



Essex County Council

Audit, Governance and Standards Committee

10:30	Monday, 27 June 2022	Council Chamber 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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5	Update on Audit Recommendation on Personal Budgets, Families (Direct Payments) (AGS/20/22) To receive an update from Gaye Cole, Director Local Delivery (Children and Families), Essex County Council	17 - 18

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| 6 | Internal Audit and Counter Fraud Progress Report (AGS/15/11) | 19 - 45 |
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| 10 | Dates of future meetings | |
| | To note that meetings of the Committee will take place at County Hall, Chelmsford on the following dates: | |
| | <ul style="list-style-type: none"> • Monday 25 July 2022 (10am)
(additional meeting to receive the draft accounts for 2021/22) • Monday 19 September 2022 (10am)
Please note the earlier start time of 10am in each case | |
| 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

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note

1. The membership of the committee as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

Membership

(Quorum: 3)

Councillor S Barker

Councillor A Hedley

Councillor M Hoy

Councillor D King

Councillor L Mackenzie

Councillor A McGurran

Councillor A McQuiggan

Councillor M Platt

Councillor L Shaw

Councillor C Siddall

Mr Atta Ul Haque

Chairman

Independent member (non-voting)

Minutes of the meeting of the Audit, Governance and Standards Committee, held in the Council Chamber, County Hall, Chelmsford on Monday 21 March 2022

A YouTube recording of the meeting is to be found online.

Present:

Members of the Committee:

Councillor A Hedley	Chairman
Councillor M Hoy	
Councillor D King	
Councillor A McGurran	
Councillor M Platt	
Councillor L Shaw	
Councillor C Siddall	
Mr Atta Ul-Haque	Independent Member appointed to the Committee
Councillor S Barker	

ECC Officers:

Paula Clowes	Head of Assurance
Christine Golding	Chief Accountant
Stephanie Mitchener	Director, Finance
Paul Turner	Director, Legal and Assurance (Monitoring Officer)
Justin Long	Senior Democratic Services Officer (Clerk to the meeting)
Michael Hayes	Democratic Services Assistant

Also present:

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

Welcome and Introduction

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

Altered Order

In the interests of the efficient conduct of the business, items were considered in a different order from that set out in the agenda. These Minutes represent the order in which they were considered.

1. Membership, Apologies, Substitutions and Declarations of Interest

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

1. The membership of the Audit, Governance and Standards Committee was as shown in the report.
2. Apologies had been received from Councillors McQuiggan and McKenzie, and Councillor Barker was substituting for Councillor Barber.
3. No declarations of interests were made.

The Chairman, Councillor 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 January were approved as a correct record and there were no matters arising.

3. Internal Audit and Counter Fraud Progress Report

Paula Clowes, Head of Assurance, introduced the quarterly report and highlighted the following points:

- no 'no assurance' reports had been issued during the period;
- 1 'limited assurance' report had been issued (Disaster Recovery);
- 201 fraud referrals had been received and the work of the Counter Fraud Team had prevented the future loss of £80,356 (with £54,334 still in recovery);
- on the outstanding audit recommendations, there were no 'critical' recommendations outstanding, 19 'major' recommendations were outstanding, and 91 'moderate' recommendations were outstanding; and
- a future update would be provided on the reported misuse of funding claimed via the Locality Fund and the Essential Living Fund.

It was agreed that the Director Local Delivery (Children and Families) would be invited to the next meeting of the Committee to provide an update on the outstanding audit recommendation on 'Personal Budgets (Families) (Direct Payments)' as it was over a year since the target completion date.

4. Risk Management Strategy

Paula Clowes, Head of Assurance, introduced the report and updated members on the minor changes since the last strategy was last reviewed.

Resolved

The Risk Management Strategy 2022/23 be approved in the form appended to the report.

5. Approval of Annual Internal Audit and Counter Fraud Plan for 2022/23

Paula Clowes, Head of Assurance, introduced the report and outlined the process for developing the plan.

It was agreed that the South East Local Enterprise Partnership (SELEP) governance assessment (CS3) should include work on the role of members.

Resolved

That the 2022/23 Internal Audit and Counter Fraud Plan be approved in the form annexed to the report.

6. LGA Model Code of Conduct

Paul Turner, Director, Legal and Assurance and Monitoring Officer, introduced the report and outlined the proposed changes to the Code of Conduct.

Resolved:

That the Committee makes a recommendation to Council that Essex County Council should adopt the LGA Model Code of Conduct with effect from 1 June 2022.

7. Regulation of Investigatory Powers Act 2000: Review of Activity March 2000

Paul Turner, Director, Legal and Assurance, introduced the annual report and noted that no use of the powers had been made over the last year.

Resolved

That the Committee notes that no applications for directed surveillance or the use of a CHIS have been made by anyone at ECC since the last report in March 2021.

8. Internal Audit Charter

Paula Clowes, Head of Assurance, introduced the report and in response to questions clarified the role and independence of the Counter Fraud Team.

Resolved

That the revised Charter be adopted in the form presented in Appendix 1.

9. Closure of Accounts 2021/22

Christine Golding, Chief Accountant, introduced the report and the proposed timetable for the closure of the 2021/22 accounts.

At this point, representatives from external auditors BDO gave an update on the audit completion of the 2020/21 accounts and the national issue of auditing the

holding value of infrastructure assets (e.g. roads, bridges, and street furniture); an issue that was delaying the completion of its work.

Members expressed frustration over the latest delays, and it was suggested that the infrastructure issue should not be conflated with the reasons for previous delays.

Resolved

The Committee notes the current arrangements for closure of the Council's Accounts for the 2021/22 financial year, and the present uncertainties that may impact on our ability to publish the draft Accounts ahead of the statutory deadline to do so.

10. 2020/21 Audit Completion Report for Essex Pension Fund

The report was noted.

11. Draft 2020/21 Audit Completion Report for Essex County Council

The report was noted.

It was further noted that depending on the solution put forward by CIPFA LASAAC to the infrastructure issue discussed under Item 9, there could be a risk of a 'limitation of scope' qualification on the accounts.

12. Work Programme

The Work Programme was noted.

Chairman

Report title Update on the 2021/22 Accounts and External Audit	
Report to Audit, Governance and Standards Committee	
Report author: Nicole Wood, Executive Director, Corporate Services	
Date of meeting: 27 June 2022	For: Noting
Enquiries to: Nicole Wood, Executive Director, Corporate Services email nicole.wood@essex.gov.uk or Christine Golding, Chief Accountant email christine.golding@essex.gov.uk	
Divisions affected All Essex	

1. Everyone's Essex

- 1.1 The purpose of this report is to provide the Committee with an update regarding:
- Publication of the draft Statement of Accounts for financial year ending 31 March 2022.
 - The status of the external audits for the financial years 2020/21 and 2021/22.

2. Recommendations

- 2.1 The Committee notes:
- the reasons why publication of the draft Statement of Accounts for 2021/22 has been delayed, and the updated arrangements for publication of those accounts.
 - the present uncertainties surrounding the external audits for 2020/21 and 2021/22.

3. Background

- 3.1 The Council is required to prepare its annual accounts in compliance with generally accepted accounting practice and to specified timelines.
- 3.2 The timescales for the annual accounts are articulated in the **Accounts and Audit Regulations 2015** (as amended). Currently, the statutory timelines for the 2021/22 Accounts are as follows:
- Publication of draft accounts for inspection: **31 July 2022**.
 - Publication of final, audited accounts: **30 September 2022**.

However, the Government recently consulted on a proposal to extend the timeline for publication of audited accounts for 2021/22 from 30 September to **30 November 2022**. At the time of writing, the outcome of this consultation is still awaited.

- 3.3 As reported to the Committee on 21 March 2022 (**AGS/10/22**), our aim was to produce the draft Statement of Accounts for 2021/22 by **30 June 2022**, in line with the timescales achieved in 2019/20 and 2020/21. However, it was acknowledged that this may be challenging, given the significant delay to completion of the audit of the Council's Accounts for 2020/21.
- 3.4 It was also noted that the statutory deadline for publication of the draft Statement of Accounts for the 2021/22 Accounts is **31 July 2022**, and hence that there was some scope to slip production of the draft Accounts and still be compliant with statutory timescales.
- 3.5 Although work on production of the draft Statement of Accounts for 2021/22 is progressing well, it has not been possible to finalise the draft in time for presentation to the Committee today. It has also not yet been possible for the external auditor to conclude the audit of the Council's Accounts for 2020/21.
- 3.6 The following paragraphs explain the status of work on production of the draft Statement of Accounts for 2021/22. They also provide commentary on the status of the external audit.

4. Draft Statement of Accounts for 2021/22

- 4.1 There are several key strands of activity necessary to close the accounts:
- Activities necessary to derive the revenue and capital '**provisional outturn**' positions for Cabinet Members' portfolios, and to assess the impact of those positions on the Council's reserves, balances and capital financing resources.
 - **Technical accounting activity** necessary to ensure compliance with generally accepted accounting practice.
 - Activities necessary to produce **consolidated Group Accounts** (i.e. accounts which consolidate the Council's own position with that of its local authority trading companies).

The following paragraphs provide an update on the status of each of these key strands of activity.

- 4.2 The work necessary to derive the 2021/22 revenue and capital '**provisional outturn**' positions, and to assess the impact on the Council's reserves, balances and capital financing resources, is complete. The provisional outturn position was reported to Cabinet on **21 June 2022 (FP/014/03/21)**.

4.3 The **technical accounting activities** and the work necessary to produce **consolidated Group Accounts** is also substantially complete, pending resolution of the matter referred to in section 5 below related to accounting for infrastructure (highways) assets.

4.4 It seems prudent to defer publication of the draft Statement of Accounts for 2021/22 until the end of July, to determine whether the outcome of the CIPFA LASAAC consultation referred to in section 5 below has any bearing on the accounting policies being applied in relation to these assets.

