Essex County Council

Internal Audit and Counter Fraud Annual Report 2020/21



Including the Annual Opinion of the Chief Audit Executive

June 2021

Distribution:

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

Introduction

Purpose of Annual Report

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

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

Annual Opinion

In March 2020 the (AGS) Committee reviewed the 2020/21 risk-based Internal Audit and Counter Fraud Plan. Due to the Covid-19 pandemic and to ensure that internal audit and counter fraud activity continued to be appropriately focused, a revised Plan was presented and approved by the AGS Committee in July 2021. Progress reports on delivery and outcomes have been provided to the AGS Committee quarterly throughout the 2020/21 financial year.

This annual report provides an oversight and summary of the Internal Audit and Counter Fraud activity undertaken in the financial year 1 April 2020 to 31 March 2021. My audit opinion is based on, and restricted to, the work we have performed during the year. The opinion does not imply that Internal Audit and Counter Fraud have reviewed and commented on all risks and assurances related to the Council. I have considered whether there has been any impact of Covid-19 in my ability to reach this year's annual opinion; however, I am satisfied that I have sufficient evidence to reach an unqualified opinion.

Annual Opinion 2020/21



Satisfactory



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

The assurance opinion of "Satisfactory" is the same as the prior two years' opinions, demonstrating that the control environment has broadly remained stable which is commendable given the backdrop of the Covid-19 pandemic and the consequent and unique challenges the Council has faced during this time. However there has been an increase in the number of Limited Assurance opinions given to individual Internal Audit reviews (10 in 2020/21 compared to 2 in 2019/20) and this will need careful monitoring in 2021/22 to ensure it is not a continuing trend.

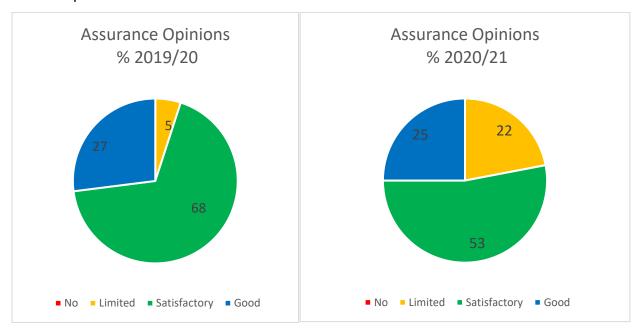
Covid-19 Pandemic

The start of the Covid-19 pandemic in March 2020 and consequent lockdowns resulted in the Internal Audit and Counter Fraud Team and many of the Council's staff unexpectedly having to adjust to working from home rather than being office based. Our original Internal Audit and Counter Fraud Plan for the 2020/21 financial year was revised in light of the pandemic and presented for approval at the July 2020 meeting of the AGS Committee. Some internal audit work was put on hold or delayed purposely so that we did not distract front line service delivery whilst the Council reassessed its risks and mitigations and responded to the pandemic. This included Adult Social Care, Childrens Services and Technology Services. Some audit work was cancelled, such as the majority

of our school site visits and for all other reviews in progress or planned, we reassessed the risks and scope and included testing around the impact of Covid-19 where appropriate. Some specific work was also undertaken relating to Covid-19 and the Council's statutory duties arising from the requirements of the Coronavirus Act 2020. Although some delays have been inevitably experienced in getting audit reviews completed on time and to budget, I am pleased to report that sufficient coverage has occurred to enable me to give an overall opinion that is unrestricted.

Assurance Opinions

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



A summary of our audit opinions on finalised and draft reports is detailed below and an explanation of the basis of our opinions, assurance and risk ratings for these reviews is included in Appendix 2. In addition, a full breakdown and reconciliation of the 2020/21 Internal Audit Plan can be found in Appendix 1.

