





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"> ▪ Significant financial loss (through fraud, error, poor value for money) ▪ Serious safeguarding breach ▪ Life threatening or multiple serious injuries ▪ Catastrophic loss of service ▪ Failure of major projects ▪ Critical Information loss leading to Information Commissioner's Office (ICO) referral ▪ Reputational damage – Intense political and media scrutiny i.e. front-page headlines, television coverage. ▪ Possible criminal, or high profile, civil action against the Council, Members or officers. ▪ Intervention by external agencies <p>Remedial action must be taken immediately</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"> ▪ High financial loss (through fraud, error, poor value for money) ▪ Safeguarding breach ▪ Serious injuries or stressful experience requiring medical treatment, many work days lost. ▪ Significant disruption to service (Key outcomes missed, some services compromised. Management action required to overcome medium term difficulties) ▪ Major Information loss leading to internal investigation ▪ Reputational damage – Unfavourable external media coverage. Noticeable impact on public opinion. ▪ Scrutiny required by external agencies <p>Remedial action must be taken urgently</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"> ▪ Medium financial loss (through fraud, error or poor value for money) ▪ Significant short-term disruption of non-core activities ▪ Scrutiny required by internal committees. ▪ Injuries or stress level requiring some medical treatment, potentially some work days lost ▪ Reputational damage – Probable limited unfavourable media coverage. <p>Prompt specific action should be taken</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"> ▪ Low financial loss (through error or poor value for money) ▪ 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. ▪ Reputational damage – Internal review, unlikely to have a wider impact. <p>Remedial action is required</p>
Assurance Level	Description
Good	Good assurance – 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.
Adequate/Satisfactory	Adequate/satisfactory assurance – 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	Limited assurance – 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	No assurance – 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

Overdue Critical and Major Internal Audit Recommendations as at 8 September 2020

Audit Review Title	Function	Recommendation	Latest Target Date	Last Status Update	Owner	Rating
Essex Child and Family Well-being Service (1819 CF4)	Children, Families and Education	Safeguarding: assurance reporting and escalation processes	31/03/20	No update provided since January 2020.	Director, Strategic Commissioning & Policy	Major Risk
Building Security (1920 PPH5)	Place and Public Health	Partner Organisation Leaver Process	31/08/19	Update as at 6 January 2020: Suggestions put forward from the service to improve the control weaknesses identified, these have recently been approved by Internal Audit and are in the process of being implemented.	Contract Manager, Corporate	Major Risk
Facilities Management (1819 IE5)	Place and Public Health	Ongoing assurance reporting over Mitie's procurement processes	30/11/19	Update as at 17 February 2020: Procurement are currently in process of auditing Mitie's PMO procurement process. Reverting back to the previous areas of concern.	Contract Manager, Corporate	Major Risk
Absence Management (1718 COR5)	Organisation Development and People	Completeness of Return to Work Action	09/03/20	Update as at 29 July 2020: Reporting completed on a six monthly basis by exception. The need for this to be automated has been fed into the Corporate Systems Programme which has now fully started, and we will know more as this progresses. Oracle have confirmed that these requirements can be delivered, should ECC select them.	Head of People, Insight and Technology	Major Risk
Absence Management (1718 COR5)	Organisation Development and People	Notifications to Line Managers/ Management Information on Compliance	09/03/20	Update as at 29 July 2020: Absence management at Unit level upwards has continued to be part of the Management Information Tool sent to Managers. Reporting of individual employees reaching absence triggers completed on a six monthly basis by exception. Line Managers receive email notifications once their employee hits specific absence triggers. The Corporate Systems Programme has now fully started, and the need for this area to be automated has been fed into the ODP requirements. Oracle have confirmed that these requirements can be delivered, should ECC select them.	Head of People, Insight and Technology	Major Risk
Accounts Receivable	Finance and Technology	Management Information does not help compliance with the Collection	31 July 2020	None provided but audit only finalised in July 2020.	Service Manager, Income	Major

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(1920 CC1 AR)		Strategy and prioritise activity				