

# Audit and Risk Committee Agenda



**26 November 2025 at 7pm**

**Marconi Room, Civic Centre, Chelmsford**

## **Membership**

Councillor N. Walsh (Chair)

## **and Councillors**

G. Bonnett, N. Bugbee, H. Clark, N. Dudley, S. Rajesh, J. Raven, M. Sismey and A. Sosin

Local people are welcome to attend this meeting, where your elected Councillors take decisions affecting YOU and your City. There will also be an opportunity to ask your Councillors questions or make a statement. These have to be submitted in advance and details are on the agenda page. To find out more about attending please email [committees@chelmsford.gov.uk](mailto:committees@chelmsford.gov.uk) or telephone on Chelmsford (01245) 606480

# Audit and Risk Committee

26 November 2025

## AGENDA

### 1. Apologies for Absence and Substitutions

### 2. Minutes

To consider the minutes of the meeting held on 17 September 2025.

### 3. Declaration of Interests

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

### 4. Public Question Time

Any member of the public may ask a question or make a statement at this point in the meeting. Each person has two minutes and a maximum of 20 minutes is allotted to public questions/statements, which must be about matters for which the Committee is responsible.

The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

Any member of the public who wishes to submit a question or statement to this meeting should email it to [committees@chelmsford.gov.uk](mailto:committees@chelmsford.gov.uk) 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting.

### 5. Announcements

### 6. External Audit Update

7. Counter Fraud & Corruption Policy and Strategy 2025

8. Work Programme

9. Urgent Business

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency.

**MINUTES OF THE  
AUDIT AND RISK COMMITTEE**  
held on 17 September 2025 at 7pm

Present:

Councillor N. Walsh (Chair)

Councillors, G. Bonnett, H. Clark, N. Dudley, S. Rajesh, M. Sismey and A. Sosin

Independent Persons –  
Mr C Groves  
Ms J Hoeckx

### 1. Apologies for Absence and Substitutions

No apologies for absence were received.

### 2. Minutes

The minutes of the meeting on 11 June 2025 were confirmed as a correct record.

### 3. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting if they had not been previously notified. None were made.

### 4. Public Questions

There were no questions or statements from members of the public.

### 5. Announcements

No announcements were made.

### 6. External Audit Update

The Committee received an update from the Accountancy Services Manager updating Members on progress with prior year audits. The 2023/24 audit though a disclaimed opinion by EY has now been fully signed off. EY have requested an additional £62k in fees above the standard scale fees set by the PSAA (regulatory body). The extra costs are now in dispute and PSAA will determine if any increase is allowed at some point in the next few months. Audits for the years 2020-21, 2021-22, 2022-23 where

disclaimed by BDO and fees payable some £47k per year where determined by the PSAA.

The current 2024/25 audit; Ernst & Young (EY) had completed the initial sample testing in all areas except debtors and creditors. This area was a difficulty in 2023/24 audit and officers have been in contract with EY. As yet, it has not been determined what the issues are and impact on the audit timetable. Officers had prior to this year's audit, sought by working with EY to resolve this area of difficulty. The main body of the audit was scheduled to take place between September and November, with the Value for Money report expected in November and the final audit report due by the end of January.

It was shared that the clearing of historic backlog was still considered a priority by Government. New regulatory guidance suggested that all councils' audits should be up to date by the end of the 2026/27 accounting year. The s151 officer of the Council does not believe this is the most likely outcome given there has not yet been a shared plan to clear the backlog from EY, nor sufficient changes to audit practices or accounting requirements. EY have offered to provide an update to committee on their plans. Despite these concerns, the position was noted to be improving, and the working relationship with the external auditors had strengthened compared to earlier years.