Overview of Internal Audit Activity from 1 April 2020

No		
Limited	IT asset management*	Major incident management – follow up
	Adult Social Care Debt	IT disaster recovery
	Essex Countywide Traveller Unit*	Wells Park School
	Energy invoice processes	Libraries – stock control, fees and charges
	Country Parks stock control *	Accounts receivable
atisfactory	Country Parks – income from	Oracle Integrated Assurance -
, , ,	car parking and events	Change management
	Schools - income	Supplier resilience
	Deferred payments /	Procurement – request for
	deprivation of assets	quote process
	Whistleblowing	Fleet vehicles
	Expenses (staff)	Members' Locality Fund
	Essex Pay	Health and safety
	Meaningful lives matter (adult social care)	General ledger, journals and virements
	Employee relations process	Risk management
	IT strategy	Childrens residential framework
	Quality Assurance Framework (Adult Social Care)	Oracle Integrated Assurance - Account reconciliations
	Payroll	Cyber security
	Remote working resilience*	Office 365 implementation
ood	Access Support Unit	Strategic workforce planning
oou	Essex Pension Fund -	Essex Pension Fund -
	administration	investments
	Unaccompanied asylum seeking children	Accounts payable
	Treasury management	South East Local Enterprise Partnership (SELEP)
	Better Care Fund	Approvals Management Engine (Scheme of Delegation)
	Budgetary control and financial	

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

Those reports in bold are not yet issued in draft and are an indicative opinion.

management

Oracle Integrated Assurance – Assurance Opinions

Included in the above Table of Audit Opinions is the Oracle Integrated Assurance review which received an overall opinion of Satisfactory Assurance. This can be further broken down into the following key fundamental processes:

Process	2019/20 Opinion	2020/21 Opinion
Accounts Payable (AP)	Good	Good
Accounts Receivable (AR)	Limited	Limited
General Ledger/Journals and Virements	Satisfactory	Satisfactory
Account Reconciliations	Satisfactory	Satisfactory
Payroll	Satisfactory	Satisfactory
Cash Receipting and Banking	Included in AP and AR	Included in AP and AR
Expenses	Good	Satisfactory
Approvals Management Engine (AME)	Good	Good
Change Management	Satisfactory	Satisfactory
Overall	Satisfactory	Satisfactory

Accounts Receivable has received a Limited Assurance opinion for the last three financial years. Whilst there has been close oversight of debt management and a sustained focus on improving collection processes and outcomes, supported by senior management and Members, it has been acknowledged by management that income recovery processes require further improvements as, in particular, the current IT systems do not have some key functionality to provide consistent, timely and easy to produce assurance over the end-to-end debt collection process and to be able to demonstrate full compliance with the Debt Collection Strategy. A move to a new Accounts Receivable system anticipated in late 2021 as part of a wider Council move to Oracle Fusion may help to solve these issues in the longer term.

Risk Management

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

The internal audit review of the Council's risk management arrangements received an overall opinion of **Satisfactory Assurance**. It concluded that processes are embedded to facilitate review, challenge, approval and reporting of risk at various levels of management, including Political/Corporate Leadership Teams (PLT/CLT), Functional Leadership Teams (FLT) and the Senior Management Team (SMT). In addition, the review acknowledged and recognised that controls were adjusted within the year to account for the changing risk environment. For example, during the height of the pandemic a specific Covid-19 risk register was compiled and regularly monitored by management.

No Assurance and Limited Assurance Audits

I have not issued any No Assurance opinions in the 2020/21 financial year.

Ten reviews have received an overall opinion of Limited Assurance (compared to two in 2019/20 and nine for 2018/19).

The AGS Committee require that for audit reviews that receive a Limited or No Assurance opinion, that a representative from the relevant service area attend a committee meeting to provide an overview of the issues raised and progress made against them. In 2020/21 representatives from the services attended to discuss the following Limited Assurance reports:

- Library Service stock control
- Accounts receivable
- Energy invoice processes

In addition to the above the following Limited Assurance opinions have been given in 2020/21:

IT Major Incident Management

A Limited Assurance report was issued in March 2019 regarding IT major incident management. The follow up review concluded in May 2020 that limited progress had been made in implementing the original recommendations; three recommendations had been implemented but a further three Major recommendations still required further action to fully implement. As at 10 June 2021 our recommendation tracking system indicates that one of these recommendations has now been implemented and the other two are receiving regular updates and progress is being made to fully implement them so they can then be closed.

