship with the Care Quality Commission (CQC)</b></p> <p><b>Status :</b> Ongoing</p> <p>- <b>Quality checks</b> Quality assurance audit system in place which randomly selects cases from each quadrant to check their quality. Every team manager completes 1 of these per month. . The department undertakes a quarterly auditing and review diagnostic process looking at areas of practice, accountability, management and leadership. We are updating our Quality Assurance Framework to ensure a wider scope and breadth of assurance work is undertaken routinely across all aspects of ASC, additionally demonstrating our compliance with regulatory frameworks. We are increasing the number of case file audits to reflect the growing levels of activity on teams and to ensure that we can evidence the impact of learning from reviews, complaints and case law in our practice. We are also working to incorporate an improved inclusion of the voices of adults and their carers in our assurance work.</p> <p><b>Status :</b> Ongoing</p> <p>- <b>Serious Concerns Review Group (SCRG)</b> These meetings are held regularly to review any providers where there are concerns using a RAG rating system. Discussions are around safeguards, strategy meetings required, action plans for improvement we have with the provider, Care Quality Commission (CQC) actions, suspension of admissions, breach of contract etc and any next steps required. Key stakeholders attend from Adult Operations, Safeguarding, Quality, Procurement, Legal, and the Service Placement Team.</p> <p><b>Status :</b> Ongoing</p> <p>- <b>Robust relationships in place</b> We have robust relationships in place with key colleagues, including Directors of Nursing and Accountable Officers, across the health system, a key part of these relationships is working together to develop system resilience and risk management.</p> <p><b>Status :</b> Ongoing</p> <p>- <b>Continuous Professional Development (CPD)</b> Professional development pathway for all Children and Families and Adult Social Care staff which will contribute to more robust practice.</p> <p><b>Status :</b> Ongoing</p> <p>- <b>Section 11 Audits</b> Section 11 audits completed biannually (org compliance with safeguarding duties).</p> <p><b>Status :</b> Ongoing</p> <p>- <b>Care Sector Hubs</b> Led by ECC Adult Social Care this system wide collaborative approach in each CCG (ICS) area where partners come together to discuss care provider safeguarding and quality risk and mitigation. The Provider Quality Team have a lead role in contacting care homes to discuss issues and challenges and provide advice and support. The Hubs look at active and emerging concerns and consider appropriate resources to support provider improvement.</p> <p><b>Status :</b> Ongoing</p>		

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0056 Treat</b></p> <p>C&amp;F Safeguarding: Due to stretched capacity internally and externally; social worker caseloads increasing in complexity and volume; and an increasing number of families living in poverty, there is an increased risk of child abuse, long-term psychological damage, serious injury, or death of a child. This may result in significant negative impact on officer wellbeing and morale, and the reputation of the Council.</p> <p><b>Owner :</b> Helen Lincoln</p>	<ul style="list-style-type: none"> <li>- <b>Projecting future demand</b> Working with data colleagues to project future demand <b>Status :</b> In Progress</li> <li>- <b>Prevent and Channel meetings</b> Prevent and Channel meetings are being progressed with Essex Police with regular meetings taking place. Prevent Leads are in place for both Adult Social Care (ASC) and Children &amp; Families (C&amp;F). <b>Status :</b> Ongoing</li> <li>- <b>Child Sexual Exploitation Strategy (CSE)</b> There is a national focus on child protection including Child Sexual Exploitation (CSE). ECC have developed a CSE strategy; work is ongoing and there is continued scrutiny around that area. <b>Status :</b> Ongoing</li> <li>- <b>Independent Inquiry into Child Sexual Abuse (IICSA)</b> The Independent Inquiry into Child Sexual Abuse is underway and we keep a close watch on government messages. This inquiry looks at current and historical cases. ECC has not been named but may at sometime be called on to give evidence. <b>Status :</b> Ongoing</li> <li>- <b>Quality checks</b> Quality assurance audit system in place which randomly selects cases from each quadrant to check their quality. Every team manager completes 1 of these per month. <b>Status :</b> Ongoing</li> <li>- <b>Serious Case Review</b> These reviews are carried out as and when required in order to establish lessons learned. They are attended by Head of Safeguarding <b>Status :</b> Ongoing</li> <li>- <b>Online wellbeing service</b> Essex Wellbeing Service (EWS) has developed an online digital directory – people can access advice, link to services with capacity (anxiety, bereavement etc) and complete online learning. <b>Status :</b> Ongoing</li> </ul>	12 3, 4	8 2, 4
<p><b>SRR0088 Treat</b></p> <p>Recruitment and Retention: At the end of December 2022, ECC's voluntary turnover rate is 9.9%, compared to 7.5% in December 21 and has risen from a low of 5% in April 2021. This rising trend of voluntary resignations presents a major risk to delivery of our services. The trend, however, has slowed over recent months therefore we would forecast the turnover rate to not get materially worse.</p> <p>Levels of interest in ECC jobs has improved since September and is on an upward trend. work on our updated advertising content will ensure we can continue to attract talent. there is particular concern for Grade C staff where only 49% intend to stay for over three years. The impact on our voluntary turnover rate will be financial, productivity loss and our experience mix all being impacted.</p> <p><b>Owner :</b> Pam Parkes</p>	<ul style="list-style-type: none"> <li>- <b>Robust workforce planning</b> People Business Partners will work with functional leadership teams to ensure robust workforce planning to ensure we are clear which roles and skills we are likely to need to develop pipelines for <b>Status :</b> In Progress</li> <li>- <b>Talent identification, development and planning pilot</b> The pilot is completed. Framework and approach revised and improved thanks to feedback. Roll out to the remaining of the organisation in progress, aligned with the Workforce Planning activity planned. <b>Status :</b> In Progress</li> <li>- <b>Report into Function FLT's and PBP's</b> Levels of turnover and talent attraction will continue to be reported to function FLTs and PBPs will work with these leadership teams to put specific actions in place as necessary <b>Status :</b> In Progress</li> </ul>	12 4, 3	4 2, 2

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<ul style="list-style-type: none"> <li>- <b>Flexibility in organisation design</b> Where specific retention issue are highlighted (e.g. Tech Services) we will seek to employ a flexible approach to org design in order to create motivation to say, such as clear progression structures (e.g. Entry to work, junior roles and senior roles). <b>Status</b> : In Progress</li> <li>- <b>Flexible reward</b> Decisions around how the agreed pot for 2023/24 pay review is applied will take account of the current market conditions, hard to recruit roles and the external economic pressures being felt by employees. We are also reviewing our EVP to ensure that we are an attractive employer, taking into account all elements of EVP which are not just focussed on salary. <b>Status</b> : In Progress</li> </ul>		
<p><b>SRR0089</b> <i>Treat</i></p> <p>Cyber security: If ECC were not to maintain, implement and test appropriate and adequate security controls to mitigate vulnerabilities and security threats, there is an increased risk of these being exploited by Russia following the advice from GCHQ to gain unauthorised access to, and/or compromise the confidentiality, availability, and integrity of ECC data. This could result in fines being imposed, reputational damage, and the prosecution of the authority.</p> <p><b>Owner</b> : Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Ensure our network service providers have implemented effective security control</b> Existing firewall rules have been review by an independent consultant and will further be reviewed by Networks Team and IT Security. Penetration testing will also provide assurance that only required ports are open. Any unexpected or unauthorised firewall ports found to be opened are closed following the RFC process. A process is in place to ensure these reviews are happening <b>Status</b> : In Progress</li> <li>- <b>Cyber Security Governance - policies and processes</b> TS manages and maintains a portfolio of relevant technology policies. These are reviewed and updated as a minimum annually. <b>Status</b> : Ongoing</li> <li>- <b>Cryptography: Ensure it's used correctly and effectively within Technology Services, to protect the CIA of data.</b> CIA Confidentiality, Integrity and Availability               <ul style="list-style-type: none"> <li>a. Ensure Technology Services policy on the use of cryptographic controls for protection of information, is followed, maintained, and regularly reviewed.</li> <li>b. Ensure Technology Services policy on the use, protection, and lifetime of cryptographic keys through their whole lifecycle ,is followed, maintained, and regularly reviewed.</li> </ul> <p>Relevant TS Security Policy Controls: Cryptography policy <b>Status</b> : Ongoing</p> </li> <li>- <b>Malware protection: Ensure defences against the ingress of malware are in place</b> Ensure detection, prevention and recovery controls are in place and effective, that protect against the ingress of malware, and are combined with user awareness, and adhere to the requirements of the TS Security Malware Protection policy. Security HQ are currently being used for 24hour Security Operation Centre (SOC), they identify threats and whether there are enough resources to deal with them. There is also a retainer with Mandiant for in-depth security expertise when needed. <b>Status</b> : Ongoing</li> </ul>	<div>12</div> <div>3, 4</div>	<div>8</div> <div>2, 4</div>