In response to questions, it was noted that:

- the proposed additional audit fee increase of £62,000 had been formally challenged by officers, who considered parts of it unreasonable.
- Members expressed concern that the ongoing backlog undermined the credibility of the audit process, particularly given that annual accounts were being approved without clarity on prior years' figures.
- questions were also raised about the impact of Local Government Reorganisation and the absence of a clear national plan for resolving the backlog. It was acknowledged that while the Council's accounts remained strong, risks relating to asset valuations and debt could still arise from an audit perspective.
- Members further recognised that there was little scope to challenge the auditors beyond referring matters to PSAA, as the regulatory framework gave auditors wide discretion and imposed no penalties for delays.
- reassurance was provided that housing benefit grant claim audits remained unaffected.

**RESOLVED** that the update be noted.

(7.02pm to 7.06pm)

## 7. Updated Internal Audit Plan 2025

The Committee received a report from the Audit Services Manager presenting the updated Internal Audit Plan 2025. It was explained that in March the Committee had considered how the Internal Audit Plan was formulated, and that the Council followed a six-month rolling programme to allow flexibility. The updated plan set out the reviews proposed for October 2025 to March 2026, which had been agreed with the

Management Team. The outcomes of these reviews would be reported back to the Committee in the Annual Report, with work in progress scheduled to come to the next meeting.

In response to questions, it was noted that Appendix A of the plan included a review of the Council's decision-making processes, with specific reference to succession planning. Members queried how this could be approached given the uncertainty of future scenarios. It was clarified that the review would focus on the governance arrangements around decision-making, including who is responsible for sign-off. Consideration could also be given to how such arrangements could be assessed to manage potential future risks.

**RESOLVED** that the updated Internal Audit plan 2025 be noted.

(7.06pm to 7.15pm)

## 8. Risk Management Report

The Committee received a report from the Audit Services Manager providing an update on corporate risk management and the Principal Risk Register. It was explained that responsibility for corporate risk had moved to the Audit Services Manager earlier in the year, and since then work had been undertaken to establish how best to manage the function with limited resources. To support resilience, the service was now working in partnership with Basildon Council, with their Risk Manager assisting Chelmsford. A full update of the Principal Risk Register had been completed, which formed the central element of the Council's risk management framework and provided oversight of key risks. The results of the update were set out in the report.

The Principal Risk Register was noted to be broadly reflective of previous iterations, with many risks remaining at a very high level. This was considered a sign of good governance, ensuring that the most significant risks were kept under regular management oversight.

Other areas of activity included an update to the risk management framework, early development of a Local Government Reorganisation risk register, and the preparation of a new Risk Management Strategy attached at Appendix 2 to the report. Work was also underway to explore options for the future of the Council's risk system.

In response to questions, it was noted that the cancellation of the A12 widening scheme would require amendment of the associated risk title, to reflect the focus on securing alternative funding.

**RESOLVED** that the risk management report be noted

(7.15pm to 7.20pm)

## 9. Annual Health and Safety Report 2024/25

The Committee received a report from the Public Health and Protection Services Manager providing the 2024/25 annual health and safety update. The report summarised activity over the last 12 months, including training, analysis of accidents,

and audit activity, with support from external advisors in higher risk service areas. It was noted that the Council's Health, Safety and Welfare Forum had been consulted on the report and would next meet in November.

The Committee heard that core training courses continued to be delivered, with numbers of staff trained set out in the report. The data in May and June showed that some courses were overdue, these figures were constantly changing as new training was issued and completed. Overall, the number overdue was considered manageable, and progress had been made in increasing the availability of trainers for key courses such as Manual Handling and EVAC Chair.

Accidents were highlighted as a key indicator of safety performance. There had been an increase in accidents compared with the previous year, including seven more incidents that were required to be reported to the Health and Safety Executive (HSE), bringing the total to thirteen. Most accidents occurred within the Public Places Directorate, which reflected the higher-risk operational services provided. The most common accident types continued to be slips and trips, impacts, and manual handling injuries. Accidents to members of the public had also increased, from 31 to 39, with many of these occurring at holiday clubs which take place at Riverside, Chelmsford Sports and Athletics Centre, and the Theatre. It was emphasised that although figures had risen, the overall numbers remained low when considered against the scale of activity undertaken by the Council.