5. Accounting for infrastructure (highways) assets

5.1 Accounting for infrastructure (highways) assets has not historically been considered to be an area of significant audit risk in local authorities, due to:

- the inalienable nature of the assets (i.e. there is no prospect of selling them or putting them to alternative use).
- the use of the historical cost basis of accounting for these assets.

5.2 However, the external auditor raised a concern earlier this year relating to subsequent expenditure on infrastructure assets and specifically about whether we should be assessing if there is any residual value remaining in the balance sheet for replaced components before the subsequent expenditure is added. Whilst this may be standard practice for many items of property, plant and equipment assets, it is not generally being applied for infrastructure assets, particularly highways assets, because there are significant practical difficulties with doing so.

5.3 This has become a national issue that has led to widespread delays in local authority audits for 2020/21, with authorities at risk of audit qualifications, and it presents a risk for all local authorities in subsequent years if the issues are not resolved.

5.4 The Chartered Institute for Public Finance and Accountancy (CIPFA) and CIPFA LASAAC agreed to try to assist in the resolution of the issue. Specifically, CIPFA LASAAC established a Task and Finish Group to consider whether any augmentations to the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and/or guidance might assist the current reporting position.

5.5 On the basis of the work of the Task and Finish Group, CIPFA LASAAC recently issued a consultation which sought views on proposals to amend the Accounting Code. CIPFA also issued, and sought views on, accompanying guidance. CIPFA LASAAC believes that the proposed augmentations to the Accounting Code should address external auditors' concerns. Whilst this consultation closed on **14 June 2022**, it is unlikely that the outcome of the consultation will be known and ratified before July.

6. Status of external audit for 2020/21

- 6.1 BDO LLP presented drafts of the 2020/21 Audit Completion Reports for the Council and Essex Pension Fund to the Audit, Governance and Standards Committee on **21 March 2022 (AGS/11/22 and AGS/12/22)**.
- 6.2 In relation to the audit of the Council, BDO LLP reported that:
- There was a national issue relating to the carrying value of, and accounting for infrastructure assets (as referred to in section 5 above).
 - their audit work on the financial statements was substantially complete but that their internal quality control reviews were ongoing.
 - They would report on the results of their value for money work no later than three months after the date of their audit opinion on the Financial Statements.
- 6.3 As noted in Section 5 above, it is hoped that the national issue regarding infrastructure assets may be resolved once CIPFA confirms changes to the Accounting Code, although both the Council and BDO LLP may need to consider this further, once the CIPFA solution is confirmed.
- 6.4 BDO's internal quality control reviews are still ongoing.
- 6.5 BDO's work on the Council's value for money arrangements is also still ongoing.
- 6.6 Consequently, it is not yet possible to advise on the likely timelines for completion of the 2020/21 audit.

7. Arrangements for external audit for 2021/22

- 7.1 At the time of writing, it is anticipated that:
- BDO LLP will present their Audit Plans for the Council and Essex Pension Fund for 2021/22 to the Committee on **19 September 2022**.
 - The audit of the Essex Pension Fund's financial statements will get underway in late August 2022.
 - The audit of the Council's Financial Statements will get underway in late September.
 - The review of the Council's arrangements to secure value for money in its use of resources will follow on from substantial completion of the audit of the Council's financial statements.
- 7.2 As noted in paragraph 3.2 above, the government has proposed a deadline of **30 November 2022** for publication of final audited accounts for 2021/22. However, it is not yet possible to advise when BDO LLP will be in a position to report the findings from their audit of the Council and Essex Pension Fund for the financial year ending 31 March 2022.

8. Policy context and Outcomes Framework

- 8.1 The annual Statement of Accounts summarise the financial performance and financial position for the Council for the years ending 31 March. As such, the Statement of Accounts will provide a financial representation of activities during 2020/21 and 2021/22 against Everyone's Essex, the Council's Plan to Level Up the County.

9. Financial Implications

- 9.1 It has previously been reported that it has been necessary to secure ongoing access to the former 'TCS' corporate systems for the purpose of seeing out the 2020/21 audit (originally at a cost of £38,000 per month, but currently at a cost of **£57,000** per month). TCS was due to be de-commissioned following 'go live' of the 'My Oracle' Corporate System in October 2021.

10. Legal Implications

- 10.1 There are no legal implications associated with this report.

11. Staffing and other resource implications

- 11.1 Closure of the accounts is a significant activity that usually requires substantial input from Finance staff over a relatively short period of time. Whilst the Finance team remains appropriately resourced for closure activity in normal circumstances, it is not resourced to support a prolonged and protracted external audit. The Finance team will therefore be under exceptional pressure until it is possible to get back on track with timely delivery of the external audit.

12. Equality and Diversity implications

- 12.1 There are no equality and diversity implications associated with this report.

13. List of appendices

- 13.1 None

14. List of Background Papers

- 14.1 None

Report title: Disaster Recovery Audit Progress Update	
Report to: Audit, Governance and Standards Committee	
Report author: Paul Turner, Director, Legal and Assurance	
Date: 27 June 2022	For: Discussion
Enquiries to: Paul Turner, Director, Legal and Assurance, paul.turner@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.
- 1.2 This report provides the Committee with the current position regarding activity in relation to the ECC Disaster Recovery Audit. Melanie Hogger, Director, Technology Services has been invited to attend the committee to provide an update on the actions being taken to respond to the Audit Report.

2. Recommendations

- 2.1 That the progress in relation to the ECC Disaster Recovery Audit be noted.

3. Background

- 3.1 At the March 2022 meeting of the Committee it was reported that the follow-up Audit of IT Disaster Recovery received a 'Limited Assurance' rating during that reporting period. The Council has made significant progress since its previous IT Disaster Recovery audit in 2016/17 which received an overall opinion of No Assurance, with five Critical recommendations. All five Critical recommendations have now been closed. The recent follow up identified three Major and three Moderate recommendations. These relate to:
 - Incomplete business impact analysis and validation (Major)
 - Operating effectiveness of the disaster recovery arrangements (Major) – this action has been recorded as implemented.
 - IT disaster recovery testing (Major)
 - Roles and responsibilities for invoking the IT Disaster Recovery Plan (Moderate)
 - the IT Disaster Recovery Plan remains in draft (Moderate)

- the Cloud Strategy is yet to be approved (Moderate) – this action has been recorded as implemented

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.

5. Financial implications

- 5.1 It is important to implement internal audit recommendations in order to ensure that our risks, including financial risks are managed.

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.
- 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.

Agenda Item 5
AGS/20/22

Report title: Update on audit recommendation on Personal Budgets, Families (Direct Payments)	
Report to: Audit, Governance and Standards Committee	
Report author: Paul Turner, Director, Legal and Assurance	
Date: 27 June 2022	For: Discussion
Enquiries to: Paul Turner, Director, Legal and Assurance, paul.turner@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.
- 1.2 This report provides the Committee with the current position regarding activity in relation to the outstanding audit recommendation on Personal Budgets, Families (Direct Payments). Gaye Cole, Director Local Delivery (Children and Families) has been invited to the committee to provide an update.

2. Recommendations

- 2.1 That the progress in relation to the audit recommendation on Personal Budgets, Families (Direct Payments) be noted.

3. Background

- 3.1 At the March 2022 meeting of the Committee it was reported that there was an outstanding Major audit recommendation on 'Personal Budgets, Families (Direct Payments)' which was over a year since the target completion date.

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.

5. Financial implications

- 5.1 It is important to implement internal audit recommendations in order to ensure that our risks, including financial risks are managed.

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.
- 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.

Agenda item 6
AGS/15/22

Report title: Internal Audit and Counter Fraud Progress Report	
Report to: Audit, Governance and Standards Committee	
Report author: Paula Clowes, Head of Assurance	
Date: 27 June 2022	For: Noting
Enquiries to: Paula Clowes, Head of Assurance paula.clowes@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 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 requires that the Chief Audit Executive (Head of Assurance) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). 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 control).
- 1.2 The Internal Audit and Counter Fraud Annual Report (see Appendix A) also provides oversight of Internal Audit & Counter Fraud activity for 2021/22
- 1.3. The overall internal audit opinion of the internal control environment (framework of governance, risk management and internal control) for 2020/21 is one of **Satisfactory** assurance, which means that although there are some weaknesses which may put individual system/process/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.

2. Recommendations

- 2.1 That the Internal Audit and Counter Fraud Annual Report and the opinion on the overall adequacy and effectiveness of the organisation's internal control environment be noted.

3. Background

- 3.1 The full Internal Audit and Counter Fraud Annual Report is attached at appendix 1. The following matters are of particular note:

- Although the opinion remains satisfactory, there is an improved picture, in that there have been no 'no assurance' audits and 3 'limited assurance' audits compared to 10 limited assurance audits in 2020/21
- The 2021/22 Internal Audit and Counter Fraud Plan adopted a flexible approach to ensure changes could be made quickly should services be impacted by Covid-19. All of the high priority audits were delivered with minimal changes made to the remainder of the plan. This means that the Head of Assurance is able to provide an opinion without any limitations or restrictions.
- The Head of Assurance can confirm that during the 2021/22 financial year that the internal audit activity has been free from interference in determining the scope of internal auditing, performing work and communicating results.

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 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 2021/22 was 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.