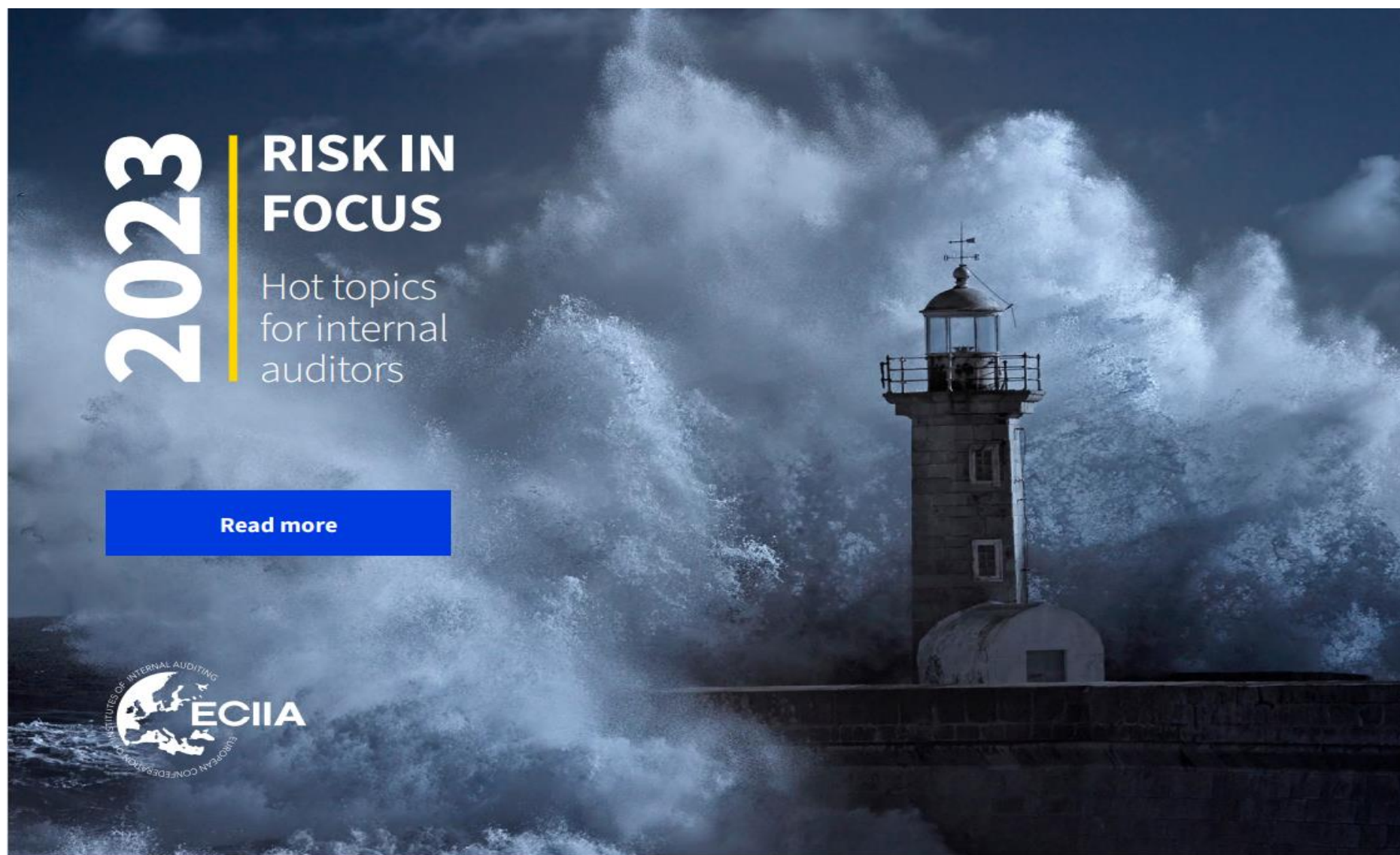
Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<ul style="list-style-type: none"> <li>- <b>Technical Vulnerability Management: Ensure the system vulnerabilities are not available for threats to exploit</b> Ensure that technical vulnerability management is being performed as per that stated in the TS Security Vulnerability Management policy <b>Status</b> : Ongoing</li> <li>- <b>Backup of Information: Ensure regular back ups of information are taken</b> Ensure backup copies of information, software and system images are taken and tested regularly in accordance with the agreed backup schedule and TS Security Backup policy. <b>Status</b> : Ongoing</li> </ul>		
<p><b>SRR0092 Treat</b></p> <p>Inflation:</p> <p>Inflation is at its highest level for 40 years, and may continue at a high level over the medium term, which will create significant pressure on ECC revenue and capital budgets, impacting on the financial sustainability of the organisation and increasing the budget gap.</p> <p><b>Owner</b> : Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Monitoring Inflation Pressures</b> Monthly monitoring of inflation pressures <b>Status</b> : In Progress</li> <li>- <b>General risk reserve</b> General risk reserve created as part of the Provisional Outturn report to provide a level of one-off support to inflation pressures <b>Status</b> : In Progress</li> <li>- <b>Regular updates on inflation</b> Regular updates on inflation and its potential impact to CLT and PLT <b>Status</b> : In Progress</li> <li>- <b>Revenue transformation planning</b> Work has begun on developing a transformation plan to identify the shape of ECC in the medium term- this aims to provide potential mitigations to the increasing medium term budget gap <b>Status</b> : In Progress</li> <li>- <b>Undertaking capital programme prioritisation</b> Undertaking capital programme prioritisation Capital programme prioritisation exercise has taken place this year to look at identify actions for growing financing pressure on the revenue budget. This will continue on an annual basis. <b>Status</b> : In Progress</li> <li>- <b>Modelling options for major contracts</b> Modelling options for major contracts for a range of inflation scenarios <b>Status</b> : In Progress</li> <li>- <b>Revising the 2023/24 budget and MTRS for new BoE inflation assumptions</b> The 2023/24 budget has been set taking in to account current high levels of inflation, and the BoE forecast for the medium term. This should provide greater assurance on the 2023/24 budget. BoE forecasts will continue to reviewed quarterly, and updates made to the MTRS as necessary, although any variations from the forecast inflation in the short term will potentially create in-year budget pressures. <b>Status</b> : In Progress</li> </ul>	12 4, 3	8 4, 2

