

Current assessment rationale for grading the priority of recommendations in Internal Audit reports

| Risk rating | Assessment rationale |
|---|--|
|  Critical | Critical and urgent in that failure to address the risk could lead to one or more of the following occurring: <ul style="list-style-type: none"> ▪ Significant financial loss (through fraud, error, poor value for money) ▪ Serious safeguarding breach ▪ Life threatening or multiple serious injuries ▪ Catastrophic loss of service ▪ Failure of major projects ▪ Critical Information loss leading to Information Commissioner’s Office (ICO) referral ▪ Reputational damage – Intense political and media scrutiny i.e. front-page headlines, television coverage. ▪ Possible criminal, or high profile, civil action against the Council, Members or officers. ▪ Intervention by external agencies <p>Remedial action must be taken immediately</p> |
|  Major | Major in that failure to address the issue or progress the work would lead to one or more of the following occurring: <ul style="list-style-type: none"> ▪ High financial loss (through fraud, error, poor value for money) ▪ Safeguarding breach ▪ Serious injuries or stressful experience requiring medical treatment, many work days lost. ▪ Significant disruption to service (Key outcomes missed, some services compromised. Management action required to overcome medium term difficulties) ▪ Major Information loss leading to internal investigation ▪ Reputational damage – Unfavourable external media coverage. Noticeable impact on public opinion. ▪ Scrutiny required by external agencies <p>Remedial action must be taken urgently</p> |
|  Moderate | Moderate in that failure to address the issue or progress the work would lead to one or more of the following occurring: <ul style="list-style-type: none"> ▪ Medium financial loss (through fraud, error or poor value for money) ▪ Significant short-term disruption of non-core activities ▪ Scrutiny required by internal committees. ▪ Injuries or stress level requiring some medical treatment, potentially some work days lost ▪ Reputational damage – Probable limited unfavourable media coverage. <p>Prompt specific action should be taken</p> |
|  Low | Low in that failure to address the issue or progress the work would lead to one or more of the following occurring: <ul style="list-style-type: none"> ▪ Low financial loss (through error or poor value for money) ▪ Minor errors in systems/operations or processes requiring action or minor delay without impact on overall service delivery schedule. Handled within normal day to day routines. ▪ Reputational damage – Internal review, unlikely to have a wider impact. <p>Remedial action is required</p> |
| Assurance Level | Description |
| Good | Good assurance – there is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieving those objectives. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere. |
| Adequate/Satisfactory | Adequate/satisfactory assurance – whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at risk. There are Moderate recommendations indicating weaknesses but these do not undermine the system’s overall integrity. Any Critical recommendation will prevent this assessment, and any Major recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere. |
| Limited | Limited assurance – there are significant weaknesses in key areas in the systems of control, which put the system/process objectives at risk. There are Major recommendations or a number of moderate recommendations indicating significant failings. Any Critical recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere. |
| No | No assurance – internal controls are generally weak leaving the system/process open to significant error or abuse or reputational damage. There are Critical recommendations indicating major failings |

Overdue Major Internal Audit Recommendations as at 1 March 2021

| Audit Review Title | Function | Recommendation | Latest Target Date | Last Status Update | Owner | Rating |
|---|----------------------------------|--|--------------------|---|--|--------|
| GDPR Compliance (1920 CC16) | Corporate and Customer | Training Completion (ref 86) | 14/09/20 | Last update as at 4 August 2020: eLearning modules have now been revised and our previous three modules have now been reduced to one slightly longer course. This course is designed to give the basic Information Governance training for all. This is also supported by further IG 'playlists' that can be accessed through My Learning. Anything more detailed will be communicated to targeted audiences. The eLearning modules have now been updated on the My Learning site, however we are now waiting for confirmation from Learning and Development when communication will be sent to staff regarding recertification. There have been delays with this action due to Covid-19, as much resource from IG and Learning and development had to be pulled. | Senior Information Governance Officer | Major |
| Essex Children Family and Wellbeing Service | Children, Families and Education | Safeguarding: assurance reporting and escalation processes (ref 166) | 21/12/20 | Last update as at 28 September 2020: This specific safeguarding action should be incorporated into the overall assurance framework for the contract and therefore will be resolved through the implementation of the wider suggested framework. Completion and implementation has been hampered by the pandemic. Specifically we were waiting for feedback from Essex Safeguarding colleagues into the level of input that is required for this action to be undertaken. In the meantime the Service do now provide a monthly detailed safeguarding report as part of the contract management process within the formal monthly contract oversight meeting. Additionally a Safeguarding monthly sub group of the ECFWS Contract meeting is in place. Attendance at this meeting includes the ECFWS Safeguarding Lead, the Designated Safeguarding Nurses from each of the Essex CCGs, and the ECC ECFWS Commissioner. The intention of the implementation of the Assurance Framework is to further improve this system wide approach and provide ECC with an greater level of assurance. | Director, Strategic Commissioning and Policy | Major |

| Audit Review Title | Function | Recommendation | Latest Target Date | Last Status Update | Owner | Rating |
|--|---|---|--------------------|---|--|--------|
| Review of Energy Invoice Processes (1920 PPH8) | Place and Public Health | Energy Profile Audits (ref 127) | 31/12/20 | Final report was issued in October 2020 and received a Limited Assurance opinion. No update provided since, however, an update will be provided to this committee meeting as a separate agenda item. | Head of Commercial Development | Major |
| Business Continuity (15/16 COR12) | Finance and Technology / Corporate and Customer | Third Party Dependencies (ref 24) | 31/12/20 | Last update as at 3 February 2021: This recommendation has recently changed owner as the remaining actions better sit with Procurement to implement. | Strategy and Assurance Lead, Procurement | Major |
| Accounts Receivable (1920 CC1 AR) | Finance and Technology | Management Information does not help compliance with the Collection Strategy and prioritise activity (ref 91) | 31 July 2020 | This Internal Audit review was finalised in July 2020. The Service Manager came to the AGS Committee in September 2020 to discuss this review as it received a Limited Assurance opinion. No further update has been provided since. However, this forms part of a suite of key fundamental audits that are carried out annually. The review for 2020/21 is currently underway. Any recommendations arising from our current review will supersede the prior year's actions. | Service Manager, Income | Major |
| Personal Budgets (Families) | Children and Families | Monitoring and Review (ref 41) | 29/01/21 | Last update as at 14 September 2020: Implementation has been delayed due to Covid-19 and redeployment of teams. However, we have agreed areas of the Choice and Control Programme which can have an all age impact and are actively now working to progress these. A review of the Direct Payments monitoring team is due to be undertaken in 2021. From this we will be able to identify when the model can be extended to cover Children and Families Direct Payments and put recommendations to the Leadership Team. In the mean time work is progressing to appoint a resource to review and update the practice guidance for Direct Payments and we expect this work to be concluded by January 2021 | Director, Local Delivery | Major |