Essex County Council

Internal Audit and Counter Fraud Annual Report 2021/22

Essex County Council

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.

Annual Opinion
2021/22

Satisfactory

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

The assurance opinion of “Satisfactory” is the same as the prior 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

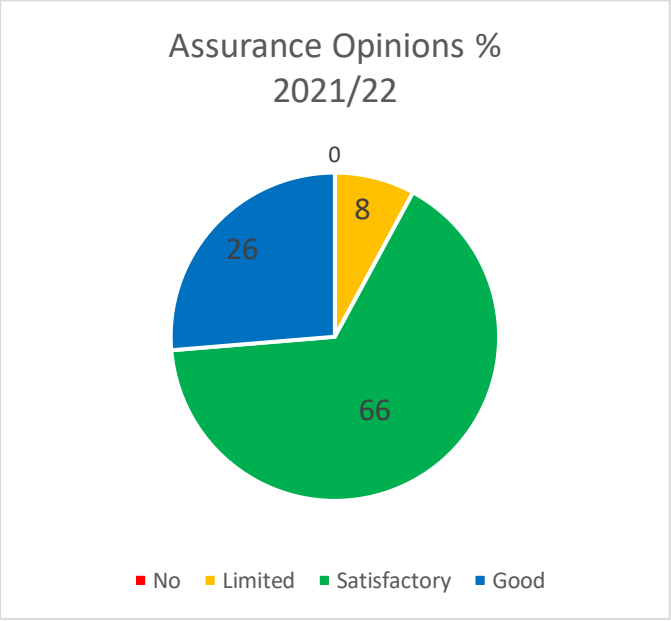
The Covid-19 pandemic continued into the 2021/22 financial year with some lockdowns and restrictions still in place for a significant proportion of the year. Our Internal Audit and Counter Fraud Plan for the 2021/22 financial year was compiled to be flexible should the need arise, with the pandemic in 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

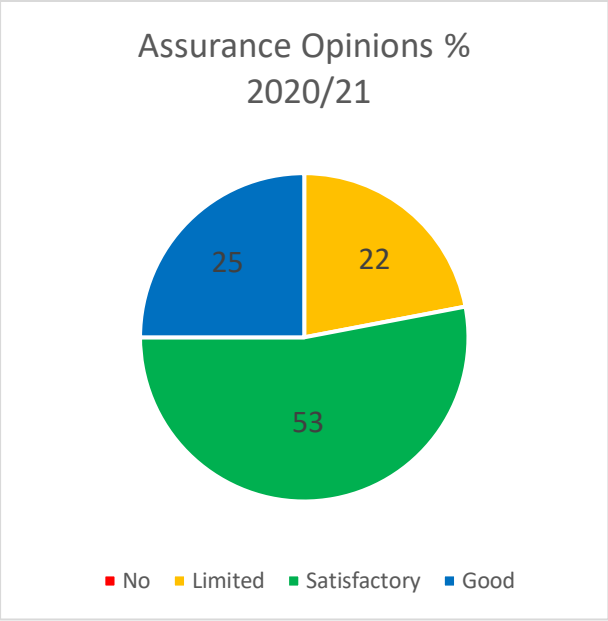
Annual Opinion. All those rated as High have been delivered during the 2021/22 financial year with the majority of other audits in the Plan also completed. A full reconciliation is included in Appendix 1. This means that sufficient coverage has occurred to enable me to give an overall opinion that is 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.