IT Disaster Recovery

In September 2017, Internal Audit issued an adverse report on IT Disaster Recovery (DR). Due to a range of commercial, business and technical challenges, the required actions to mitigate some of the Major and Critical risks identified were delayed and although Technology Services (TS) initially indicated that these would be implemented during 2020/21, Covid-19 then caused further delays as Council staff moved to mass home working. The Audit, Governance, and Standards Committee have received regular updates from TS on progress and the residual risks in respect of disaster recovery that the Council faces until the required actions are complete.

A follow up review has recently been undertaken which indicates a Limited Assurance opinion.

IT Asset Management

This review identified control weaknesses in the areas of:

- IT infrastructure planning no forward plan is currently in place
- Deficiencies in processes for capturing the leavers information, asset tagging, recording of warranty information, decommissioned assets and lost or stolen assets
- Lack of hardware audits and key performance indicator (KPI) reporting.

Adult Social Care Debt

A major recommendation was made around the timeliness of referring debt cases to Legal Services or the Deputyship Team increasing the risk of debt accumulating to significant sums with less likelihood of recovery. Moderate recommendations were made relating to timeliness of financial assessments, management information and reporting; and effective communications with the service user or their representative to prevent debts from accumulating to unmanageable levels and non-payment of monies due.

Essex Countywide Traveller Unit

Two major issues were raised for site management and site risk assessments where there is no formal management or maintenance programme in place to ensure any reparations are completed on time or as part of long-term planning. The current site risk assessments are not completed routinely or consistently to ensure any identified risks can be mitigated through necessary action.

Wells Park School

The major issues identified related to the decision making and governance arrangements around the procurement of goods and services which may leave the school exposed to legal challenge where the school are unable to demonstrate that public monies are used efficiently, effectively and transparently.

Country Parks - Stock Control

Major recommendations have been made to address weaknesses in controls around stock control and monitoring, stock write off and discounting of perishable goods in the cafeterias and gift shops owned and managed by ECC.

Grants

We provide audit services in relation to certifying some grant claims where this is a requirement of the grant terms and conditions and/or we are a designated First Level Controller. Grants audited in 2020/2021 include:

Troubled Families:

Department for Communities and Local Government (DCLG) payment by results scheme to help troubled families turn their lives around. The DCLG require that 10% of claims are internally audited throughout the year.

- Broadband Delivery UK (BDUK):
 - In 2020/21 we continued to maintain oversight of this programme through the monitoring and review of performance reports and the annual return which is also reviewed by Finance and signed-off by the S151 Officer.
- School Centred Initial Teacher Training (SCITT) Grant payment of bursaries to newly qualified teachers. A qualified opinion was submitted.
- Interreg Professional framework For Innovation in Tourism (final claim)
- Interreg Co-creation and implementation of innovative, participative climate adaptation solutions in densely-built areas (final claim)
- Interreg BLUEPRINT to a Circular Economy 1st claim submitted
- Interreg (LECSEA) Local Energy Communities for the 2 Seas Region
- Interreg EMPOWER
- SELEP Growth Hub
- Bus Service Operators Grant
- Covid-19 Bus Services Support Grant
- DfT Blue Badge New Criteria Implementation (No 31/2936)
- Department for Transport Integrated Capital Grant Claim
- DfT Travel Demand Management Grant

Unplanned Reviews

During the year we carried one unplanned internal audit review. Unplanned reviews usually arise in response to a previously unidentified risk or concern.

VAT Output

Internal Audit was contacted in October 2020 regarding a suspected error with the accounting treatment for VAT for the room hire for wedding ceremonies. The service had conducted an initial enquiry into their income transactions and requested a further indepth review to fully understand the position regarding potential errors in VAT identification, accounting and reporting to HMRC.

The review was extended to cover the following areas: Essex Country Parks, Essex Outdoor Centres, Essex Records Office and Essex Arts and Culture. The review covered a four-year period and concluded that ECC had underpaid VAT on income and a voluntary declaration was made to HMRC.