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 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 Annual Report

9 List of Background papers

Internal Audit reports
Internal Audit and Counter Fraud Plan for 2021-22
Internal Audit Charter
Public Sector Internal Audit Standards.
Fighting Fraud and Corruption Locally Strategy

Essex County Council

Internal Audit and Counter Fraud

Annual Report

2021/22



Including the Annual Opinion of the Chief Audit Executive

June 2022

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

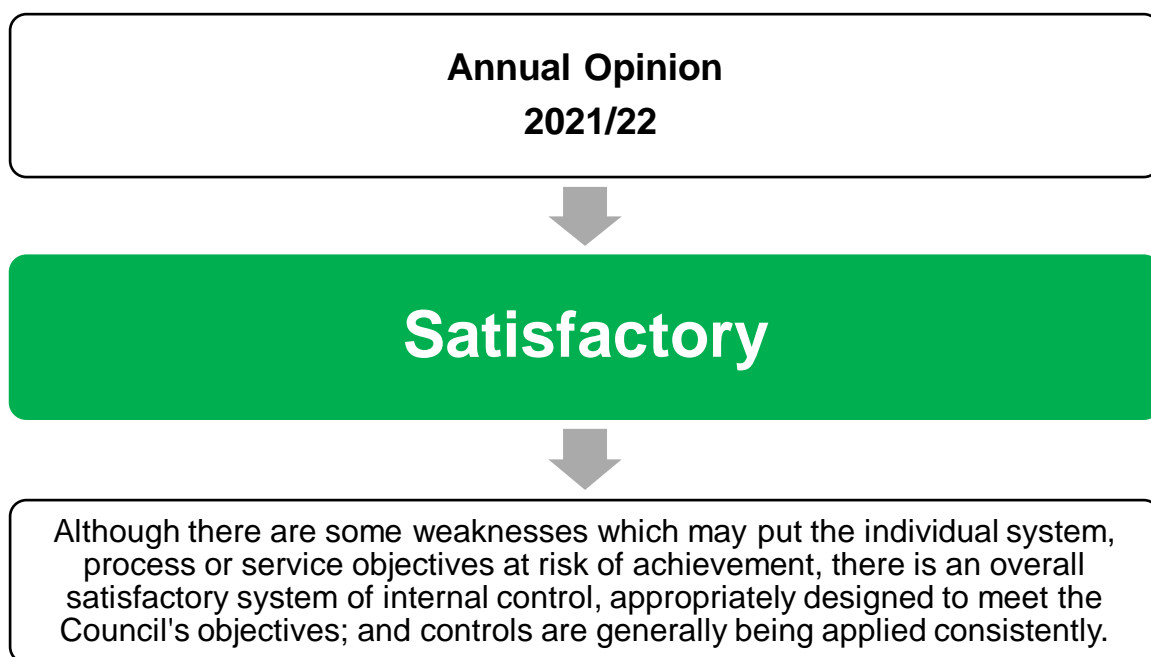
The Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective internal audit service in accordance with proper practices. The UK Public Sector Internal Audit Standards (PSIAS) requires that the Chief Audit Executive must deliver an Annual Internal Audit Opinion and 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 2021 the (AGS) Committee reviewed and approved the 2021/22 risk-based Internal Audit and Counter Fraud Plan. Progress reports on delivery and outcomes have been provided to the AGS Committee quarterly throughout the 2021/22 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 2021 to 31 March 2022. 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.



The assurance opinion of “Satisfactory” is the same as the prior three years’ opinions, demonstrating that the control environment has remained stable, which is commendable given the backdrop of the Council facing uncertain times in relation to the economic outlook and the after effects of the Covid pandemic and EU exit. In addition, in late 2021 ECC went live with a major new finance and payroll system known as My Oracle which has, in some areas, made the audit environment challenging.

There has been a decrease in the number of Limited Assurance opinions given to individual Internal Audit reviews (three in 2021/22 compared to ten in 2020/21) which indicates a positive direction of travel in the Council’s control environment.

Covid-19 Pandemic

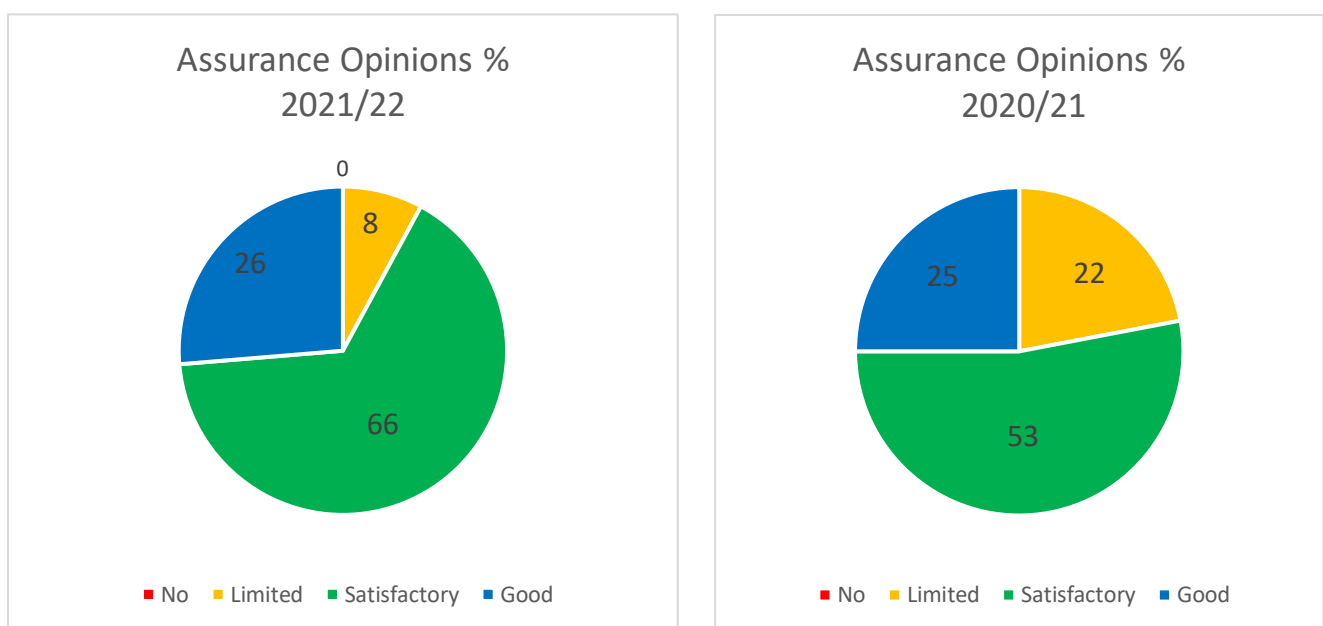
The Covid-19 pandemic continued into the 2021/22 financial year with some lockdowns and restrictions still in place for a significant proportion of the year. Our Internal Audit and Counter Fraud Plan for the 2021/22 financial year was compiled to be flexible should the need arise, with the pandemic in mind. The Plan included a full programme of activity, but with each individual audit being given a priority rating of High, Medium or Flexible with audit reviews rated as High being deemed to be vital for the Chief Audit Executive’s

Annual Opinion. All those rated as High have been delivered during the 2021/22 financial year with the majority of other audits in the Plan also completed. A full reconciliation is included in Appendix 1. This means 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 2021/22 Internal Audit Plan can be found in Appendix 1.

Overview of Internal Audit Activity from 1 April 2021

The Table below shows each individual Internal Audit review carried out during the year that resulted in an overall opinion and a report. There were no “No Assurance” opinions given in the 2021/22 financial year.

Limited	Income System	IT Disaster Recovery
	Accounts Receivable *	
Satisfactory	Capital Programme	Economic Renewal Fund
	VAT Output and Input	Environment
	Essex Construction Framework 2 Mobilisation	Temporary and Interim Workers
	Wellbeing (Employees)	Use of Consultants
	Libraries Stock Control, Fees and Charges – Follow Up	Business Continuity
	Integrated Waste Handling	IT Incident Management
	Mitie Energy Invoice Process – Follow Up	Risk Management
	Schools Compliance with Information Regulation 2016	Sourcing (Procurement)
	Contracts	Essex Housing
	Adult Social Care Debt – Follow Up	Payroll *
	Journals and Virements*	Banking and Cash
	Expenses	Budgetary Control and Medium Term Financial Planning
	Early Years Funding Healthcheck	
Good	Access Support Unit	Social Media
	Essex Pension Fund - Administration	Essex Pension Fund - Investments
	Permanent Employee Recruitment	Cyber Security
	MS Teams Project – Technology Services	South East Local Enterprise Partnership (SELEP)
	Better Care Fund	Accounts Payable

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

Oracle Integrated Assurance – Assurance Opinions

In late 2021, ECC replaced TCS (The Corporate System) with a new Oracle cloud based integrated finance and HR system known locally as My Oracle. Internal Audit provided oversight of the Programme to procure, test and implement the new system and then,

due to its infancy, concentrated on testing control design of My Oracle rather than carry out detailed testing on how controls were operating in practice. In the 2022/23 financial year Internal Audit will assess the operating effectiveness of these controls.

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

Process	2021/22 Opinions
Accounts Payable (AP)	Good
Journals and Virements	Satisfactory
Payroll	Satisfactory
Banking and Cash Receipting	Satisfactory
Expenses	Satisfactory
Accounts Receivable (AR)	Limited
Overall	Satisfactory

Risk Management

The Public Sector Internal Audit Standards (Standard 2120) require the internal audit activity to evaluate the effectiveness and contribute to the improvement of risk management processes. Internal Audit gathers the information to support this assessment during multiple engagements including a specific risk management assignment. The objectives of the 2021/22 risk management audit were to:

1. Follow-up on action implementation status from the 2020-21 Internal Audit, specifically, the three Moderate graded actions relating to:

- Oversight of project risks
 - Risk management within business planning
 - Risk Register visibility to the Audit, Governance and Standards Committee.
2. Evaluate the stakeholder perception of risk management controls, to compliment the audit work already undertaken in 2020/21 and to also act as a pre-requisite for planned Internal Audit coverage in 2022/23, where there is an intention to examine overall 'Risk Maturity' against an established Risk Management Framework.

The internal audit review of the Council's risk management arrangements concluded that **Satisfactory Progress** has been made in implementing the prior year's actions. Risk management stakeholder feedback indicated that arrangements are well embedded at a Functional level and those interviewed were very complimentary of the support provided by the Corporate Risk Management Team.