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<b>SRR0093 Treat</b> Borrowing: Rising interest rates could make planned levels of borrowing for capital financing and cash flow management purposes unaffordable, meaning that plans for capital investment may have to be scaled back and/or that efficiencies are required to mitigate the impact on the revenue budget.  <b>Owner :</b> Nicole Wood	<ul style="list-style-type: none"> <li>- <b>Continual review</b> Keeping the affordability, prudence and sustainability of borrowing under continual review. <b>Status :</b> In Progress</li> <li>- <b>Economic forecasts</b> Regular monitoring, assessment and reporting of economic forecasts for interest rates. <b>Status :</b> In Progress</li> <li>- <b>Planning new borrowing carefully</b> Planning new borrowing carefully, to ensure that new loans are only secured when needed, and that new loans are secured on the most advantageous terms possible <b>Status :</b> In Progress</li> <li>- <b>Cap on Borrowing</b> Undertaken Capital Programme review and introduced a Cap on borrowing until 2026. <b>Status :</b> Ongoing</li> </ul>	12 3, 4	9 3, 3
<b>SRR0091 Treat</b> "New" policy burdens: Due to resource and budget constraints, there is a risk that ECC is unable to deliver "new" policies resulting in reputational damage and not meeting statutory obligations.  <b>Owner :</b> Richard Puleston	<ul style="list-style-type: none"> <li>- <b>Additional policy support</b> We have provided some additional policy support to help respond to White Papers and legislation. <b>Status :</b> In Progress</li> <li>- <b>Lobbying/engagement plan</b> We are reviewing a lobbying/engagement plan to help us influence key White Papers and pieces of legislation <b>Status :</b> In Progress</li> </ul>	9 3, 3	9 3, 3
<b>SRR0094 Treat</b> Increasing demand Due to economic downturn there is a risk of increased demand on services resulting in ECC's inability to meet that demand effectively.  <b>Owner :</b> Gavin Jones	<ul style="list-style-type: none"> <li>- <b>Monitoring service demands</b> Directors and Heads of Service, with support from Function Heads of Finance, will monitor service demands, workloads and any subsequent impacts on delivery and budget, flagging any potential or actual risks via the usual routes. <b>Status :</b> Ongoing</li> <li>- <b>Escalation to CLT</b> Should high demand on services and/or budget cause significant pressure in the system or lead to potential service failure, this will be escalated to CLT for wider consideration and decision regarding ECC priorities <b>Status :</b> Ongoing</li> </ul>	9 3, 3	0 ,
<b>SRR0051 Treat</b> Tech Services: There is a risk of service delivery failure, both of ECC systems and hosting of third party providers services, due to ineffective or untested disaster recovery arrangements. Failure of services or the inability to access them represents a reputational and financial risk to the council, as well as impacts on staff morale.  <b>Owner :</b> Nicole Wood	<ul style="list-style-type: none"> <li>- <b>Wireless Connectivity (Wi-Fi)</b> The corporate Wi Fi system upgrade implementation remains ongoing – the decommission of Cisco access points and replacement with Aruba is scheduled for Jan 2023. <b>Status :</b> In Progress</li> <li>- <b>Wide Area Network reconfiguration</b> Further work on improving the resilience of WAN has been superseded by the migration of applications and platforms to the cloud. As such, resilience is improved, with the SD-WAN programme to provide the strategic end-state. <b>Status :</b> In Progress</li> </ul>	8 2, 4	2 1, 2



Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<p>- <b>Business Impact Analysis</b> The Council must formally define Business Continuity and recovery requirements for all critical services. There is a reliance that all areas define BC. The Disaster Recovery and Resilience Manager is extracting the latest RTO information from recently completed 2022 annual Function BC Plans review and following up on missing RPO requirements from the services where required. <b>Status</b> : In Progress</p> <p>- <b>Capabilities</b> Tech Services to implement Disaster Recovery (DR) solutions once the Business Continuity (BC) arrangements are finalised/agreed and the critical services, recovery time objectives and recovery point objectives are agreed. Completion of Cloud programme incorporating shared services and infrastructure dependencies is planned for June 2023. The core Azure Cloud DR process is in place. All critical services are now cloud-based on Azure-hosted or 3rd party cloud platforms. <b>Status</b> : In Progress</p> <p>- <b>Testing in 2 phases</b> Initial core DR testing as successfully completed as part of the Cloud programme. A schedule of DR testing has been produced. Test execution has been delayed due to technical issues under remediation as part of the Cloud programme phase 2. <b>Status</b> : In Progress</p> <p>- <b>Third Party Review</b> Once recovery requirements are defined these will need to be compared to the contracted Disaster Recovery (DR) provision from existing third party providers and amended as required. Proof of testing and reconciliation of capabilities with RTO's and RPO's is being gathered from third party suppliers. <b>Status</b> : In Progress</p> <p>- <b>MS Azure</b> Phase 1 of Office 365 has been implemented and phase 2 is in progress. We are currently on a revised target date for overall MS Azure completion date of June 2023. <b>Status</b> : Ongoing</p> <p>- <b>Remove limitations of On premise infrastructure by Cloud first strategy</b> All services are now cloud-based, either on core Azure hosting or on 3rd party cloud platforms. The remaining network infrastructure dependency is being eliminated as part of the Cloud programme phase 2 target date June 2023. <b>Status</b> : Ongoing</p>		

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0079</b> <i>Treat</i></p> <p>System pressures results in failure of care: System pressures resulting in shortages of carers and other care professionals and/or delays in the supply chain for essential goods and services undermines ASC's ability to provide care in the community. This creates gridlock in both the health and social care system, leading to significant delays in the provision of care resulting in delays to hospital discharge and failure to provide support to those in the community whether at home or in residential care.</p> <p><b>Owner</b> : Nick Presmeg</p>	<ul style="list-style-type: none"> <li>- <b>Declare Major Incident</b> Declare Major Incident within the LRF, invoke emergency powers and request support within geographical area <b>Status</b> : Proposed</li> <li>- <b>Ethics committee</b> Practice Governance Board to function as an ethics committee led by the principle social worker to ensure available resources are prioritised in transparent and ethical manner where it is no longer possible to meet the totality of our care commitments. Resources would be prioritised for adults who are at serious risk if we do not intervene. <b>Status</b> : Proposed</li> <li>- <b>Provider of Last Resort (prioritised for domiciliary care)</b> Arrangements in place with provider of last resort for the provision of staff to ensure continuity of care <b>Status</b> : Ongoing</li> </ul>	8 2, 4	8 2, 4
<p><b>SRR0068</b> <i>Treat</i></p> <p>Tax: There is a risk of a structural adjustment in the funding to Essex as a result of significant loss of tax revenue due to the shift in economic conditions, which represents over 80% of our funding. Latest information predicts real incomes falling by 4% due to the cost of living squeeze. At the same time, CPI is now at 9.9% and currently predicted to be over 10% by the end of 2022, and potentially at a higher level for an extended period of time. Both of these may impact residents ability to pay their council tax.</p> <p><b>Owner</b> : Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Council Tax</b> Essex districts are tracking the actual impact on Council Tax receipts and forecasting future changes as a result of the economic conditions. This is being collated by ECC. <b>Status</b> : In Progress</li> <li>- <b>Monitoring and feedback</b> Close monitoring of the pan Essex revenues position and feedback to Ministry of Housing, Communities &amp; Local Government (MHCLG) through lobbying approach <b>Status</b> : Ongoing</li> <li>- <b>Hardship fund</b> Effective use of hardship fund targeted at those most in need <b>Status</b> : Ongoing</li> <li>- <b>Work with Districts</b> Work with Districts to support innovative collection approaches <b>Status</b> : Ongoing</li> <li>- <b>Collection fund reserve</b> We have a collection fund risk reserve which currently has a balance of £17m. This will provide coverage for approximately 2% of our annual tax revenues. <b>Status</b> : Ongoing</li> <li>- <b>Cost of living advice and support</b> There is information and guidance on the ECC website providing a summary of our services which may help residents with the cost-of-living impact. <b>Status</b> : Ongoing</li> </ul>	6 2, 3	6 2, 3



2023

## RISK IN FOCUS

Hot topics  
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auditors

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## EXECUTIVE SUMMARY:

### Navigating and auditing in the perfect storm of high-impact interlocking risks

**In 2022, organisations were hit by a perfect storm of high-impact, interlocking risks that have thrown businesses into a permanent state of crisis. Following hard on the heels of the pandemic, the war in Ukraine has intensified supply chain failures, caused a spike in energy prices and fuelled inflation.**

Now a state of crisis is the new normality. Climate-related natural disasters, looming recession, an accelerating cost of living catastrophe in Europe, food shortages, employee welfare and skills deficits, and a rapidly industrialising cyberattack landscape are overlaid by intensifying geopolitical tensions and the very real threat of financial liquidity and solvency risks for businesses.