Projects and Programmes

Internal Audit and Counter Fraud have been involved in supporting a number of key corporate projects during the year, to help ensure that appropriate control systems are in place during design, transition and implementation, and that these controls are proportionate to financial cost and risk. These projects include:

The Corporate Systems Programme

This is an ongoing programme to move the Council's core financial systems (including Accounts Receivable, Accounts Payable, General Ledger and Human Resources) to Oracle Fusion Cloud in late 2021.

The Programme entered the Orchestrate Phase at the end of March 2021. This covers systems integration testing, key user training, user acceptance testing preparations and data migration 3. It is expected to exit Orchestrate and enter the Prepare Phase in early June 2021.

At the time of writing this report the overall status of the Programme is rated as Amber. However, there is no suggestion at this stage that planned go live in October 2021 will be delayed or compromised.

Social Care Platform Programme

This is an ongoing programme which involves an interim procurement with the current provider, system improvements and a data transformation project; and a longer term procurement of the Council's social care case management software, which records all the Council's adults' and childrens' cases on one platform. The interim procurement has been completed and the Programme is currently concluding the Discovery Phase of the longer term procurement. Implementation is not expected until 2023.

Direct Payments Monitoring Team

The Council's Design Authority approved the setting up of a new direct payments monitoring team for Adult Social Care in 2019 and this was set up in 2020. The team are key to ensuring direct payment funds are being spent correctly in accordance with care and support plans, that service users have a better experience of direct payments and that the Council are legally compliant with the Care Act.

Internal Audit & Counter Fraud supported the design of the new team and their induction, particularly fraud awareness training. Towards the end of their first year of operation, a healthcheck review was undertaken to review the design and operating effectiveness of the team.

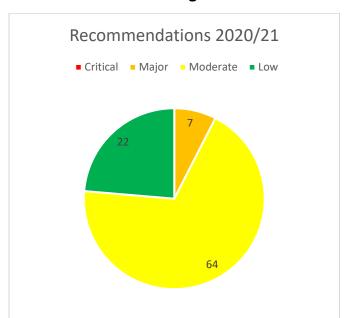
Income System

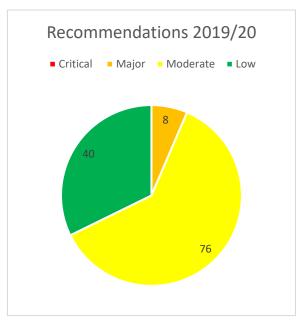
Internal Audit supported the project to replace the Council's cash management system (PARIS) with a new payments system, Capita Pay360 in early 2020. In addition, Internal Audit are currently carrying out a risk based review of the effectiveness of these arrangements.

Internal Audit Recommendations

One measure of the effectiveness of Internal Audit is the extent to which recommendations made by them are subsequently implemented. Tracking of Internal Audit recommendations takes place regularly, with monthly emails being sent to Recommendation Owners to request status updates which they provide directly via a web-based system.

Recommendation Ratings issued * in 2020/21 compared to 2019/20





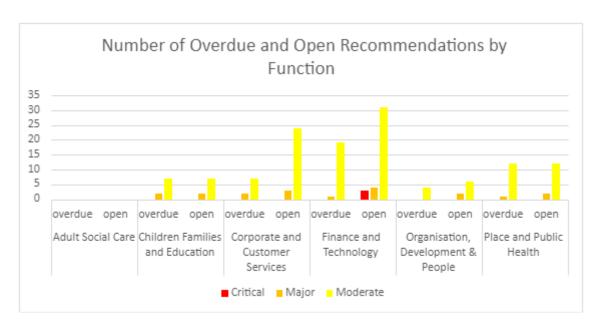
^{*}figures are based on finalised reports issued during the period 1 April to 31 March to enable easy comparison between years. Some Limited Assurance internal audit reviews for 2020/21 are still in draft or finalised after 31 March 2021 so will not be reflected in the above charts.

Number of Open and Overdue Recommendations by Function

The Audit Governance and Standards Committee closely monitor outstanding recommendations and where unsatisfactory updates or lack of progress is noted may choose to invite recommendation owners and their senior managers to committee meetings to explain; in the 2020-21 financial year there no invitations of this nature were required.