No Assurance and Limited Assurance Audits

I have not issued any No Assurance opinions in the 2021/22 financial year.

Three reviews have received an overall opinion of Limited Assurance (compared to ten in 2020/21).

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 2021/22 representatives from the services attended to discuss the following Limited Assurance reports:

- IT Asset Management (2020/21)
- Country Parks – stock control (2020/21)
- Essex County Wide Travellers Unit (2020/21)

These audits have planned follow up reviews due in 2022.

In addition to the above, the following three Limited Assurance opinions have been given in 2021/22:

IT Disaster Recovery

The Council has made progress since the previous IT Disaster Recovery audit in 2016/17 which received an overall opinion of No Assurance with 5 Critical recommendations.

In 2021 it was identified that, whilst a positive direction of travel could be evidenced, several control weaknesses remained, thus attracting a Limited Assurance overall opinion, with a total of 3 Major and 3 Moderate recommendations made. These related to:

- incomplete business impact analysis and validation
- the IT Disaster Recovery Plan remaining in draft
- periodic review of critical IT services and new IT services
- lack of testing and a testing plan,
- lack of clarity on responsibility to invoke the disaster recovery process, and
- the Cloud Strategy not yet having been approved.

The report was finalised in December 2021 with a commitment from Technology Services to complete all actions by September 2022. These recommendations are tracked via our tracking system, Pentana, and regular updates are provided to the AGS Committee on progress against all open recommendations.

Income System

The Internal Audit review was finalised in August 2021. At that time one Major and three Moderate risk actions were raised, covering the following areas:

- evidence of back up arrangements, stress testing and disaster recovery
- Key performance indicator reports and contract management arrangements
- Access permissions
- Updating the E-learning training course

As part of the move to My Oracle the contract with the provider of the income system was expected to be novated to the Council in Autumn 2021 and it was anticipated that the controls will improve and there will be better management information oversight from that point. A follow up audit of the income system is currently being scoped and the outcome of that audit will be reported to a future AGS Committee meeting.

Accounts Receivable (Draft)

Accounts Receivable has received a Limited Assurance opinion for the last four 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. Until the end of September 2021 ECC used the accounting systems TCS, A4W and Excel-based portfolio spreadsheets to manage, monitor, chase and collect income. Since October 2021 ECC has moved to the new, MyOracle system. An Advanced Collection Screen was expected to replace the spreadsheets but this is not currently working as intended and so manual workarounds (spreadsheets) remain in place. While evidence of improvements compared to the prior year's audit have been seen during the 2021/22 review, it has not been possible to gain enough assurance at this point to move this audit area from an overall Limited Assurance opinion.

Grants

We provide audit services to certify grant claims where this is a requirement of the grant terms and conditions and/or we are a designated First Level Controller. Grants audited in 2021/2022 include:

- **Supporting Families:**
Department for Communities and Local Government (DCLG) payment by results scheme to help troubled families turn their lives around. The DCLG require that 10% of claims are internally audited throughout the year and Internal Audit then certify the whole claim – there are usually four claims per year.

- Broadband Delivery UK (BDUK):
In 2021/22 Internal Audit have continued to maintain oversight of this programme and performed sample checking of the information submitted as part of the annual return which is also reviewed by Finance and signed-off by the S151 Officer. In addition Internal Audit checked evidence to support the project requirements as defined by DEFRA.
- School Centred Initial Teacher Training (SCITT) Grant – payment of bursaries to newly qualified teachers.
- LECSEA – Local Energy Communities for the 2 Seas Region
- South East Local Enterprise Partnership (SELEP) Growth Hub Core Funding
- SELEP - Supplemental Funding
- SELEP - Peer Network Funding
- SELEP - EU Transition Funding
- Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance) Specific Grant Determination 2020/21: No 31/5036
- Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant Determination 2020/21 (31/5013)
- Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5327
- 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)

Projects and Programmes

As well as our assurance activity, Internal Audit have provided value added support to a number of key corporate projects during the year, thus acting as a catalyst for improving the organisation's governance, risk management and internal control design. By providing insight and real time recommendations on new business processes during their design, transition and implementation, Internal Audit have helped to ensure that the controls in place are proportionate to financial cost and risk. These projects include:

The Corporate Systems Programme

This has been an ongoing programme to move the Council's core financial systems (including accounts receivable, accounts payable, general ledger, budgeting and forecasting, payroll and human resources) to Oracle Fusion Cloud in late 2021. The system successfully went live in late 2021. Internal Audit provided oversight to the programme and acted as a trusted advisor particularly around changes to control design, mapping the new processes, compliance reporting and risk management.

Social Care Platform Programme

This is an ongoing programme which involves current system improvements, a data transformation project and a procurement of the Council's social care case management software, which records all the Council's adults' and childrens' cases on one platform. Implementation is not expected to commence until 2023.

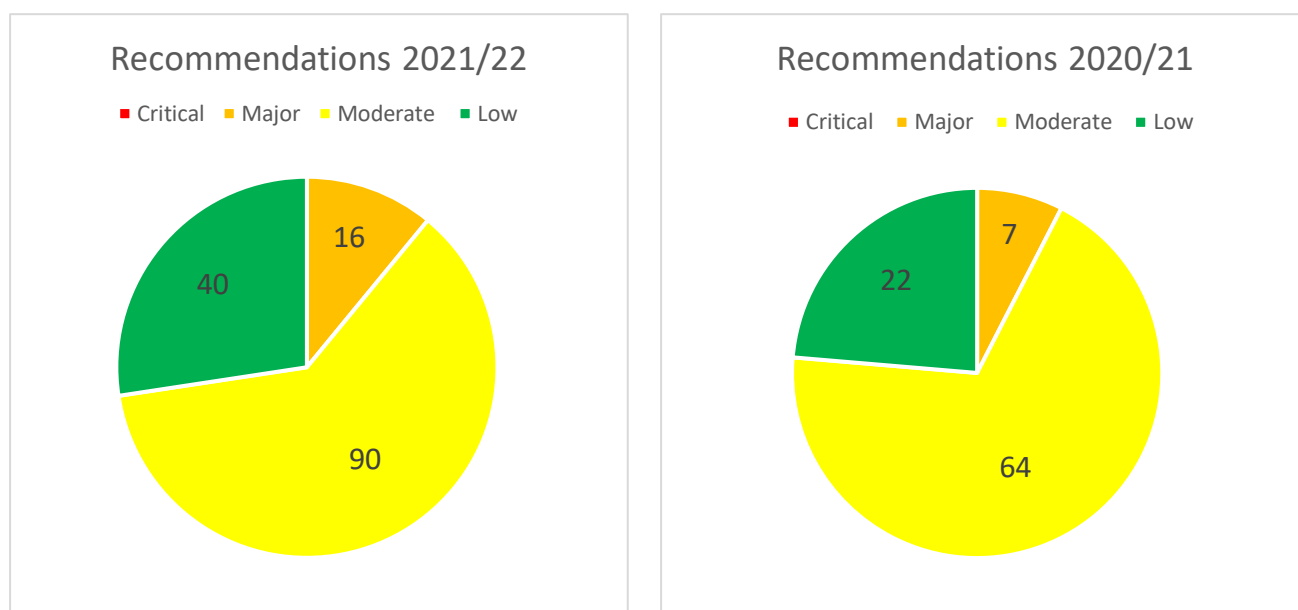
Integrated Waste Handling

The Council has responsibilities as a Waste Disposal Authority. Internal Audit maintained oversight of the Council's approach to the replacement of the Integrated Waste Handling Contract (which includes the provision of waste recycling centres) which was brought back in house from 1 April 2022. Our work focused on the proposed controls, processes and governance and commented on their suitability prior to go live in April 2022 and determined that these were satisfactory.

Internal Audit Recommendations

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

Recommendation Ratings issued * in 2021/22 compared to 2020/21



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

Open and Overdue Recommendations

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

The below Table shows the position on open and overdue Internal Audit recommendations by Function as at 31 March 2022. 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. Please note that there are currently no open Critical recommendations and Low graded recommendations, which comprise of advice and best practice, are not formally tracked.

Table of Open and Overdue Internal Audit Recommendations as at 31 March 2022

Function	Major Recommendations (number)			Moderate Recommendations (number)		
	Open	Overdue (original)	Overdue (revised)	Open	Overdue (original)	Overdue (revised)
Adult Social Care	0	0	0	5	4	4
Children Families and Education	1	1	1	6	5	5
Place and Public Health *	6	6	4	18	12	10
Corporate Services	9	5	4	44	29	11
People and Transformation	2	2	2	16	13	10
TOTAL	19	14	11	89	65	40

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

* Functions are shown as they were in the 2021/22 financial year. In 2022 two new Functions were formed: Climate Environment & Customer and Economy Investment & Public Health.

Overview of Counter Fraud Activity

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

The Counter Fraud Team also maintain and update a series of e-learning modules to raise fraud awareness amongst ECC staff as well as delivering bespoke fraud awareness sessions. During 2021/22 several fraud awareness sessions have been completed, focussing on specific fraud risk areas affecting the Council, particularly relating to procurement and social care.

Referrals

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

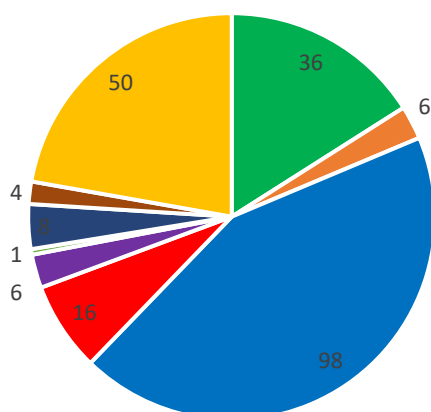
The table below demonstrates the source of referrals, compared with those received last year.