This has forced many organisations not just to rewrite their risk registers, but to tear up outdated risk taxonomies that favour old-style siloed thinking. Sudden, systemic organisation-wide risks with contagious, unpredictable ramifications throughout the enterprise are no longer seen as Black Swan events - but as interlocking elements of a continuous storm.

Internal auditors need to get a rapid grip on this situation and support their organisations to navigate more risky, uncertain and volatile times ahead. Instead of thinking about what individual risks might arise over the next year or two, chief audit executives need to be thinking over the coming decade. And be thinking big. How would we survive an overnight, permanent supply chain break with China? How would we cope if inflation hit 25% and stayed there, as it did in the 1970s? Are we prepared for the sudden, permanent increase in temperatures in every area in which we operate? Are we in a position to understand and help our clients and staff with the stresses and strains they face over the coming months and years?





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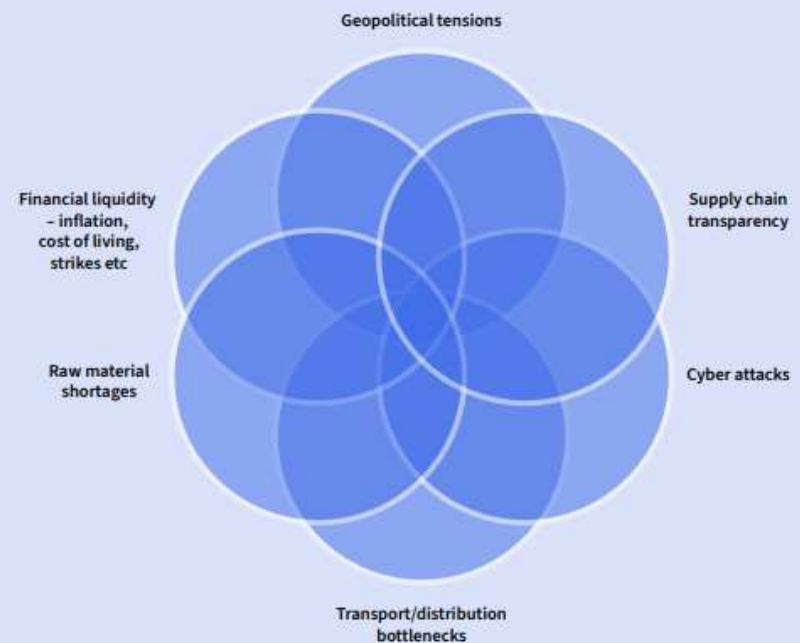
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The chief audit executives that participated in Risk in Focus 2023 are grappling with this reality. This year, the report explores five thematic risks – geopolitical uncertainty, climate change, organisational culture, cyber and data risk, and digitalisation and artificial intelligence. It outlines those challenges in detail and offers practical advice and know how about how to help organisations adjust to this new reality.

There are few obvious, easy answers to these problems. But internal auditors are uniquely placed to play their part in developing long-term solutions that have a real impact on organisations and the communities they serve. They need to secure from the board the resources and remit to tackle the most pressing risks with urgency.

**If there was ever a time for the profession to step up and deliver on its full potential, it is now.**

Venn Diagram Illustrating the Perfect Storm of High-Impact Interlocking Risks





## APPENDIX E

# ALARM NATIONAL PERFORMANCE MODEL FOR RISK MANAGEMENT IN PUBLIC SERVICES

Existing Scale	Proposed Scale	Leadership and Management	Strategy and Policy	People	"Partnership, Shared Risk & Resources Processes"	Processes	Risk Handling and Assurance	Outcomes and Delivery
Driving	Excellent 5	"Leadership uses consideration of risk to drive excellence through the organisation, with strong support and reward for well managed risk-taking"	Strategy and Policy are closely aligned to risk management and the threat of failing to achieving objectives	"All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk-taking. Absence of a blame culture."	"Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed"	"Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success"	"Clear evidence that risks are being effectively managed throughout the organisation. Considered risk-taking part of the organisational culture."	"Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles"
Embedded and Working	Good 4	Leadership is supportive of the risk management process, engages actively and ensures it is embedded throughout the organisation	"Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined and communicated"	"A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and their responsibilities"	"Sound governance arrangements are established. Partners adequately support one another's risk management capability and capacity."	"A framework of risk management processes in place and used to support service delivery. Robust business continuity management system in place."	"Evidence that risk management is being effective and useful for the organisation and producing clear benefits. Evidence of innovative risk-taking."	"Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement"
Working	Moderate 3	Leadership take part sporadically in the risk management process and provide some resources.	A basic risk strategy and related policies exist and are partially implemented	An individual with Risk Management responsibilities is in place with the correct skills and experience.	"Risk with partners and suppliers is managed across organisational boundaries but inconsistently."	"Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services supported through continuity plans."	"Clear evidence that risk management is being effective in all key areas. Capability assessed within a formal assurance framework and against best practice standards"	"Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas"
Happening	Poor 2	Leadership are aware of risk management process but do not actively participate	"The need for a risk strategy and risk-related policies has been identified and accepted but not implemented"	Risk management is an informal part of a single persons role within the organisation.	"Approaches for addressing risk with partners are being developed and implemented."	"Some stand-alone risk processes have been identified and are being developed. The need for service continuity arrangements has been identified."	"Some evidence that risk management is being effective. Performance monitoring and assurance reporting being developed"	"Limited evidence that risk management is being effective in, at least, the most relevant areas"
Engaging	Not in Place 1	Leadership are not providing guidance with regards to risk management objectives, culture or practices	"The need for a risk strategy and risk-related policies has not been identified. The risk management system is undocumented with few formal processes present"	No risk management roles or associated skills are in place within the organisation and there is little desire to implement this.	No risk management considerations are given to partnerships	"No stand-alone risk processes have been developed."	"No clear evidence that risk management is being effective"	No clear evidence of improved outcomes

**Agenda Item 6**  
**AGS/04/23**

<b>Report title:</b> Minor update to Anti Money Laundering Policy	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paula Clowes, Head of Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Approval
<b>Enquiries to:</b> Paula Clowes, Head of Assurance <a href="mailto:paula.clowes@essex.gov.uk">paula.clowes@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

**1. Everyone's Essex**

- 1.1 The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of internal controls, governance and risk management arrangements as well as the work of the Counter Fraud team and other areas of the Council that are involved in areas that are susceptible to money laundering activities.
- 1.2 This policy sets out the provisions that the Council has put in place to identify and prevent any attempts to use Essex County Council to launder money, and the reporting arrangements such any activity be suspected.

**2. Recommendations**

- 2.1 The Anti Money Laundering Policy be approved in the form appended to the report.