Summary reports on outstanding and overdue recommendations are also presented to the Corporate Leadership Team via a Quarterly Organisational Health report and the Corporate Governance Steering Board receive quarterly key performance indicators on overdue recommendations.

The below chart shows the position on open and overdue Internal Audit recommendations by Function as at 31 March 2021. Note that the position can change regularly as final Internal Audit reports with new recommendations are issued and historic open recommendations become implemented and closed. Note that Adult Social Care (ASC) did not have any outstanding recommendations at the end of the 2020/21 financial year. This is partly due to the considerable efforts by the ASC Function to implement outstanding recommendations from prior years but also due to a reduced level of Internal Audit activity in this area in 2020/21 due to the Function's emergency Covid response. All recommendation owners receive monthly reminders to access the online system that tracks all Internal Audit recommendations and are able to provide status updates, including where appropriate, revised target dates with reasons, should implementation not be possible by the original target date.



NB Overdue recommendations are shown based on their *revised* target implementation date which may not necessarily be the *original* agreed target date.

Overview of Counter Fraud Activity

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

Referrals

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

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

Source of Referral	2019/20	2020/21
Web referrals	42	38
Blue Badge - Parking Enforcement Officers	36	3
Blue Badge - Other authorities	20	5
Blue Badge - Members of Public	59	58
Internal - Employees	83	55
Total Referrals	240	159

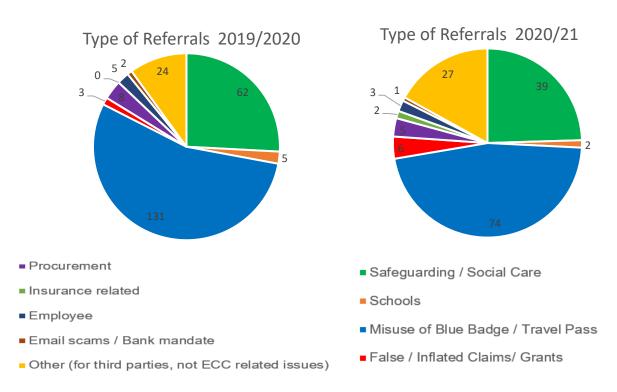
The charts below show the type of referrals received and provides a comparison with the previous year. During 2020/21 we have seen a decrease in the total number of referrals. This is mainly as a result of the pandemic, the lack of face to face social care reviews and the lack of blue badge enforcement during this period.

Covid-19 Pandemic

Although the overall level of referrals for the year was lower than previous years, we have seen an increase in the number of suspicious grant claims that have been forwarded to Essex County Council by providers in order to secure Covid-related funding, either via the Covid-19 Response Fund or the Infection Control Fund. The Counter Fraud Team have worked closely with the Essex County Council Procurement Team regarding the review, scrutiny and processing of grant claims and have provided fraud awareness training in this area. Where weaknesses have been identified in the control environment, recommendations have been made to strengthen the procedures.

In the event that suspicious invoices and supporting evidence have been identified by the Procurement Team, these have been forwarded to the Counter Fraud Team for further review and investigation. The Counter Fraud Team are currently investigating several cases in this area which may progress to prosecution.

Type of referrals received 2019/20 vs 2020/21



Programme of Data Matching & Analytical Work

National Fraud Initiative (NFI) Fraud Hub / NFI Mandatory biennial exercise — In March 2020, ECC subscribed to the NFI Fraud Hub to enhance the national data matching currently in place. Data sets are now submitted for matching against mortality lists on a fortnightly basis. This increased level of data submission / investigation of resultant matches will reduce the risk of erroneous payments being made and remedial action to recover instances of overpayment.

The mandatory NFI data matching exercise was completed in October 2020, with matches returned from the Cabinet Office during January and February 2021. Investigation is currently underway to review the matches.