Audit work carried out by Peninsula during the year was summarised, with most actions completed, although two high-risk items remained outstanding at the Bancrofts Road site relating to fire safety. These were being addressed through follow-up arrangements. A programme of audits for 2025/26 had been scheduled across a range of services.

In response to questions, it was noted that:

- accidents reported at holiday clubs were not considered excessive in proportion to the level of activity, but Members expressed concern that the wording in the report could be interpreted as complacent. It was therefore agreed that the wording would be amended to better reflect that the Council takes all accidents seriously while recognising that high activity levels naturally increase the number of reported incidents.
- Members were reminded that incidents involving children were all logged and if related to the activity being undertaken, they are recorded as accidents, which demonstrated strong reporting compliance.
- It was also noted that different levels of training were in place for different roles, not all training was repeated annually, and there was no fixed timescale for new staff, though health and safety e-learning was available as part of induction.
- The Committee also sought clarification on how acts of violence were recorded and investigated, with reassurance given that incidents were appropriately followed up.

**RESOLVED** that the annual health and safety report 2024/25 be noted.

(7.21pm to 7.36pm)

## 10. Work Programme

The Committee were updated on the rolling work programme of future reports and work for the next series of meetings.

It was noted that some date changes may be required to align with external audit deadlines and that members would be advised of any changes.

It was noted that the meeting of December had been cancelled, and an additional meeting was arranged for January 2026.

**RESOLVED** that the work programme be agreed.

(7.36pm to 7.37pm)

## 11. Urgent Business

There was no urgent business.

The meeting closed at 7.37pm.

Chair





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# Chelmsford City Council Audit and Risk Committee

**26<sup>th</sup> November 2025**

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## **Draft Auditor's Annual Report for financial year ended 31 March 2025**

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### **Report by:**

Accountancy Services Manager (Section 151 officer)

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### **Officer Contact:**

Phil Reeves, Accountancy Services Manager (Section 151 officer),  
phil.reeves@chelmsford.gov.uk, Tel: (01245) 606562

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### **Purpose**

The Draft Auditor's Annual Report, prepared by the Council's external auditor, Ernst & Young, presents the key findings arising from audit work undertaken to date for 2024/25 financial year.

### **Recommendations**

Members note the content of the Draft Auditor's Annual Report for the year ended 31 March 2025. (report to follow)

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## **1. Background**

- 1.1. The Government has introduced statutory backstop dates, under the amended Accounts and Audit Regulations, to set a deadline for local authorities to publish their audited annual accounts, to address the existing audit backlog.
- 1.2. The back stop date for 2024/25 accounts is 27 February 2026.

- 1.3. To provide Members with a timely assessment of the Council's arrangements for managing its resources, auditors are required to issue their Annual Auditor's Report including their Value for Money assessment (VFM) by 30 November each year.

## 2. Auditor's Annual Report

- 2.1. The Council's audit on statement of accounts is ongoing, and the auditors are expected to report on their findings to the Audit and Risk Committee in January 2026. The audit report to follow will provide an update on the progress of the audit.
- 2.2. Auditors are required to provide commentary on following specific criteria for Value for Money:
  - Financial sustainability
  - Governance
  - Improving economy, efficiency and effectiveness
- 2.3. The external auditor provided a copy of the report to officers on Monday 18<sup>th</sup> November. Officers are reviewing it with Audit and Risk Chair. The report will be circulated before the meeting but following the publication of this agenda. The draft report does not identify any significant risks or weaknesses in the Council's arrangements in place to secure economy, efficiency and effectiveness on its use of resources.

## 3. Conclusion

- 3.1. Based on the work performed, the auditors concluded that the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.

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## Corporate Implications

### Legal/Constitutional:

The Code of Audit Practice 2024, issued by National Audit Office, requires auditors to issue their draft auditor's annual report to those charged with governance by 30 November each year.

Financial: The Auditor's Annual Report is intended to provide assurance to those charged with governance of the proper use of the Council resources.