**3. Background**

- 3.1 The Council's current Anti- Money Laundering Policy was considered by Audit Governance and Standards Committee in October 2022 when a query was raised in relation to the section regarding Politically Exposed Personnel (PEPs). The policy has been reviewed and slightly updated to reflect the query raised.
- 3.2 The refreshed draft Anti-Money Laundering Policy is attached at appendix 1.
- 3.3 The proposal is to make a slight change to paragraph 7 to clarify that the extra checks for 'politically exposed persons' only applies to customers with whom the council is transacting. It's proposed to add the three words in bold type below:
  - Page 7 – In considering higher risk transactions, one of the criterion the council has to consider is whether the transaction(s) relate to

**customers who are** Politically Exposed Persons (PEP). Set out below is the definition of PEP.

- 3.4 It is good practice to review the policy every two years. The next review is therefore due in 2025.

#### **4. Links to our Strategic Ambitions**

- 4.1 A strategic approach to risk management is critical in ensuring that the Council successfully mitigates its risks in all areas of work to ensure vital services continue to be delivered and available resources reach those most in need and the council remains resilient. This report links to the following aims in the Essex Vision.

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

- 4.2 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Financial implications**

- 5.1 There are no financial implications as the risk management activity will be met within existing resources.

#### **6. Legal implications**

- 6.1 The Money Laundering Regulations 2017 (as amended) set out the obligations on the council and the policy sets out how we will comply with those regulations.

#### **7. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:



- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that this strategy will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

**Appendix A** - Revised Anti-Money Laundering Policy

## **9 List of Background papers**

**None**

# Anti-Money Laundering Policy

Version October 2022

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Appendix 1 - Flowchart for reporting money laundering to the MLRO

Appendix 2 - Procedure for reporting money laundering

## Introduction

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering and the prevention of terrorist financing. The regulations apply to organisations engaged in the following transactions:

- Buying and selling of real property or business entities
- Managing client money, securities or other assets
- Opening or managing bank, savings or securities accounts
  - Organising contributions necessary for the creation, operation or management of companies
- Creating, operating or managing trusts, companies, foundations or similar structures.

The Council must also appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity.

We are committed to *robust arrangements* to identify and prevent any attempts to use Essex County Council to launder money.

## What is Money Laundering?

Money laundering has been defined as:

- concealing, disguising, converting, transferring or removing criminal property from the UK;
- entering into or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property;
- acquiring criminal property, using criminal property; or possession of criminal property.

When a person knows or suspects that money laundering activity is taking place (or has taken place), or becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, **they must report this as soon as practicable to the Money Laundering Responsible Officer (MLRO) or risk prosecution**. Offences under the Proceeds of Crime Act and Money Laundering Regulations can attract penalties of unlimited fines and up to 14 years imprisonment.

Money laundering is the process of channelling 'bad' money into 'good' money in order to hide the fact that the money originated from criminal activity, and often involves three steps:

- **Placement** - cash is introduced into the financial system by some means;
- **Layering** - a financial transaction to camouflage the illegal source;

- **Integration** - acquisition of financial wealth from the transaction of the illicit funds.

**The Council's Financial Regulations have been amended to prevent the acceptance of cash payments greater than £10,000 (including notes, coins or travellers cheques in any currency).** This does not mean that cash transactions below this value will be valid and legal and professional scepticism is encouraged at all times. Any suspicions should be reported to the MLRO (see below) and any advice followed.

## Scope of the Policy

This Policy applies to all employees of Essex County Council and sets out the procedures which must be followed (for example the reporting of any suspicions of money laundering activity) to enable the Council to comply with its legal obligations.

Essex Legal Services Ltd have adopted their own policy document, detailing the requirements placed on lawyers and the arrangements in place to adhere to these.

Not all staff will need a detailed knowledge of the types of criminal offences covered by the legislation. However, some staff will require additional guidance to raise their awareness of the possibility of money laundering.

Failure by any member of staff to comply with these procedures may lead to disciplinary action being taken against them.

## Aims

The policy outlines the Council's arrangements:

- To nominate a Money Laundering Reporting Officer:
- To make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports where necessary, to the National Crime Agency (NCA);
- To make those staff most likely to be exposed to or suspicious of money laundering situations aware of the requirements and obligations placed on the organisation, and on them as individuals, by the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
- To give targeted training to those considered to be the most likely to encounter money laundering;
- To establish internal procedures to help forestall and prevent money laundering.

## The Money Laundering Reporting Officer

The nominated officer at Essex County Council to receive disclosures about money laundering activity is the Head of Assurance, who can be contacted as follows:

Paula Clowes, Head of Assurance

Tel: 03330 321474

[E-mail: paula.clowes@essex.gov.uk](mailto:paula.clowes@essex.gov.uk)

If the MLRO is not available, any suspicion of money laundering should be reported to:

Karen Bellamy, Counter Fraud Manager, who is the Deputy MLRO,

Tel: 03330 138420

Email: karen.bellamy@essex.gov.uk

### Reporting a Concern to the MLRO

Staff who know or suspect that they may have encountered criminal activity and that they may be at risk of contravening the money laundering legislation, should contact the MLRO to advise her of their concerns. **The disclosure should be at the earliest opportunity of the information coming to your attention, not weeks or months later.**

A flow chart illustrating the procedure for reporting money laundering is at appendix 1. More information about making a report to the MLRO is detailed at appendix 2, with a Money Laundering Disclosure Form attached.

### Reporting to the National Crime Agency

The initial discussion/ disclosure will be noted by the MLRO, and she will promptly evaluate this and determine whether it is appropriate to report it to the National Crime Agency (NCA).

If a report is made then the relevant NCA forms must be completed by the MLRO, or reported by the MLRO via the online portal:

[Link to the NCA SAR Online System \(ukciu.gov.uk\)](http://ukciu.gov.uk)

Up to date 'Suspicious Activity Report' forms can be downloaded from the NCA website at:

<http://www.nationalcrimeagency.gov.uk/>

In the event that a report is not submitted online, a form can be downloaded from the following website:

[Suspicious Activity Reports - National Crime Agency](#)

If no report is made, the reason must be recorded by the MLRO.

All disclosure reports referred to the MLRO and reports made to the NCA must be retained by the MLRO in a confidential file for a minimum of 5 years. The Money Laundering Disclosure Form at Appendix 2 should be used to facilitate the recording of any action taken.

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

### Record Keeping

The MLRO will keep a record of all referrals received and any action taken to ensure an audit trail is maintained.

All information obtained for the purposes of money laundering checks and referrals must be kept up-to-date and will be held and processed in compliance with relevant Data Protection legislation.

## Staff training and awareness

All staff are required to undertake e-learning which outlines money laundering offences (providing examples) and the protocol for referral.

However, there are some areas of the Council's activities that may be more vulnerable to attempts to launder money. The Counter Fraud Team will assess the risk and where appropriate will facilitate enhanced awareness training. Essex Legal Services Ltd have developed their own policy and procedural document regarding potential money laundering activity.

## Internal procedures to help forestall and prevent money laundering

In addition to introducing procedures to address specifically the requirements of the money laundering regulations, there are also robust strategies and procedures already in place to fight fraud and corruption that also apply to money laundering.

These are recorded in the Counter Fraud & Anti-Bribery Strategy and the Whistleblowing Policy, both of which are available on the Intranet.

The regulations require a risk-based approach. The County Council will focus its resources on the areas of greatest risk within each function. This helps a more efficient and effective use of resources proportionate to the risks faced. This also minimises compliance costs and provides a greater flexibility to respond to emerging risks as laundering and terrorist financing methods change.