Source of Referral	2020/21	2021/2022
Web referrals	38	70
Blue Badge - Parking Enforcement Officers	3	7
Blue Badge - Other authorities	5	16
Blue Badge - Members of Public	58	71
Internal - Employees	55	61
Total Referrals	159	225

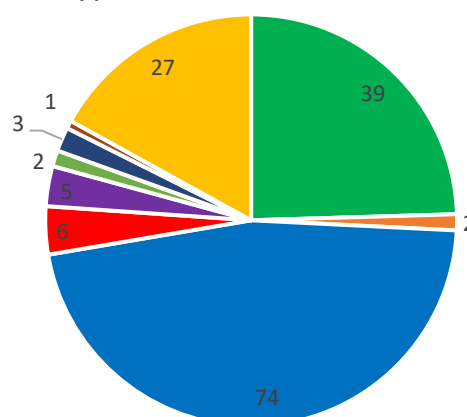
The charts below show the type of referrals received and provides a comparison with the previous year. During 2021/22 we have seen a slight increase in the total number of referrals as the impact of the pandemic reduced.

Type of referrals received 2020/21 vs 2021/22

Type of Referrals 2021/2022



Type of Referrals 2020/21



Programme of Data Matching & Analytical Work

- Procurement
- Insurance related
- Employee
- Email scams / Bank mandate
- Other (for third parties, not ECC related issues)
- Safeguarding / Social Care
- Schools
- Misuse of Blue Badge / Travel Pass
- False / Inflated Claims/ Grants

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

ECC subscribe to the NFI Fraud Hub to enhance the national data matching currently in place. Data sets are now submitted for matching against mortality lists on a fortnightly basis. This increased level of data submission and subsequent investigation of resultant matches reduces the risk of erroneous payments being made and supports faster remedial action to recover instances of overpayment. Since joining the Hub in March 2020, overpayments amounting to £79,784.30 have been identified and recovered in relation to pension payments that have been made following the death of the recipient. A further 273 matches continue to be investigated.

During 2021 the Counter Fraud Team have been dealing with the outputs from the October 2020 NFI Exercise (matches received early 2021).

As a result of these matches the following outcomes have been achieved:

- Concessionary Travel Passes – the system has been updated with 11,138 records marked as deceased;
- Blue Badges – the system has been updated with 3,646 records being marked as deceased;
- Pensions – 424 records identified as deceased – with Essex Pension Team for checking / requesting repayment of overpayments;
- Payroll – 71 potential duplicate matches identified. 2 issues were identified and remedial action taken as necessary, with an amount of £30,439 currently in recovery.

We are now preparing for the next Mandatory Exercise, with Date due to be provided in October 2022.

Internal Data Matching / Data Analysis - the Counter Fraud team carries out its own data matching / analytical work and during 2021/22 work has been completed in the following areas:

- Adult social care – an analysis of care packages to identify where domiciliary and residential care packages overlap and may not have been fully closed down on the system – testing is currently underway.
- Adult social care direct payments – following the identification of a duplicated care package, resulting in an overpayment of a Direct Payment in excess of £200,000, a review was undertaken to identify significant increases in care packages.
- Covid funding provided to Adult Social Care Providers - An analysis was started of the covid related funding that has been paid to providers. A sample of providers was selected for review and evidence requested to confirm that funding has been spent in accordance with the relevant grant agreements. This work continues.

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 2021/22 and financial recovery.

Sanction Activity	2020/21	2021/22
Prosecution	0	1
Disciplinary Action	0	2
Monies Recovered	£272k	£349k
In Recovery	£117k	£255k
Future Losses Prevented	£266k	£237k

The chart below compares our counter fraud outcomes with the previous year. Outcomes are fairly consistent with previous years. Due to the restrictions in place during the

pandemic, face to face interviews were postponed until they could be conducted in a Covid-safe environment. Court cases were also delayed but now are planned for 2022/2023.

Counter Fraud Outcomes

Outcome Type	Outcome Type 2020/2021	Outcome Type 2021/2022
Prosecution	0	1
Dismissal / Disciplinary Action	0	2
No fraud established	21	16
Referred to third party	4	9
Blue Badges – Misuse letter issued	8	15
Blue Badges - Seized	5	15
ASC - Financial recovery	13	13
ASC - PB terminated / reduced	11	7
Other / financial recovery	0	4
Other - Payment prevented / recovery of funds /misuse letter	1	3
Other	11	14

Prosecution Cases

One Essex resident was prosecuted and found guilty of applying for a blue badge after the death of the registered holder, and using the fraudulent blue badge for their own use. The defendant was fined £200 plus costs of £50 and a victim surcharge of £30.

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. We are currently working with Essex Legal Services in relation to two potential prosecution cases where suspected fraudulent grant claims related to Care Homes have been submitted to Essex County Council for funding.

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.” The next external assessment is planned for 2023.

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

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

In March 2022 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 36

principles we are fully compliant on 34 and partially compliant on the remaining 3, working towards full compliancy.¹

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

Independence and Objectivity

I can confirm that during the 2021/22 financial year that the internal audit activity has been free from interference in determining the scope of internal auditing, performing work and communicating results.

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

Qualifications of the Internal Audit and Counter Fraud Team

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

Client Satisfaction

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

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

¹ Full report on compliancy available upon request.

In 2021/22 **100%** of customers who completed the survey expressed satisfaction with all aspects of the service they received. Any concerns raised by auditees are followed up by the Strategic Internal Audit Manager. In addition to formal requests for feedback from Client Satisfaction Surveys, the Strategic Internal Audit Manager seeks feedback annually from Executive Directors and Directors as part of the planning process. The Internal Audit Team carry out a de-brief upon the closure of an audit and record lessons learned, to seek to continually improve customer experience.

Internal Audit and Counter Fraud Plan 2021/22 - Reconciliation





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

Internal Audit Activity	Status as at 14 June 2022
Corporate Services	
VAT Input and Output	✓
Accounts Payable	✓
Journals and Virements	✓
Banking and Cash	✓
Expenses	✓
My Oracle Access Controls	At draft report stage
Accounts Receivable	✓
Essex Construction Framework 2 Mobilisation	✓
The Corporate System Project – advice and support	✓
IT Asset Management – Follow Up	Fieldwork commenced
IT Disaster Recovery and Data Back Up Processes	✓
Cyber Security	✓
Social Care Platform Programme	Ongoing support and advice provided
IT Incident Management	✓
Broadband Delivery UK and Payment Assurance	✓
Essex Pension Fund – funding and investments	✓
Essex Pension Fund - administration	✓
Modern Day Slavery	Fieldwork completed and agreeing next steps with Audit Sponsor and S151 Officer in June 2022
Access Support Unit	✓
Budgetary Control and Medium Term Financial Planning	✓
South East Local Enterprise Partnership (SELEP)	✓
Contract Management	✓
Procurement (Sourcing)	✓
Treasury Management	This review was categorised as flexible within the Plan. The review was agreed to take place early in the 2022/23 financial year to take

Internal Audit Activity	Status as at 14 June 2022
	into account the changes to the Prudential and Treasury Management Codes.
Corporate Reporting / Performance Management Framework	Due to the change in Council administration and the subsequent launch of the Council's new Strategy <i>Everyone's Essex</i> it was agreed to defer this audit to 2022/23 when more data would be available to test and the governance structure is more clearly defined.
Income System – follow up	Fieldwork in progress
Risk Management	✓
Business Continuity	✓
Health and Safety – Lone Working	At draft report stage
Housing Infrastructure Funded Projects (HIF)	At draft report stage
Information Governance	At draft report stage
Supporting the outcome of the Audit, Governance and Standards Effectiveness Review	✓
Customer Services	
Libraries Stock Control, Fees and Charges	✓
Children Families and Education	
Troubled Families	✓
Schools - Establishment Reviews	3 school audits at draft report stage.
Schools Thematic Review - Procurement	In progress
Schools Financial Value Standard (SFVS)	✓
Early Years Funding Healthcheck	✓
Social Care Platform Programme	Ongoing advice and guidance provided
People and Transformation	
Recruitment - Permanent Staff	✓
Temporary Workers and Interims	✓
Use of Consultants	✓
Wellbeing Audit	✓
Employee Relations Processes	✓
Payroll	✓
Social Media	✓
Place and Public Health	
Essex Housing	✓

Internal Audit Activity	Status as at 14 June 2022
Capital Programme	✓
Community Volunteering	At draft report stage
Economic Growth Investment Fund	✓
Highways Transformation	High level assurance obtained from contract extension due diligence.
Environmental Audit	✓
Energy Invoice Processes Follow Up	✓
Integrated Waste Handling	✓
Adult Social Care	
Care Technology – early assurance	✓
Liberty Protection Safeguards	Ongoing advice and guidance. This will continue into 2022/23 financial year.
Better Care Fund	✓
Social Care Platform Programme	Ongoing support and advice provided
Essex Social Care Academy	fieldwork in progress (delay due to Service experiencing Covid pressure).
Adult Social Care Debt Follow Up / Debt Monitoring and Enforcement	✓

Explanation of Assurance and Risk Priority Levels

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

Agenda item 7
AGS/16/22

Report title: Annual Report of the Audit, Governance and Standards Committee	
Report to: Audit, Governance and Standards Committee	
Report author: Paul Turner, Director, Legal and Assurance	
Date: 27 June 2022	For: Decision
Enquiries to: Paul Turner, Director, Legal and Assurance, paul.turner@essex.gov.uk or Paula Clowes, Head of Assurance paula.clowes@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1. In order to effectively discharge its responsibilities, the Audit, Governance and Standards Committee should report annually on its work to those charged with governance. As such, an annual report is presented to Full Council outlining the committee's purpose and role as well as the activities that it has undertaken throughout the preceding financial year to support good governance and strong public financial management.
- 1.2 The 2021/22 report has been drafted on behalf of the Committee and the draft is attached at appendix 1 for the committee's consideration and approval.