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: None

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

Health and Safety: None

Digital: None

Other: None

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Consultees: None

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Relevant Policies and Strategies: None directly relevant.

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# Chelmsford City Council Audit and Risk Committee

**26<sup>th</sup> November 2025**

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## Counter Fraud & Corruption Policy and Strategy 2025

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Report by:

Audit Services Manager

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Officer Contact:

Elizabeth Brooks, Audit Services Manager [elizabeth.brooks@chelmsford.gov.uk](mailto:elizabeth.brooks@chelmsford.gov.uk)

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### Purpose

The purpose of the Counter Fraud and Corruption Policy and Strategy 2025 is to support the Council in minimising the risk of fraud and corruption and its impact, and ultimately to protect the public purse and Chelmsford City Council services for its residents.

It also ensures that the Council's internal control measures are effective in either preventing fraud and corruption or where this is not possible, that a consistent and effective approach to tackling fraud and corruption is in place.

### Recommendations

Committee are requested to note the contents of this report and endorse the Counter Fraud and Corruption Policy and Strategy 2025.

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## 1. Background

- 1.1. Public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong financial management. It is therefore a pertinent opportunity to review, refresh and update the Council's approach to Counter Fraud to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally.

- 1.2. By endorsing the 2025 Counter Fraud and Corruption Policy and Strategy, Audit & Risk Committee acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users, as well as the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.
- 1.3. Supplementing the Policy (Appendix 1) is the Counter Fraud Strategy 2025-27 (see Appendix 2) which sets out the actions which will be delivered over the next two years to ensure the Council is delivering counter fraud best practice.
- 1.4. Updates on progress against delivering the Strategy will be provided to Committee through the Counter Fraud Annual Report.

## 2. Conclusion

- 2.1. The Counter Fraud and Corruption Policy and Strategy 2025 are attached for Committee to endorse.

**List of appendices:** Counter Fraud and Corruption Policy and Strategy 2025

**Background papers:** None

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## Corporate Implications

Legal/Constitutional:

- Accounts and Audit Regulations 2015 - the Council has a duty to maintain systems of internal control to prevent losses and fraud
- Fraud Act 2006
- Economic Crime and Corporate Transparency Act (ECCTA) 2023 introduced a new criminal offence of 'Failure to Prevent Fraud' (FTPF) which became effective from September 2025, designed to hold organisations to account if they profit from fraud committed by their employees.
- Theft Act 1968
- Bribery Act 2010
- Public Interest Disclosure Act 1998
- The Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Identity Documents Act 2010

Financial: Financial loss due to fraud impacts the Council's local tax payers and impacts recipients of the services the Council delivers.

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: All employees and Councillors are required to comply with the Council's relevant policies and procedures including constitution, code of conduct, financial rules, procurement procedures, and conflicts of interest.

Risk Management: The Corporate Risk Management Strategy recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council's Principal Risks (of which Fraud is one), aligned to Our Chelmsford, Our Plan objectives. There is also a separate Fraud Risk Register.

Equality and Diversity: An Equality Impact Assessment was completed in November 2025.

Health and Safety: None

Digital: Digital Services and Information Governance deploy procedures and technical controls to minimise information security risks. Fraud can be prevented and detected by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

Other: None

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**Consultees:** Endorsed by Management Team November 2025

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**Relevant Policies and Strategies:** None

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Chelmsford City Council

Counter Fraud and Corruption  
Policy and Strategy  
2025-27

## **Foreword**

The UK National Crime Agency states that fraud is the most common crime type in England and Wales, accounting for 37% of all crime and the National Audit Office estimates that fraud and error cost the taxpayer £55 billion to £81 billion in 2023-24.

With approximately 180,000 residents, 9400 businesses and 900 employees, Chelmsford City Council takes its responsibility as the guardians of public money very seriously.

Fraud and corruption cheats the local tax payer and impacts recipients of the services we strive to deliver, ultimately undermining the aims of the Council to lead by example, and help to make our society safer, greener, fairer, and better connected.