The County Council will need to consider higher risk transactions based on:

- The origin or destination of the funds,
- Complicated financial or property transactions,
- Transactions that have no apparent economic or legal purpose,
- Where the beneficial owner is a legal person (other than a company listed on a regulated market), trust, company, foundation or similar legal arrangement;
- Providing assistance in setting up trusts or company structures, which could be used to obscure ownership of property,
- Payments that are made or received from third parties,
- Payments made by cash,
- Transactions with a cross-border element,
- A Politically Exposed Person (see definition below),
- where false or stolen identification documentation or information has been provided to the County Council on establishing the relationship,

Involving countries identified as high risk by the Financial Action Taskforce (FATF).

There will be circumstances where simplified due diligence is permitted. After consideration, if the transaction does not fall under the conditions for high risk transaction and the transaction presents a low degree of risk as determined by the County Council, a simple customer due diligence is permitted to be undertaken.

## Politically Exposed Person (“PEP”)

In considering higher risk transactions, one of the criterion the council has to consider is whether the transaction(s) relate to customers who are Politically Exposed Persons (PEP). Set out below is the definition of PEP.

A PEP under the Money Laundering, Terrorist Financing and Transfer of Functions Regulations 2017 now extends to persons who fall under the definition of ‘Politically Exposed Persons’ in the UK, as well as abroad.

A politically exposed person is considered any individual who is entrusted with prominent public functions (as set out in Regulation 35(12) of the Money Laundering, Terrorist Financing and Transfer of Functions Regulations 2017, including:

- A foreign person who has held any time in the preceding year a prominent public function outside the United Kingdom, in a state or international institution
- Members of courts of auditors or of the boards of central banks
- Ambassadors, chargés d’affaires and high-ranking officers in the armed forces
- Members of the administrative, management or supervisory bodies of state-owned enterprises
- Heads of state, heads of government, ministers and deputy or assistant ministers
- Members of parliaments or of similar legislative bodies
- Members of the governing bodies of political parties
- Members of supreme courts, constitutional courts or of other high-level judicial bodies the decisions of which are not subject to further appeal except in exceptional circumstances
- Member of the administrative, management or supervisory bodies of State-owned enterprises
- directors, deputy directors and members of the board or equivalent function of an international organisation

The definition explicitly excludes middle-ranking or more junior officials.

PEP status also extends to relatives and close associates.

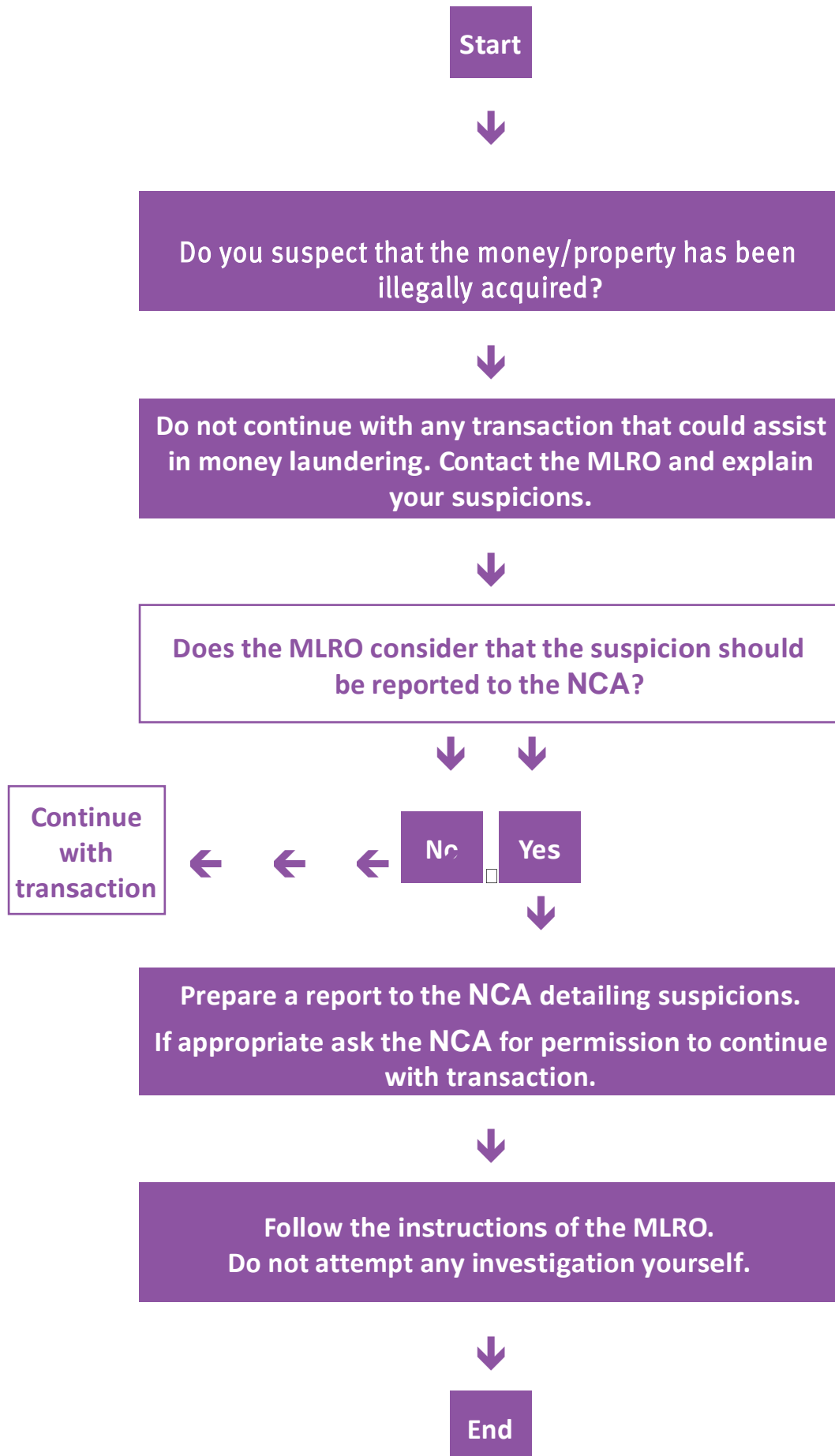
Relatives are set out in the Regulations as a spouse or civil partner of the PEP; children of the PEP and the spouses or civil partners of the PEP’s children; and parents of the PEP.

Close associates include any individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations. It also includes any individual who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of a person referred to in regulation.

The Council will take a risk sensitive approach to identifying PEPs. It will undertake a risk assessment with regards to each individual PEP on a case by case basis.



## Appendix 1: Procedure for reporting money.



## Appendix 2: Procedure for reporting money laundering

If you suspect that money laundering activity is taking place (or has taken place), or think that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as possible to Paula Clowes, the MLRO ([paula.clowes@essex.gov.uk](mailto:paula.clowes@essex.gov.uk), telephone 03330 321474). You should contact the MLRO as soon as is practicable, or you may become liable to prosecution. Considerations of confidentiality do not apply if money laundering is at issue.

In the first instance, the report may be made informally to allow the MLRO to assess the information and decide whether a Suspicious Activity Report (SAR) should be made to the National Crime Agency (NCA). You should include as much detail as possible, for example:

- Details of the people involved – name, date of birth, address, company names, directorships, phone numbers etc;
- Full details of the nature of the involvement;
- The dates of activities;
- Where they took place;
- How they were undertaken;
- Likely amounts of money or assets involved;
- Why you are suspicious.

This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable him to decide whether a report should be made to the NCA.

In cases where legal professional privilege may apply, the MLRO must decide (taking legal advice if required) whether there is a reasonable excuse for not reporting the matter.

If a decision is made that a report should be made, the NCA provide forms for completion, to facilitate processing the information. It is recommended that for reasons of confidentiality, Essex County Council's name should only be included once on the front sheet of the reporting form as the source ID and not anywhere else in the report. It is also recommended that the name or names of those making the report to the MLRO are not included in the report, and that the MLRO is given as contact for queries on the report.

