

Report title: Internal Audit and Counter Fraud Progress Report	
Report to: Audit, Governance and Standards Committee	
Report author: Paula Clowes, Head of Assurance	
Date: 13 December 2021	For: Note
Enquiries to: Paula Clowes, Head of Assurance paula.clowes@essex.gov.uk	
County Divisions affected: 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 2021/22 Internal Audit and Counter Fraud Plan (approved by the Audit, Governance and Standards Committee in March 2021). It reflects the situation as of 30 November 2021.
- 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 2021/22, 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 2021/22 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.

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 a 'No Assurance' or 'Limited Assurance' rating during the period
 - Six audits have received a 'Satisfactory Assurance' rating.

- As at 30 November 2021 there were 3 Critical, 20 Major and 101 Moderate recommendations open. 54 recommendations have been implemented so far during 2021/22.
- The total number of fraud referrals received to date for the 2021/22 year is 151.
- During this period the work of the Counter Fraud team has resulted in the recovery of £48,257.54 and the prevented future loss of £9,855.00

4. Financial implications

- 4.1 There are no financial implications as the Internal Audit and Counter Fraud activity 2021/22 will be met within existing resources.

5. Legal implications

- 5.1 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. Equality and Diversity Considerations

- 6.1 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.
- 6.2 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).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

7 List of Appendices

Appendix A - Internal Audit and Counter Fraud Progress Report September – November 2021

8 List of Background papers

Internal Audit reports
Internal Audit and Counter Fraud Plan for 2021-22
Internal Audit Charter