This Council's Counter Fraud and Corruption Policy and Strategy will support the Council in its determination to take an active role in protecting itself and its residents from fraud and corruption from within and outside the organisation. We will be vigilant and advocate a zero tolerance approach, and will seek to prevent fraud and corruption, including bribery, in all areas of our activities. Where any instances are discovered, we will take all action as is necessary to hold perpetrators to account and reduce losses to an absolute minimum.

To this end, all Members, employees and those with whom we do business, have a responsibility for promoting a culture of good governance by ensuring that effective measures are in place to prevent fraud and corruption and by promptly identifying and reporting potential instances for investigation. We will be agile and work together with national agencies, the Government and other Councils to respond to new fraud threats, to prevent losses and to protect the Council finances, enabling us to maximise the value of every pound spent on behalf of local residents.

We fully commit to this Counter Fraud and Corruption Policy and Strategy as a key component in our fight against fraud and corruption.

**Nick Eveleigh, Chief Executive**

**Cllr Nora Walsh, Chair of Audit and Risk Committee**



## **Aim of the Counter Fraud and Corruption Policy and Strategy**

The aim of this policy and strategy is to minimise the risk of fraud and corruption and its impact, and ultimately to protect the public purse and Chelmsford City Council services for its residents. It also ensures that the Council's internal control measures are effective in either preventing fraud and corruption or where this isn't possible, that a consistent and effective approach to tackling fraud and corruption is in place. Robust investigations will be undertaken in line with legislation and best practice, and appropriate action taken where necessary, in accordance with the Council's Fraud Response Plan.

By adopting this Policy and Strategy, the Council commits to:

- Develop and maintain a culture in which fraud and corruption are unacceptable
- Continually assess and monitor our fraud risks and control framework
- Continually improve the effectiveness of fraud prevention
- Use technology in the fight against fraud
- Share information effectively via data matching and analysis to help prevent and detect instances of fraud and error
- Maximise the detection of fraud loss and robustly recover losses
- Bring fraudsters to account appropriately and efficiently

## **Definitions and Relevant Legislation**

### **Fraud**

A person can be found criminally in breach of the [Fraud Act 2006](#) if they have acted dishonestly with the intention of making a gain for themselves or another, or causing a loss (or risk of a loss) to another by:

- False representation
- Failing to disclose information to a third party where they are under a legal duty to disclose such information
- Abuse of position, where they are expected to safeguard the financial interests of another person and abuses that position.

Other main offences under the Act include:

- Making or supplying/possession of articles for use in frauds
- Obtaining services dishonestly

The [Economic Crime and Corporate Transparency Act \(ECCTA\) 2023](#) introduced a new criminal offence of '[Failure to Prevent Fraud](#)' (FTPF) which became effective from September 2025, designed to hold organisations to account if they profit from fraud committed by their employees. Under the offence, organisations may be held criminally liable where an employee, agent, subsidiary, or other "associated person", commits a fraud intending to benefit the organisation. In the event of prosecution, an organisation would have to demonstrate to the court that it had reasonable fraud prevention measures in place at the time that the fraud was committed.

## **Theft**

The [Theft Act 1968](#) states that a person is guilty of **theft** if they dishonestly appropriate property belonging to another, with the intention of permanently depriving the other of it.

## **Bribery and Corruption**

[Bribery Act 2010](#) defines **bribery** as financial or other advantage that is offered, given, requested or accepted with the intention of inducing or rewarding the improper performance of a relevant function. Section 7 of the Act also sets out the corporate offence of failing to prevent bribery.

The LGA defines **corruption** as the misuse of a person's position to commit offences, which can include theft, extortion and a number of other crimes, including the soliciting of bribes. The defining characteristic of corruption is that it involves collusion between two or more individuals and is often associated with those holding public office.

Only the Crown Prosecution Service can prosecute bribery and corruption offences. Individuals found guilty of an offence may be imprisoned for a maximum term of ten years and face an unlimited fine.