Returned matches include payroll to payroll matches between ECC and other authorities, where dates overlap. Following further investigation into the returned matches, two issues were identified and required remedial action. In one case, an employee worked for ECC and also for another authority at the same time (the employee has resigned from ECC and faces disciplinary action from the other authority). In the other case, a prospective employee was paid by ECC but did not start work. Paperwork had been submitted to payroll ahead of the anticipated start date and had been actioned. Monies overpaid to the prospective employee are in the process of being recovered.

Essex Council Tax Data Matching Initiative - ECC is supporting an Essex-wide data matching project that involves all councils providing data to ensure that income received from council tax is maximised. ECC provides data sets to support the data matching which is now undertaken on a monthly basis and the Counter Fraud Team provides support to districts in dealing with the output. Total cumulative savings recorded as at 01 March 2021 (from July 2017) are £2,101,594.

Internal Data Matching / Data Analysis - the Counter Fraud team now includes a Data and Intelligence Specialist. Data matching / analytical work has been completed in the following areas:

- **Payroll and expenses** data matching completed to identify potential erroneous, duplicate or fraudulent or unusually high payments;
- Payroll a review of payroll deductions (as a result of a discrepancy in the calculation of payroll deductions)
- Adult social care a review was completed predominantly to cleanse data between the social care case management system and the payment system. The latest review resulted in some 79 records being highlighted for update.
- Adult social care an analysis of care packages to identify where domiciliary and residential care packages overlap and may not have been fully closed down on the system;
- Adult social care direct payments a review was undertaken to identify significant increases in the care packages over the last few months/ years;
- Creditor payments a review to identify whether one-off payments have been made to dormant providers (as a result of an issue identified as part of the Covid grant payments to providers).

Counter Fraud Outcomes

There are a range of potential outcomes after a case has been investigated. Clearly not all matters that come to our attention will have been caused by fraudulent activity. However, when evidence shows wrongdoing or criminal activity we will apply appropriate sanction whether that is disciplinary, prosecution or recovery of monies (or a combination of these). The table below shows our sanction activity during 2020/21 and financial recovery.

Sanction Activity	2020/21
Prosecution	0
Disciplinary Action	0
Monies Recovered	£272k
In Recovery	£117k
Future Losses Prevented	£266k

The chart below compares our counter fraud outcomes with the previous year. Outcomes are fairly consistent with previous years although we have seen a slight decrease in the number of blue badges seized and misuse letters issued which is consistent with the decrease in the number of referrals in this area.

Additionally, due to the restrictions in place during the pandemic, face to face interviews were postponed until they were able to be conducted in a Covid-safe environment. In instances that a case had progressed to prosecution, court cases have been delayed. Court hearings are planned to be held during 2021/2022.

Counter Fraud Outcomes 2019/20 vs 2020/21

Outcome Type	Outcome Type 2019/2020	Outcome Type 2020/2021	
Prosecution	3	0	
Dismissal / Disciplinary Action	3	0	
No fraud established	26	21	
Referred to third party	0	4	
Blue Badges – Misuse letter issued	21	8	
Blue Badges - Seized	37	5	
ASC - Financial recovery	14	13	
ASC - PB terminated	5	8	
ASC - Payment stopped / reduced	0	3	
Other - Payment prevented / recovery of funds	2	1	
Other	27	11	

Current Prosecution Cases

Due to the Covid pandemic, face to face interviews were postponed for the majority of the year. These have now been re-instated and we have 3 cases pending potential prosecution action. One case is awaiting a court date.

The Covid pandemic has seen an increase in suspected fraudulent grant claims being submitted to ECC by providers for funding via the Covid-19 Response Fund and Infection Control Fund. These are in the process of being investigated.

Effectiveness of Internal Audit and Counter Fraud

Compliance with the Public Sector Internal Audit Standards

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

A self-assessment was carried out in March 2021, as part of our on-going quality assurance process, which concluded that in all material aspects the internal audit function complies with the Standards.

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

In September 2020 the Council's counter fraud arrangements were assessed against the Fighting Fraud & Corruption Locally (FFCL) checklist. The checklist is aligned to the FFCL Strategy and the 5 pillars of activity that the Council should focus their efforts, i.e.:

- Govern
- Acknowledge
- Prevent
- Pursue
- Protect

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

¹ Full report on compliancy available upon request.