Once the matter has been reported to the MLRO, you must follow any directions she may give you. **You must not make any further enquiries into the matter yourself.** Any investigations will be undertaken by the NCA.

If you are still involved with the situation that has given rise to suspicions of money laundering, you must not take any further action **that might constitute a money laundering offence** unless permission is given by the NCA to continue with the process. In these circumstances, permission should be sought from NCA when the report is made to continue with the process that may involve money laundering. Permission will be given (or withheld) within 7 working days and this may mean that work for a client has to stop until and unless consent is given.

However, there is no automatic need to stop work for a client when a report has been made, unless the business would commit to one of the main money laundering offences by continuing its work for the client.

Care should be taken that the client who is suspected of money laundering is not alerted that a report has been made to the NCA. 'Tipping off' is a specific offence under the Proceeds of Crime Act, covering situations where disclosures are made following a report to NCA that may prejudice an investigation.

If the NCA has any queries on the report, responses to those queries should be routed via the MLRO to ensure that any reply is covered by appropriate protection against claims for breaches of confidentiality.

You should not make any reference on a client file to a report having been made to the MLRO – the client might exercise their right to see the file, and such a note would tip them off to a report having been made, and might make you liable to prosecution.

## Confidential

Report to Money Laundering Reporting Officer	
Staff member's name	
Title / Department	
Phone	
Email	
Details of Suspected Offence	
Names and addressed of the persons involved (if a company the nature of their business)	
Nature, value, timing of activity	
Nature of suspicions	
Has any investigation been undertaken?	
Have you discussed your suspicions with someone else ?	
Have you consulted any supervisory body e.g. The Law Society	
Do you have any good reason not to disclose the matter to the NCA?	
Signed and dated	
For Completion by the MLRO	
Date received	
Date acknowledged	
Unique case reference no.	
Are their reasonable grounds for suspecting money laundering ?	
If yes, confirm date of report to NCA?	
Date consent given to employee for transaction to proceed	
Categories	1. Debt/charge      2. Overpayment 3. Refund            4. Cashier error 5. Land/building resale within 3-12 months 6. House or Asset resale within 3 months
Signed and dated	
THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS	

## This information is issued by

Essex County Council, Counter Fraud.

You can contact us in the following ways:

### By email:

[CounterFraud.team@essex.gov.uk](mailto:CounterFraud.team@essex.gov.uk) or [cfteam@essex.gov.uk](mailto:cfteam@essex.gov.uk)

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03330 138917

### By post:

Counter Fraud Team

Essex County Council

E2 Zone 1

County Hall Chelmsford

Essex

CM1 1QH

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Published October 2022



**Agenda item 7**

**AGS/05/23**

<b>Report title:</b> Local Government Association (LGA) 'Debate not Hate' campaign	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paul Turner, Director, Legal and Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Information
<b>Enquiries to:</b> Sophie Crane, Senior Democratic Services Officer <a href="mailto:sophie.crane@essex.gov.uk">sophie.crane@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

**1. Everyone's Essex**

- 1.1 The Audit Governance and Standards Committee has a role to develop and maintain high standards of conduct by members.
- 1.2 This report summarises the LGA's 'Debate Not Hate' campaign and how it relates to standards of conduct by Members and ECC's work to support the safety of members.

**2. Recommendations**

- 2.1 That the Committee notes the content of the LGA 'Debate Not Hate' campaign and the related work that has been undertaken in ECC.
- 2.2 That the Committee asks the Chairman to write to all members inviting them to sign the [online LGA "Debate Not Hate" public statement](#) and drawing their attention to the LGA toolkit.

**3. Background**

- 3.1 The LGA's [Debate Not Hate campaign](#) aims to raise public awareness of the role of councillors in their communities, encourage healthy debate and improve the responses and support for local politicians facing abuse and intimidation.
- 3.2 In June 2022 the LGA published a report: Debate Not Hate: The impact of abuse on local democracy. This work was undertaken in response to an apparent increase in levels of abuse and intimidation in political and public discourse. Respondents to the call for evidence were asked to share their personal experiences of abuse and intimidation as councillors or candidates, or abuse of councillors they had witnessed. The LGA then set out seven recommendations to improve the environment for current and prospective

councillors. These recommendations were aimed at a range of organisations, recommendation 1 is for Councils:

*'Councils and other relevant partners should take greater responsibility for the safety and wellbeing of councillors and take a proactive approach to preventing and handling abuse and intimidation against councillors. This should include addressing the impacts of abuse on councillors' mental health and wellbeing and working in partnership with other agencies and councils to ensure that threats and risks to councillors' safety, and that of their families, are taken seriously.'*

- 3.3 All ECC Members have been regularly offered members personal safety training, including at induction. There have been two ECC 'in house' online sessions delivered since May 2021 and the recording is available to all Members. Members have also regularly been offered the option to attend an LGA webinars on personal safety. Members are also offered Social Media training, advice and support. The Member Development Steering Group regularly considers and advises officers on Member's personal safety training needs.
- 3.4 The ECC Members Portal contains detailed advice on safety and risk, including for conducting surgeries, during election periods and regarding online conduct. All ECC Members have the option to sign up for an SOS fob for lone working to provide them with additional security. Members are encouraged to contact the Head or Democracy and Transparency, the Monitoring Officer or the Health and Safety Manager if they have any questions or concerns about their safety or wellbeing. Instances of abuse or intimidation should be reported to the Head or Democracy and Transparency or the Monitoring Officer for investigation.
- 3.5 As part of the campaign the LGA encourages Councillors to sign their [public statement](#), which states:

*'We are calling on local government leaders, the Government and relevant partners, like the police, political parties and social media companies to come together through a government convened working group to produce and implement an action plan that addresses the abuse and intimidation of elected members and candidates and ensures their safety while they fulfil their democratic roles.'*

Individual members may wish to consider signing this online.

- 3.6 In December 2022 the LGA launched a new [toolkit](#), building on from their June 2022 report. The toolkit is designed to provide councils and councillors with resources to raise awareness of the campaign's aims to challenge and reduce abuse against local politicians and encourage improvements in the quality of public discourse and political debate. The toolkit is available in two formats one for individual elected members and one for councils as a whole. Members may wish to review the content of the Councillors toolkit, which includes a motion that could be passed by full Council. Officers will bring

forward items to the relevant committees or informal boards as the 'Debate Not Hate' campaign progresses.

#### **4. Links to our Strategic Ambitions**

- 4.1 An effective approach to Member standards of conduct and Member personal safety is critical in ensuring that the Council successfully delivers in all areas of work across ECC's strategic ambitions.

#### **5. Financial implications**

- 5.1 There are no financial implications to this report.

#### **6. Legal implications**

- 6.1 The Council is required by the Localism Act 2011 to adopt a code of conduct which is consistent with the 'Nolan' principles. Under the Health and Safety at Work Etc Act 1974 the Council is required to take such steps as is reasonably practicable to conduct the Council so as avoid exposing people to risks to their health and safety.

#### **7. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that this activity will not have a disproportionately adverse impact on any people with a particular characteristic.



## **8 List of Appendices**

8.1 None

## **9 List of Background papers**

9.1 LGA report [Debate Not Hate: The impact of abuse on local democracy](#)

**Agenda item 8**

**AGS/06/23**

<b>Report title:</b> Audit, Governance and Standards Committee Effectiveness Review proposals 2023	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paul Turner, Director, Legal and Assurance	
<b>Date:</b> 30 January 2023	<b>For:</b> Approval
<b>Enquiries to:</b> Paula Clowes, Head of Assurance <a href="mailto:paula.clowes@essex.gov.uk">paula.clowes@essex.gov.uk</a> or Paul Turner, Director, Legal and Assurance <a href="mailto:paul.turner@essex.gov.uk">paul.turner@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

**1. Everyone's Essex**

- 1.1 The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of internal controls, governance and risk management arrangements.
- 1.2 This report sets out proposals to for a review of Committee effectiveness in line with recommended practice and as a way of identifying any potential improvements or training and development needs.