2. Recommendations

- 2.1 That the Audit, Governance and Standards committee review and approve the Annual Report of the Audit, Governance and Standards Committee, prior to it being presented to Full Council in July 2022.

3. Background

- 3.1 The report provides Full Council with the following:
 - Committee Membership
 - Terms of Reference and Purpose of the Committee
 - Details of the Committee's work during the financial year ending 31 March 2022.
- 3.2 It should be noted that the annual report indicates that the committee will do a further 'effectiveness review' in 2023 and it also provides the council with information about the difficulties with the audit of the 2020/21 accounts, a situation with which all members of the committee will be familiar.

4. Links to our Strategic Ambitions

4.1 The work of the Audit, Governance and Standards Committee 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 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.

6. Legal implications

6.1 The Audit, Governance and Standards Committee is a key way in which the Council provides assurance that it is providing value for money and has proper systems of control. Without effective assurance Councillors will not know that the Council is effectively carrying out its statutory duties. Whilst the production of an annual report is not a legal requirement it is considered best practice and provides assurance that the Committee is fulfilling its function effectively.

7. Equality and Diversity Considerations

7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to: (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act (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, race, religion or belief, gender and sexual orientation. Equality and diversity matters have been considered in the production of the progress report.

8 List of Appendices

Appendix 1 - Annual Report of the Audit, Governance and Standards Committee

9 List of Background papers

CIPFA's Position Statement: Audit Committees in Local Authorities and Police¹

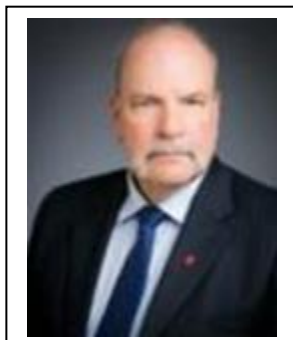
¹ <https://www.cipfa.org/services/support-for-audit-committees>

Audit, Governance and Standards Committee

DRAFT

Annual Report 2021/22

Foreward by the Chairman of the Committee



I present to you this annual report which provides an overview of the Audit, Governance and Standards Committee's activity and achievements during the financial year 2021/22. In line with the Chartered Institute of Public Finance and Accountancy's Practical Guidance for Audit Committees (2018 edition), it serves to demonstrate how the Committee has discharged its responsibilities.

I was appointed Chairman of the Audit Governance and Standards Committee by the Council on 14 July 2020. Prior to this I was the Vice Chairman and due to the untimely death of the previous Chairman I chaired all meetings that took place during the period referenced in this report.

This report highlights the important work of the Committee in providing an independent overview of the Council's governance arrangements. This role includes detailed consideration of the work of external audit, internal audit and counter fraud, plus robust scrutiny and challenge of the Council's financial performance and, through our Standards role, the approach the Council takes in upholding standards and investigating any complaints made about Members.

During 2021/22 the Audit, Governance and Standards Committee met five times, and the Standards Sub Committee were not required to meet. I would particularly like to draw your attention to the challenges that we have faced, and continue to face, in obtaining sign-off from the external auditor on the council's financial statements for 2020/21, despite the external auditor acknowledging that the Accounts and supporting working papers were produced to a high standard and that officers have cooperated and assisted fully throughout. I would also like to highlight the improvement that the council has made in the areas of Disaster Recovery and Cyber Security and the continued satisfactory opinion on the Council's internal control, governance, and risk management arrangements from our Internal Auditors.

I would like to express my thanks to those officers and Members who, throughout this most difficult and challenging of years, have supported the work and achievements of the Committee.

*Councillor Anthony Hedley,
Chair of Audit, Governance and Governance Committee*

June 2022

Introduction

The committee reports annually to Council as an important way of keeping all councillors informed about the work of the committee in keeping things safe.

Membership

The Committee Membership was renewed in May 2021 after the Local Elections took place. During the 2021/22 financial year the Committee comprised of ten elected Members. Membership was made up of seven Conservative Members, one Labour, one Liberal Democrats, one non-aligned, and one independent. Committee members were as follows:

- Councillor Hedley (Conservative), Chairman
- Councillor Platt (Conservative), Vice Chairman
- Councillor Siddall (Conservative), Committee Member
- Councillor Shaw (Conservative), Committee Member
- Councillor Barber (Conservative), Committee Member
- Councillor Mackenzie (Conservative), Committee Member
- Councillor McQuiggan (Conservative), Committee Member
- Councillor McGurran (Labour), Committee Member
- Councillor King (Liberal Democrats), Committee Member
- Councillor Hoy (Non-aligned Group/Rochford District Residents), Committee Member
- Atta Ul Haque, Independent Committee Member, appointed November 2020

Terms of Reference and Purpose

The terms of reference for the Committee are included in the Council's Constitution and extracted in full at Appendix 2.

The Committee is a key component of the authority's governance framework. It provides independent assurance, to Members and the public, on the adequacy of the Council's risk management framework, internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Committee monitors internal and external audit activity, reviews and comments on the effectiveness of the Council's regulatory framework, and reviews and approves the Council's annual statements of accounts.

Section 151 of the Local Government Act 1972 requires the Council to "make arrangements for the proper administration of its financial affairs". The Council's Section 151 Officer is key to discharging these requirements but to be truly effective, she requires an effective audit, governance and standards committee to provide support and challenge, as well as an adequate and effective internal audit.

The Committee brings many benefits:

- ✓ Demonstrates how good governance supports the authority in achieving its corporate objectives
- ✓ Reinforces the importance and independence of internal and external audit and supports an effective relationship between the two
- ✓ Provides additional assurance through the process of independent review and challenge
- ✓ Increases emphasis and awareness of internal control, governance and risk management
- ✓ Promotes anti-fraud and anti-corruption arrangements
- ✓ Promotes, develops and upholds high standards and ethics for Members

The Work of the Committee

The Committee has a Work Plan designed to cover its responsibilities, appropriately timed, over the financial year. Agendas for the meetings are published on the Council's website a week or so before each meeting. Meetings are now livestreamed and can be attended by the public.

All the Committee agenda papers, minutes and audio recordings are available on the Council's [website](#).

During the course of the year, the Committee has undertaken work covering the full range of its responsibilities. A full list of reports considered is at Appendix 2 with key activities outlined below.

Financial Statements and Accounts

The Committee has responsibility for approving, on behalf of the Council, the Council's Annual Statement of Accounts (including the financial statements for the Council and the Essex Pension Fund). They have responsibility for considering whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Despite receiving the draft Statement of Accounts for the 2020/21 financial year in June 2021 (ahead of the statutory deadline for publication), the Committee has been unable to formally approve the accounts yet. This is because the Committee must consider the outcome of the external audit of the accounts before it can approve them. For reasons beyond the Council's control, the external audit for 2020/21 is still ongoing.

The external auditor has been clear throughout that the Council's Accounts (including those for the Essex Pension Fund) and associated working papers were produced to a high standard and that officers have cooperated and assisted fully. The audit delays have resulted from the auditor's own lack of capacity.

The external auditor finally presented drafts of their Audit Completion Reports to the Committee on 21 March 2022. The external auditor commented that, whilst the 2020/21 audit is substantially complete, their internal quality control reviews and work on the Council's value for money arrangements remained in progress. At the time of writing this report, this work remains outstanding.

In the report to the Committee in March 2022, the external auditor also referred to a highly technical issue relating to the carrying value of, and accounting for infrastructure assets. This has been accepted as a national issue and is being resolved at a national level. This is also now delaying audit sign off, pending a national solution.

With a caveat relating to the conclusion of the infrastructure issue, BDO have reported that they would otherwise anticipate issuing an unmodified audit opinion on the consolidated Group financial statements and the Council's single entity financial statements.

External Audit

The Committee is responsible for receiving external audit plans, reports about the effectiveness of the Council's financial and operational arrangements and for considering the Annual Audit and Inspection Letter. They are further responsible for reviewing, commenting on and monitoring these and providing advice to the Cabinet and Council where the Committee believes appropriate.

The Committee's Activity in 2021/22:

- Considering the audit plans presented by the external auditors for their audit of the Council and Essex Pension Fund for the 2020/21 financial year.
- Reviewing and scrutinising the draft Audit Completion Reports for the Council and Essex Pension Fund.
- Providing robust challenge to the external auditors in respect of the updates they provided during the year.
- Considering whether to recommend to full Council that the Council should opt into the national appointing scheme for external audit contracts due to start from 1 April 2023.
- Considering and monitoring national developments to improve timeliness of local audit.

Financial Regulations and Scheme of Delegation for Financial Management

The Committee is responsible for monitoring the effectiveness of the Council's Financial Regulations, and Procurement Procedure Rules and for recommending changes to Council. The Financial Regulations define the Council's financial policies and the framework for managing the Council's financial affairs.

The Committee's Activity in 2021/22

- Reviewed proposed updates to the Financial Regulations, to address a range of technical matters and areas of ambiguity and to address practical issues arising as a consequence of implementing the My Oracle corporate system in October 2021.
- Recommended to full Council that the revised Financial Regulations be adopted.

Internal Audit and Counter Fraud

The Committee is responsible for receiving reports from the Council's Internal Auditors on the outcome of audit reviews and investigations and the implementation of recommendations, including the annual report and Opinion of the Chief Audit Executive.

The Committee's Activity in 2021/22:

- Reviewing and commenting on the Internal Audit and Counter Fraud Plan for 2021/22 prior to endorsing the Plan for delivery.
- Considering and agreeing changes to the plan, although the Committee were pleased to note that minimal changes were made during the 2021/22 financial year.
- Monitoring the delivery of the Internal Audit and Counter Fraud Plan via quarterly update including outcomes of individual audits.
- Receiving updates from Directors where a Limited Assurance opinion was given, in particular from Technology Services, Country Parks and the Essex County Travelers Unit.
- Monitoring implementation of major and critical internal audit recommendations.
- Considering the annual report from the Head of Assurance, in her role as Chief Audit Executive giving a 'Satisfactory Assurance' annual audit opinion for 2020/21 (reported at the meeting in June 2021).
- Monitoring counter fraud activity and the progress / outcomes of investigations.
- Agreeing the updated Internal Audit Charter.