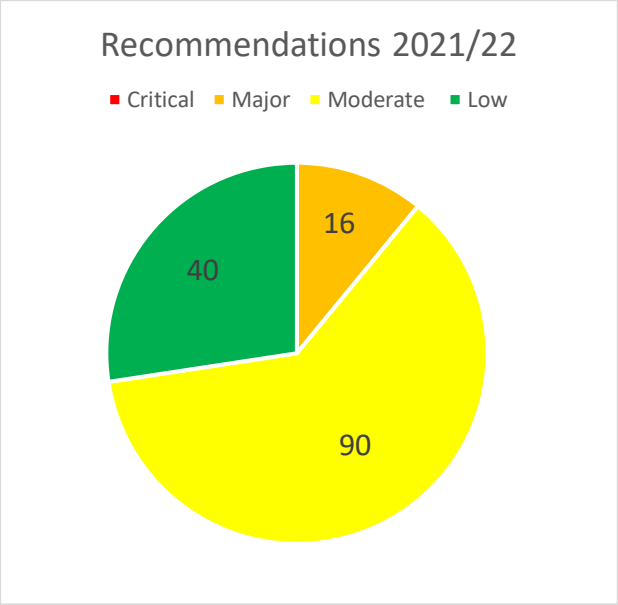
Integrated Waste Handling

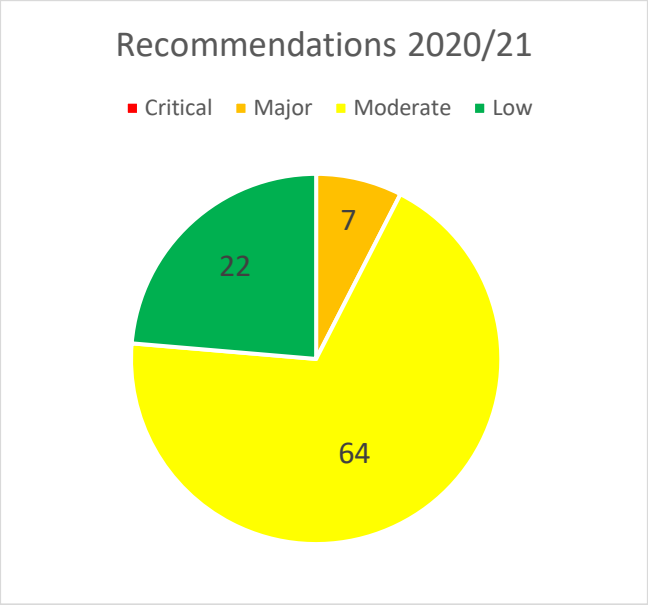
The Council has responsibilities as a Waste Disposal Authority. Internal Audit maintained oversight of the Council's approach to the replacement of the Integrated Waste Handling Contract (which includes the provision of waste recycling centres) which was brought back in house from 1 April 2022. Our work 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

	Major Recommendations (number)			Moderate Recommendations (number)		
Function	**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

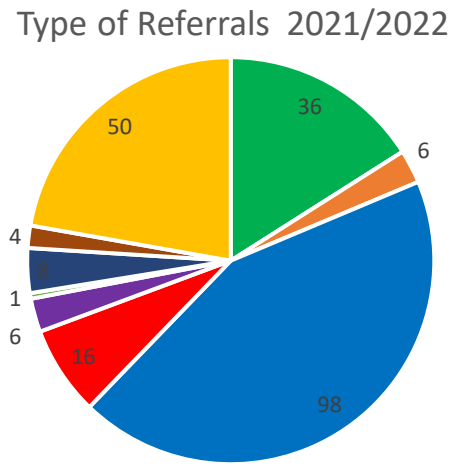
Referrals come from a range of sources including ECC staff and managers, internal and cross organisation data-matching (including the National Fraud Initiative), external bodies, and the general public. Not all referrals lead to cases being set up and some referrals are forwarded to third parties, e.g.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

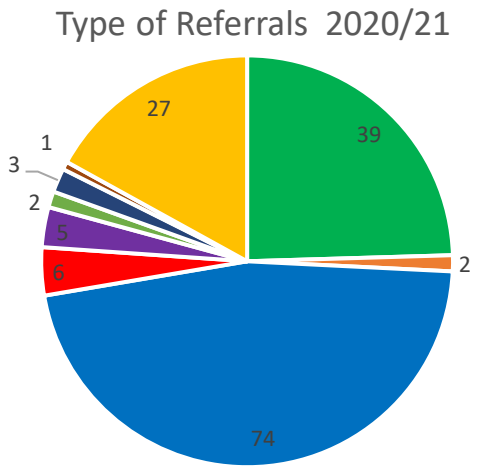
The table below demonstrates the source of referrals, compared with those received last year.

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





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.

Appendix 1

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 *Everyone's Essex* 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***
Service	**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***
	Low	Green	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. ***Remedial action is suggested***