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

Independence and Objectivity

I can confirm that during the 2020/21 financial year that the internal audit activity has been free from interference in determining the scope of internal auditing, performing work and communicating results.

In addition, I have achieved organisational independence by reporting functionally to the AGS Committee. Examples include the Committee approving the Internal Audit Charter and the Risk Based Internal Audit Plan and the Section 151 officer approving whether services in Assurance should be subject to internal audit during a particular year.

Qualifications of the Internal Audit and Counter Fraud Team

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

Customer Satisfaction

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

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

In 2020/21, we had a very low completion rate with only 7 surveys returned, however, **100%** of customers who completed the survey, expressed satisfaction with all aspects of the service they received. Any concerns raised by auditees are followed up by the Strategic Audit Manager.

Internal Audit and Counter Fraud Plan 2020/21 - Reconciliation

✓ = completed i.e. final and/or draft report issued

Internal Audit Activity	Status as at 11 June 2021
Finance and Technology	
Key Technology Related Project Delivery – Microsoft Teams	Terms of reference agreed. Fieldwork due to commence in June 2021
IT Strategy	✓
Management of Third Party Providers for Technology Based Services and IT Performance	Cancelled
The Corporate System Project	Ongoing support and advice provided
Remote Working Resilience	✓
IT Disaster Recovery and Data Back Up Processes	✓
Cyber Security	✓
Social Care Platform Programme	Ongoing support and advice provided
IT Asset Management	✓
Broadband Delivery UK	Annual claim to be signed off in June 2021
Essex Pension Fund – funding and investments	✓
Essex Pension Fund - administration	✓
Modern Day Slavery	Initial scoping commenced but deferred to 2021/22 due to Procurement activity in that area
Access Support Unit	✓
Budgetary Control and Financial Planning	✓
SELEP	✓
Contract Management	Carried forward to 2021/22 due to services emergency Covid response
Procurement – Request for Quotes process	✓
Key Financial Systems	✓
Treasury Management	✓
Income System	Fieldwork nearing completion
Financial Management Code	✓

Internal Audit Activity	Status as at 11 June 2021
	Included in budgetary control
	review
Financial Assessment Process (social care)	✓
(**************************************	Included in Adult Social Care Debt
	audit.
Social Care Provider Resilience during Covid-	Work spans more that one
19 - Additional Funding Awards	financial year and is in progress
Corporate and Customer	
Risk Management	✓
Business Continuity	Initial scoping commenced but
·	agreed to defer to 2021/22 due to
	Covid-19
Delivering Good Governance in Local	Light touch review undertaken
Government	
Health and Safety	✓
Libraries - Stock Control and Fines	✓
Members' Locality Funds	✓
Corporate Reporting	Deferred to 2021/22 when new
	ECC Strategy will be finalised.
Supporting the outcome of the Audit,	
Governance and Standards Effectiveness	✓
Review	
Children Families and Education	
Troubled Families	✓
Schools - Establishment Reviews	Reduced number of schools
	visited due to Covid-19
Schools Thematic Review - Procurement	Commenced but not finalised.
	Delayed due to Covid-19
Schools Financial Value Standard (SFVS)	Delayed due to Covid-19 ✓
School Centred Initial Teacher Training	Delayed due to Covid-19 ✓
School Centred Initial Teacher Training (SCITT) Grant	Delayed due to Covid-19 ✓
School Centred Initial Teacher Training	✓ ✓
School Centred Initial Teacher Training (SCITT) Grant	✓ ✓ No formal report issued. However
School Centred Initial Teacher Training (SCITT) Grant	✓ ✓ ✓ No formal report issued. However regular updates and engagement
School Centred Initial Teacher Training (SCITT) Grant	✓ ✓ No formal report issued. However regular updates and engagement has occurred throughout the year
School Centred Initial Teacher Training (SCITT) Grant	✓ ✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress
School Centred Initial Teacher Training (SCITT) Grant	✓ ✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress relating to previous
School Centred Initial Teacher Training (SCITT) Grant Direct Payments (Children & Families)	✓ ✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress
School Centred Initial Teacher Training (SCITT) Grant	✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress relating to previous recommendations made.
School Centred Initial Teacher Training (SCITT) Grant Direct Payments (Children & Families)	✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress relating to previous recommendations made. ✓ Light touch review undertaken of
School Centred Initial Teacher Training (SCITT) Grant Direct Payments (Children & Families)	✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress relating to previous recommendations made. ✓ Light touch review undertaken of Council's preparedness for an
School Centred Initial Teacher Training (SCITT) Grant Direct Payments (Children & Families)	✓ No formal report issued. However regular updates and engagement has occurred throughout the year with the service on progress relating to previous recommendations made. ✓ Light touch review undertaken of