Governance and Risk Management

The Committee is responsible for considering the Council's arrangements for corporate governance and risk management and advise on any action necessary to ensure compliance with best practice.

Committee Activity 2021/22

- Approving the revised Risk Management Strategy in order to promote effective risk management as a key component of good corporate governance. The Committee ensured that the strategy was fit for purpose and in line with current best practice.
- Reviewing activity under the Regulation of Investigatory Powers Act 2000 to ensure that members have oversight of how the Council is exercising its statutory powers to carry out some surveillance activity for law

enforcement purposes. At present the Council does not use these powers, but the Code of Practice requires members to have oversight of this area.

- Reviewing the register of gifts and hospitality.

Committee Effectiveness

The Chartered Institute of Public Finance and Accountancy (CIPFA) states that it is best practice for the Committee to regularly review its performance and effectiveness.

Accordingly, the committee undertook its first comprehensive effectiveness review in January 2020 producing an Action Plan of agreed actions that were formally adopted by the committee for implementation over the years 2020/21 and 2021/22. It is anticipated that the Committee will fully review their effectiveness again in 2023.

Independent Member

The Committee's independent member was appointed for a four year term in November 2020. The independent member has a background in accountancy and has received full induction training. It is likely that Local Authority Audit Committees will soon be mandated to have an independent member and as such we are proud to note that ECC had already understood the value of appointing an independent member and already have this appointment in place.

Members' Professional Development

Continued professional development is key to the effective operation of the Committee. Being effective means having well informed Members able to confirm to the Council that the right processes are in place to give confidence that the authority's financial stewardship and overall governance arrangements can be relied upon.

During 2021/22 new members to the Committee received full induction training covering all the key responsibilities of AGS Committee Members. In addition, Committee members completed a Skills and Knowledge self-assessment to identify any gaps in knowledge or experience. As a result, members received training on

- The Strategic Risk Register and the ECC process for risk management
- Internal Audit
- Counter Fraud

In addition, members kept up to date via CIPFA newsletters and adhoc updates from officers on matters of interest.

Audit, Governance Standards Committee - Terms of Reference

As per Article 8 of The Council's Constitution:

Membership: Ten Members of the Council and one non-voting co-opted Member.

The co-opted Member shall be appointed the committee for a term of not exceeding four years and shall be selected by the Committee following public advertisement. At the expiry of the term of appointment the vacancy shall be advertised and a further selection process undertaken. The sitting member shall be eligible for reappointment.

No member of the Cabinet may be appointed to the Committee or any of its Sub-Committees.

Purpose

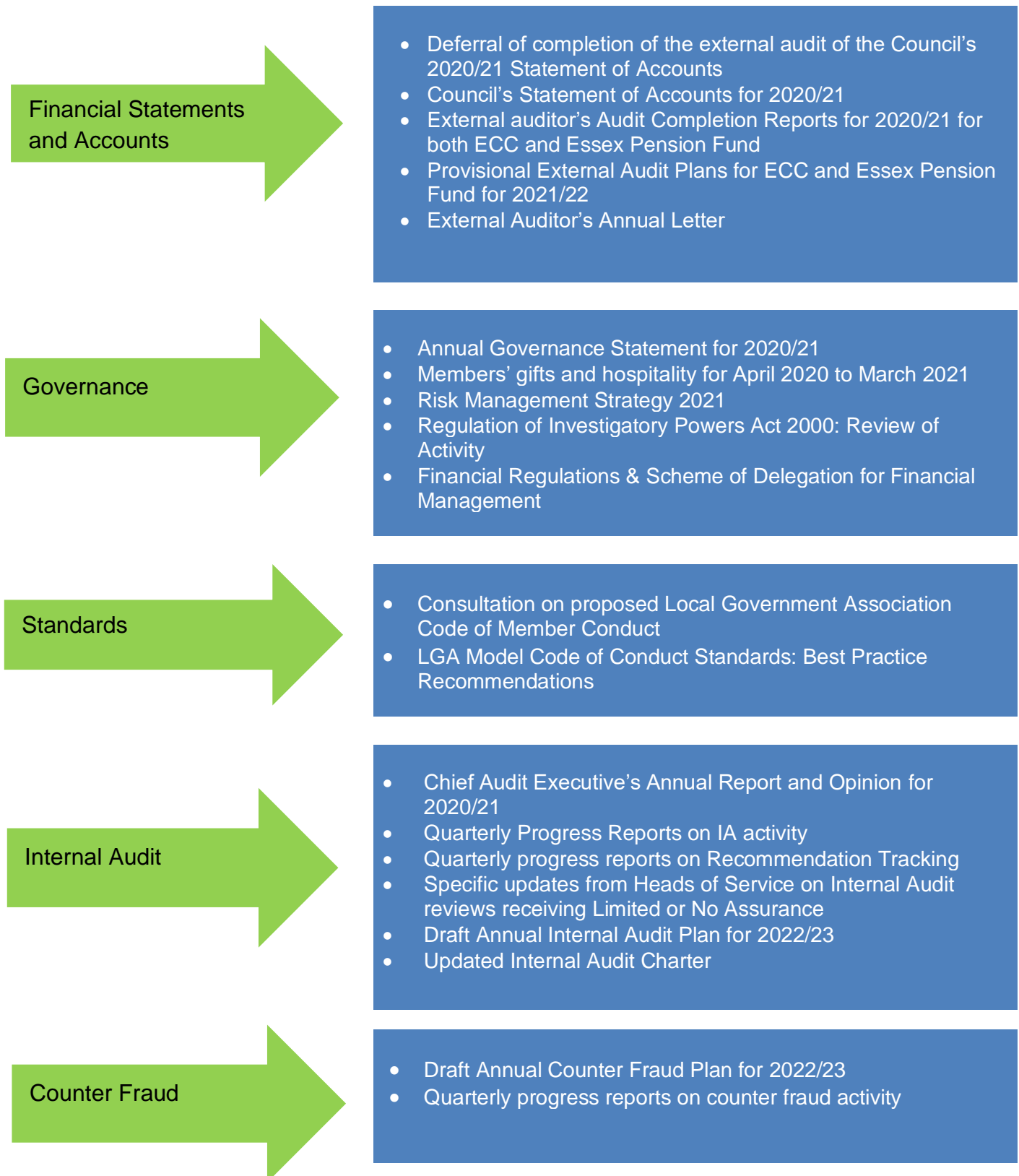
1. To review the Council's Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
2. To receive and approve the Council's Annual Governance Statement ensuring that it reflects the Council's governance arrangements.
3. To receive and approve the Final Accounts, Memorandum and the Report to those charged with Governance from the External Auditors.
4. To consider the Annual Audit and Inspection Letter from the External Auditors and to provide such advice and comments on the Letter to the Cabinet and Council as the Committee believes appropriate.
5. To receive the internal and external audit plans and comment on these plans, including the extent to which they provide value for money.
6. To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit is actively promoted.
7. To receive reports from the Council's Internal Auditor on the outcome of audit reviews and investigations and the implementation of recommendations, including the annual report of the Head of Internal Audit.
8. To receive any reports from the External Auditor about the effectiveness of the Council's financial and operational arrangements and monitor Management's response to the issues raised by External Audit.
9. To monitor the effectiveness of the Council's Financial Regulations, and Procurement Procedure Rules and recommend changes to Council.

10. To approve and monitor the effectiveness of strategies for anti-fraud and corruption, whistle blowing and any legislation relating to the regulation of investigatory powers.
11. To consider the Council's arrangements for corporate governance and risk management, and advise on any action necessary to ensure compliance with best practice.
12. To advise the Council on the local Code of Conduct for members and to promote, develop and maintain high standards of conduct by members and co-opted members of the Council.
13. To keep the Code of Member Conduct under review and recommend changes to the Code or the Constitution to support high standards of Conduct.
14. To grant dispensations under Section 33 of the Localism Act 2011 and under the Code of Member Conduct to councillors and co-opted members.
15. To approve processes for considering complaints that any Councillor or Co-opted Member has failed to comply with the Code of Conduct.
16. To create one or more sub-committees as required to receive and consider allegations of misconduct of elected members, to take further oral and written evidence, adjudicate and make recommendations to the Leader of the Council and others.
17. To make arrangements for the appointment of Independent Persons under the provisions of the Localism Act 2011.
18. To make arrangements for training of Members relating to standards issues.

Standards Sub-Committee – Terms of Reference

Membership: Between 3 and 5 members of the Council appointed by the Monitoring Officer in consultation with the Chairman of the Audit, Governance and Standards Committee and the Leaders of relevant political groups in accordance with the political balance rules.

1. To exercise any of the Committee's powers with respect to decisions about individual complaints about breaches of the Code of Member Conduct.



Report title: Members Gifts and Hospitality Register 2021-22	
Report to: Audit, Governance and Standards Committee	
Report author: Paul Turner, Director Legal and Assurance	
Date: 27 June 2022	For: Discussion
Enquiries to: paul.turner@essex.gov.uk	
County Divisions affected: 'All Essex'	

1. Purpose of Report

- 1.1 To inform members of the outcome of the review of the 2021-22 Member Gifts and Hospitality register.

2. Recommendations

- 2.1 Members of the Committee are asked to note the findings of the review and make any recommendations they may have.