**2. Recommendations**

- 2.1 That the Committee agrees to carry out an effectiveness review of the Audit, Governance and Standards Committee as detailed in this report.

**3. Background**

- 3.1 In October 2022 CIPFA (the Chartered Institute of Public Finance and Accountancy) published an updated version of its Position Statement: Audit Committee in Local Authorities and Police 2022. The statement sets out the purpose, model, core functions and membership of the audit Committee and replaces the 2018 version. The ECC Audit, Governance and Standards Committee fulfil the role of an 'Audit Committee' as defined by this Statement.
- 3.2 Given the importance of the Audit Committee's role in providing assurance to the organisation it is considered good practice for the Committee to review its effectiveness from time to time, the statement indicates that the 'Committee should evaluate its impact and identify areas for improvement.' CIPFA provides two supporting documents which can be used to assist this work:
  - Self-assessment of good practice (template)

- Evaluating the impact and effectiveness of the Audit Committee

- 3.3 The ECC Audit, Governance and Standards Committee last conducted an effectiveness review in February and March 2020. This review was supported by a facilitator which ECC commissioned from CIPFA at a cost of £3,600. The review consisted of a questionnaire, interviews with members and officers and a workshop with Committee members, the facilitator also listened to Committee recordings.

As a result of the workshop and in discussion with the Chairman, an action plan was produced. This was agreed by the Committee in summer 2020. The actions were all considered and many of them have been implemented. Others have been abandoned, either because the Committee did not find them useful or they no longer seemed appropriate. The following changes have been made and embedded:

- The co-option of an independent member of the committee
  - Production of an Annual Audit, Governance and Standards Committee Report to full Council;
  - Services which receive a 'no assurance' audit are automatically invited to attend Committee and services which receive a 'limited assurance' audit are considered for invitation by the Chairman;
  - The production and completion of a training and development plan.
  - Facility for the committee to have 'task and finish' groups, although the Committee has not wanted to commission any such activity
- 3.4 The Committee is asked to agree to conduct a review during 2023 which considers both the updated position statement and the impact of the last review.
- 3.5 There is value in engaging an outside organisation to support the review, to maximise the opportunity for finding out what is considered best practice and what is done elsewhere. However, given that there is relevant expertise available within ECC and that the new CIPFA guidance and a self-assessment template has been recently published for this purpose, it is recommended that initially this work is undertaken within ECC.
- 3.6 Regardless of who does the review, it is important that it is led and 'owned' by Committee members. To be of most benefit to the authority it will be important for as many members of the Committee as possible to take part. If the review is supported by ECC officers (as opposed to external support) it is important that members are still able to be open and frank in discussions about areas for improvement.
- 3.6 It is recommended that officers use the CIPFA position statement, supporting documents and other relevant guidance to prepare for and deliver a workshop for Committee members where members reflect upon and assess their work having regard to the position statement. Further member should consider the contribution the committee makes to the authority's business. After the workshop the committee will be asked to agree:

- the self-assessment document;
- any actions which may be necessary to address areas for improvement;
- A refresh of the committee training plan (throughout the current term of office the Committee has undertaken training supported by ECC Officers and by the Local Government Association)

3.7 The outcome of this work may result in actions which would be reported formally to Committee for consideration.

3.8 It is suggested that final, detailed plans for the review and workshop are agreed in discussion with the Chairman outside of the Committee meeting.

#### **4. Links to our Strategic Ambitions**

4.1 A strategic approach to ECC's control framework is critical in ensuring that the Council successfully mitigates its risks in all areas of work to ensure vital services continue to be delivered and available resources reach those most in need and the council remains resilient. This report links to the following aims in the Essex Vision.

- Enjoy life into old age
- Provide an equal foundation for every child
- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 This report links to the following strategic priorities in the Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

#### **5. Financial implications**

5.1 The review can be undertaken within existing resources as outlined above, if external resources are engaged there will be a cost to the Council which would be met by the Assurance budget.

## **6. Legal implications**

- 6.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control, the Audit, Governance and Standards Committee is a significant part of the way in which the Council provides assurance that it is providing value for money and has proper systems of control. Whilst the effectiveness review is not a legal requirement the relevant professional bodies indicate that such reviews will support the overall control environment.

## **7. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that this activity will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

None

## **9 List of Background papers**

- 9.1 CIPFA's Position Statement: Audit Committee in Local Authorities and Police 2022
- 9.2 CIPFA's Self-assessment of good practice template
- 9.3 CIPFA: Evaluating the impact and effectiveness of the audit committee

**Agenda Item 9**  
**AGS/07/23**

**Audit, Governance and Standards Committee – Work Programme 2023**

The Work Programme is a document that is subject to revision as circumstances change

<b>Meeting</b>	<b>Topic</b>	<b>Author</b>
<b>27 March 2023</b>	<b>2020/21 Annual Audit Letter - Auditor's Annual Report</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>2020/21 Audit Completion Report - Essex County Council (Final)</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Approval of 2020/21 Statement of Accounts</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Audit Plan</b>	Paula Clowes, Head of Assurance
	<b>Audit Charter</b>	Paula Clowes, Head of Assurance
	<b>Regulation of Investigatory Powers Act 2000: Annual Review of Activity</b>	Paula Clowes, Head of Assurance
	<b>Update to the Regulation of Investigatory Powers Act (RIPA) Policy</b>	Paul Turner, Director, Legal and Assurance
	<b>2021/22 Audit Completion Report – Essex County Council</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>2021/22 Audit Completion Report – Essex Pension Fund</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Approval of 2021/22 Statement of Accounts</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>2021/22 External Auditor's Annual Letter – Auditor's Annual Report</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant

	<b>External Auditor's Audit Plan for Essex County Council – 2022/23</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>External Auditor's Audit Plan for Essex Pension Fund – 2022/23</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Arrangements for closure of the accounts for 2022/23</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Progress report on cyber security, following completion of further audit being undertaken in 2022/23</b>	Melanie Hogger, Director, Technology Services
<b>Meeting</b>	<b>Topic</b>	<b>Author</b>
<b>5 June 2023</b>	<b>Head of Audit Opinion</b>	Paula Clowes, Head of Assurance
	<b>Annual review of Member Gifts and Hospitality</b>	Paul Turner, Director, Legal and Assurance
	<b>Annual review of Member and Officer Foreign Travel</b>	Paul Turner, Director, Legal and Assurance
	<b>2022/23 Statement of Accounts and Annual Governance Statement</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
<b>Meeting</b>	<b>Topic</b>	<b>Author</b>
<b>25 September 2023</b>	<b>Internal Audit and Counter Fraud progress reports</b>	Paula Clowes, Head of Assurance
	<b>2022/23 Audit Completion Report – Essex County Council</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>2022/23 Audit Completion Report – Essex Pension Fund</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Approval of 2022/23 Statement of Accounts</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant

<b>Meeting</b>	<b>Topic</b>	<b>Author</b>
<b>18 December</b>	<b>2022/23 External Auditors Annual Audit Letter - Auditor's Annual Report</b>	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	<b>Internal Audit and Counter Fraud progress reports</b>	Paula Clowes, Head of Assurance
<b>Meeting</b>	<b>Topic</b>	<b>Author</b>
<b>25 March 2024</b>	<b>Audit Plan</b>	Paula Clowes, Head of Assurance