Internal Audit Activity	Status as at 11 June 2021
·	Advice and guidance provided as
	part of new system implementation
Social Care Platform Programme	Ongoing advice and guidance
	provided
Childrens Residential Framework	✓
Social Care Payments	✓
	Combined with the Childrens
	residential framework audit
Organisation Development and People	,
Whistleblowing Arrangements	✓
Recruitment - Permanent Staff	Fieldwork commencing in 2021/22. Delayed due to Covid-19
Temporary Workers and Interims	Fieldwork commenced in 2021/22.
	Deferred due to Covid-19
Use of Consultants	Deferred to 2021/22
Wellbeing Audit	Deferred to 2021/22
Employee Relations Processes	✓
Essex.gov.uk Website and Social Media	Fieldwork commencing in 2021/22. Delayed due to Covid-19
Place and Public Health	
Essex Housing	Some engagement in 2020/21 but full audit to take place in late 2021
Major Capital Projects	Light touch review undertaken –
	no formal report issued.
Test and Trace	In progress, not yet signed off
Use of Fleet Vehicles	✓
Essex County Traveller Unit	✓
Highways Contract	✓
	High level assurance piece of work
	carried out
Environmental Audit	Fieldwork underway
Country Parks – stock control	✓
Covid-19 Bus Services Support Grant for Local	✓
Transport Authorities 2020-21	
Adult Social Care	
Continuing Health Funding	✓
Quality Assurance Framework	✓
Direct Payments (Adults)	✓
Safeguarding	Some assurance gained via the Quality Assurance Framework audit. No further review currently planned. Agreed this approach with S151 Officer in February 2021

Internal Audit Activity	Status as at 11 June 2021
Meaningful Lives Matter	✓
Management Information / Key Performance Indicators	Delayed due to Covid-19. Business Intelligence specialist providing support in this area to Adult Social Care.
Better Care Fund	✓
Social Care Platform Programme	Ongoing support and advice provided
Digitalisation Project	Carried forward to 2021/22. Engagement with service area commenced
Financial Assessment Process	Delayed due to Covid-19.
Adult Social Care Debt	✓

Explanation of Assurance and Risk Priority Levels

Assı	surance level Assessment Rationale		
Good	There is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieve those objectives. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere.		
Satisfactory Whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objective risk.		ere is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at	
There are significant weaknesses in key areas of the system of control, which put the system/process objectives at risk. Improvement the design and/or operational effectiveness of the control environment is necessary to gain assurance that risks are being managed acceptable level, and core objectives will be achieved.		gn and/or operational effectiveness of the control environment is necessary to gain assurance that risks are being managed to an	
The system of internal control has serious weaknesses and controls are not effective in managing the key risks in scope. It is high unlikely that core objectives will be met without urgent management intervention.			
Risk Priority Level		el	Definition
Corporate	Critical	Red	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, for example, reputational damage, significant financial loss (through fraud, error or poor value for money), intervention by external agencies and / or lack of compliance with statutory regulations. <i>Remedial action is required immediately</i>
	Major	Amber	Audit findings indicate a serious weakness or breakdown in the control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. <i>Remedial action is required urgently</i>
Service	Moderate	Yellow	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. <i>Prompt specific action should be taken</i>
	·		

Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control

environment. Remedial action is suggested

Green

Low