3. Summary of issue

- 3.1 All Members must, within 28 days of receipt, notify the Authority's Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which they have accepted as a Member from any person or body other than the Authority. The Monitoring Officer places the notification on a public register of gifts and hospitality. This duty to notify the Monitoring Officer does not apply where the gift, benefit or hospitality comes within any description approved by the Authority for this purpose. This is set out in part 5 of the Constitution. Members are not required to register the value of the hospitality.
- 3.2 In the period 1 April 2021 to 31 March 2022 there were 10 instances of gifts or hospitality declared and these were logged on register of gifts and hospitality and published on the individual Councillor's profile on the Committee Management System. In the period 1 April 2020 to 31 May 2021 there were 2 instances. 68 Members did not declare any gifts or hospitality in comparison to 73 in 2020-21.
- 3.3 An examination does not reveal any particular concerns relating to the acceptance of significant hospitality from ECC contractors or those seeking funding from ECC. The register does not demonstrate any trends in terms of those offering the gifts and hospitality. Nonetheless members may wish to

consider whether or not they wish to express any view on any of the hospitality accepted.

3.4 It should be noted that the rules around registration changed with effect from 1 June 2022 as a result of the Council's decision on 10 May 2022 to adopt the LGA model code of conduct. There are two main changes:

- In future it is only gifts and hospitality over £50 that is registrable (rather than £25. This was the first time that the threshold has been changed since 2001 and will bring the ECC threshold into line with others.
- In future gifts and hospitality offered but rejected will need to be registered.

4. Financial implications

4.1 This report has no financial implications

5. Legal implications

5.1 Registration of gifts and hospitality is required by the ECC Code of Conduct.

6. Equality and Diversity implications

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 This report simply presents the register of gifts and hospitality to the Committee.

7. List of appendices

Member gifts and hospitality register 2021-22.

Agenda Item 8
Appendix

Member Gifts and Hospitality 01 April 2021 – 31 March 2022

Surname	Forename	District	Division	Return	Date	From	Description	Value
Aspinell	Barry	Brentwood	Brentwood North	Nil				
Ball	Tony	Basildon	Wickford Crouch	Nil				
Barber	Lewis	Colchester	Constable	1	13/06/2021	Wakes Colne Parish Council	Begonia and a bottle of wine	Over £25
Barker	Susan	Uttlesford	Dunmow	1	12/07/2021	Lee Valley Regional Park Authority	White water rafting session	£50
Bentley	Kevin	Colchester	Stanway & Pyefleet	3	18/05/2021	Mark Bauman of La Bourgee Restaurant in Chelmsford	Meal and drinks	£60
					14/01/2022	Mr Geoff Miles and attended by Quinn Estates	Lunch	£30
					24/01/2022	Hutchinson Ports	Lunch	£45
Blackwell	Dave	Castle Point	Canvey Island East	Nil				
Bowers-Flint	Lynette	Braintree	Bocking	Nil				
Brown	Adele	Basildon	Laindon Park and Fryerns	Nil				
Buckley	Malcolm	Basildon	Wickford Crouch	Nil				
Butland	Graham	Braintree	Three Fields with Great Notley	Nil				
Cannell	Craig	Rochford	Rayleigh North	Nil				
Cory	Mark	Colchester	Wivenhoe St. Andrew	Nil				
Crow	Simon	Colchester	Parsons Heath and East Gates	Nil				
Cunningham	Tom	Braintree	Braintree Town	Nil				
Deakin	Jude	Chelmsford	Chelmsford West	Nil				

Surname	Forename	District	Division	Return	Date	From	Description	Value
Durham	Mark	Maldon	Heybridge and Tollesbury	Nil				
Egan	Beverley	Castle Point	Thundersley	Nil				
Fleming	Jane	Maldon	Maldon	Nil				
Foley	Martin	Uttlesford	Thaxted	Nil				
Gadd	Paul	Uttlesford	Saffron Walden	1	17/11/2021	Saffron Hall Trust	One ticket to a Saffron Hall concert on 19 November 2021	£50
Garnett	Mike	Harlow	Harlow North	1	12/07/2021	Lee Valley Regional Park Authority	White water rafting session	£50
Goggin	Alan	Tendring	Brightlingsea	Nil				
Goldman	Marie	Chelmsford	Chelmsford Central	Nil				
Gooding	Ray	Uttlesford	Stansted	Nil				
Grundy	Ian	Chelmsford	Stock	Nil				
Guglielmi	Carlo	Tendring	Tendring Rural West	Nil				
Hardware	Michael	Harlow	Harlow West	Nil				
Harris	Dave	Colchester	Maypole	Nil				
Hedley	Tony	Basildon	Billericay & Burstead	Nil				
Henderson	Ivan	Tendring	Harwich	Nil				
Henry	Jeff	Basildon	Laindon Park and Fryerns	Nil				
Honeywood	Paul	Tendring	Clacton West	Nil				
Hoy	Michael	Rochford	Rochford West	Nil				
Johnson	Eddie	Harlow	Harlow South East	Nil				
Jowers	John	Colchester	Mersea & Tiptree	Nil				
Kane	Sam	Epping Forest	Waltham Abbey	Nil				
King	David	Colchester	Mile End & Highwood	Nil				
Land	Dan	Tendring	Tendring Rural East	Nil				
Lissimore	Sue	Colchester	Drury	Nil				
Louis	Derrick	Braintree	Witham Southern	Nil				

Surname	Forename	District	Division	Return	Date	From	Description	Value
Lumley	June	Rochford	Rayleigh South	Nil				
Mackenzie	Luke	Basildon	Pitsea	Nil				
Mackrory	Michael	Chelmsford	Springfield	Nil				
Massey	Bob	Chelmsford	South Woodham Ferrers	Nil				
May	Peter	Castle Point	Canvey Island West	Nil				
McGurran	Aidan	Basildon	Pitsea	Nil				
McIvor	James	Epping Forest	Ongar & Rural	Nil				
McKinlay	Louise	Brentwood	Brentwood Hutton	Nil				
McQuiggan	John	Chelmsford	Great Baddow	Nil				
Moore	Richard	Basildon	Billericay & Burstead	Nil				
Newport (elected 3/3/22)	James	Rochford	Rayleigh North	Nil				
Platt	Mark	Tendring	Frinton and Waldon	Nil				
Playle	Ross	Braintree	Witham Northern	Nil				
Pond	Christopher	Epping Forest	Loughton Central	Nil				
Reeves	Jillian	Castle Point	Hadleigh	Nil				
Robinson	Stephen	Chelmsford	Chelmsford North	Nil				
Schwier	Peter	Braintree	Hedingham	Nil				
Scordis	Lee	Colchester	Abbey	Nil				
Scott	Lee	Epping Forest	Chigwell and Loughton Broadway	1	04/03/2022	Robert Lodge Coaches	Lunch	Between £25 and £50
Shaw	Laureen	Rochford	Rochford North	Nil				
Sheldon	Andrew	Castle Point	South Benfleet	Nil				
Siddall	Chris	Braintree	Halstead	Nil				
Skeels	Mick	Tendring	Clacton North	Nil				
Smith	Kerry	Basildon	Westley Heights	Nil				
Souter	Clive	Harlow	Harlow West	Nil				

Surname	Forename	District	Division	Return	Date	From	Description	Value
Spence	John	Chelmsford	Chelmer	2	22/10/21	Mr Stephen Hawkins	Witham Constituency Conservative Association dinner,	£50
					15/11/21	Prof Michael Thorne	Working dinner in London hosted by Prof Mike Thorne, Chair of Mid and South Essex ICS	£40
					March 2021	Prof Michael Thorne	Working supper	£40
					March 2021	Will Pope	Working Supper hosted by Will Pope, Chair of Suffolk and North East Essex ICS	£40
Stamp	Wendy	Maldon	Southminster	Nil				
Steel	Mike	Chelmsford	Broomfield & Writtle	Nil				
Stephenson	Mark	Tendring	Clacton East	Nil				
Steptoe	Mike	Rochford	Rochford South	Nil				
Thorogood	Paul	Braintree	Braintree Eastern	Nil				
Vance	Marshall	Epping Forest	Buckhurst Hill & Loughton South	Nil				
Wagland	Lesley	Brentwood	Brentwood Rural	Nil				
Whitbread	Chris	Epping Forest	North Weald & Nazeing	Nil				
Whitbread	Holly	Epping Forest	Epping and Theydon Bois	Nil				
Wiles	Andy	Brentwood	Brentwood South	Nil				

Audit, Governance and Standards Committee – Work Programme 2022/23

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

Meeting	Topic	Author
25 July 2022	Draft Statement of Accounts 2021/2022 and the Annual Governance Statement	Nicole Wood, Executive Director, Corporate Services, Paul Turner, Director, Legal and Assurance, and Christine Golding, Chief Accountant
Meeting	Topic	Author
19 September 2022	Internal Audit and Counter Fraud progress reports	Paula Clowes, Head of Assurance
	FINAL 2020/2021 Audit Completion Report for Essex County Council To receive a report from the external auditor	To be presented by Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant, Essex County Council
	2021/2022 External Audit Plans for Essex County Council and the Essex Pension Fund	Nicole Wood, Executive Director Corporate Services and Christine Golding, Chief Accountant.
	Update to the Counter Fraud and Corruption Strategy	Paula Clowes, Head of Assurance
	Update to the Regulation of Investigatory Powers Act (RIPA) Policy	Paula Clowes, Head of Assurance
	Update to the Anti - Bribery and Corruption Policy	Paula Clowes, Head of Assurance
	Update to the Anti-Money Laundering Policy	Paula Clowes, Head of Assurance
Meeting	Topic	Author
28 November 2022	Essex County Council 2021/22 Audit Completion Report	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant

	Essex Pension Fund 2021/22 Audit Completion Report	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	Approval of 2021/22 Statement of Accounts	Nicole Wood, Executive Director, Corporate Services and Christine Golding, Chief Accountant
	External Auditor's Annual Letter	BDO LLP – external auditors
Meeting	Topic	Author
16 January 2023	Internal Audit and Counter Fraud progress reports	Paula Clowes, Head of Assurance
	Proposals for effectiveness review	Paul Turner, Director, Legal and Assurance