## **Whistleblowing**

Under the [Public Interest Disclosure Act 1998](#), whistleblowing refers to the act of reporting suspected wrongdoing within an organisation that affects other, often in the public interest. Under PIDA, whistleblowers are protected from negative treatment or dismissal if they raise concerns about serious issues, such as fraud or misconduct. More detail can be found in the Council's [Whistleblowing Policy and Procedure](#).

## **Money Laundering**

The [Proceeds of Crime Act 2002](#) and the [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) define money laundering and the range of activities controlled by the statutory framework as:

- concealing, disguising, converting, transferring or removing criminal property from the UK.
- entering into or becoming concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property.
- acquiring criminal property, using criminal property; or possession of criminal property.

The above are the primary Money Laundering offences and are prohibited under the legislation.

There are two secondary offences:

- Failure to disclose/report any of the three primary offences.
- Tipping off – this is where someone informs a person, or people, who are suspected of being involved in Money Laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

Offences under the Proceeds of Crime Act and Money Laundering Regulations can attract penalties of unlimited fines and up to 14 years imprisonment.

More detail can be found in the Council's [Anti-Money Laundering Policy](#).

### **False Identity Documents**

The [Identity Documents Act 2010](#) includes provisions relating the possession and manufacture of false identity documents such as:

- Possession of false identity documents etc with improper intention (s4)
- Apparatus designed or adapted for the making of false identity documents (s5)
- Possession of false identity documents etc without reasonable excuse (s6)

### **Stakeholders**

All of the council's stakeholders can assist with being our first line of defence against attempts of fraud and corruption by:

- Being alert to the possibility of fraud and corruption and raise any concerns through the Council's [Whistleblowing Policy](#) at the earliest opportunity
- Undertaking training and awareness activities as required
- Fulfilling any legal and regulatory responsibilities
- Specialist knowledge to help identify and control fraud risk
- Input into the detection and investigation of fraud
- To assist in the reduction of fraud

More detailed responsibilities are outlined in the following table:

<b>Stakeholder</b>	<b>Responsibility</b>
<b>All employees</b>	Comply with the Council's relevant policies and procedures including code of conduct, financial rules, procurement procedures, conflicts of interest, as well as meet standards set by professional bodies to which they belong.  Have a responsibility to report suspicions of fraud or corruption via the appropriate channels.  Undertake training and awareness activities as required  Must comply with control frameworks within their areas of work.
<b>Audit &amp; Risk Committee</b>	Approve and support the Counter Fraud Policy and Strategy and receive reports relating to the Council's Counter Fraud activity and Fraud Principal Risk, ensuring that resources are focussed on the Council's highest risk areas.

<b>Stakeholder</b>	<b>Responsibility</b>
<b>Audit Services Manager</b>	<p>Manage the assessment of Principal Risks and highlight emerging fraud risks to CGG, Management Team and Audit &amp; Risk Committee.</p> <p>Provide regular reports of Cross-Council Counter Fraud activity to Management Team and Audit &amp; Risk Committee.</p> <p>Provide investigative services to allegations of corporate fraud.</p> <p>Develop an agile risk-based approach to internal audit coverage with consideration of fraud risks and controls in line with its Internal Audit Charter.</p> <p>Provide anti-fraud controls assurance to Management Team and Audit &amp; Risk Committee through internal audit reporting.</p> <p>Ensure that system weaknesses identified as part of any investigation are followed up with management or Internal Audit and recommendations made to improve the control framework.</p>
<b>Cabinet Member for Finance (Portfolio Holder)</b>	<p>Receive reports that include information, progress and barriers on the Council's assessment against the FFCL checklist, and fraud risk assessment and horizon scanning.</p>
<b>Chief Executive and Management Team</b>	<p>Approve and support the Counter Fraud Policy and Strategy and receive reports relating to the Council's Counter Fraud activity and Fraud Principal Risk, ensuring that resources are focussed on the Council's highest risk areas and that the Council is measuring itself against the FFCL checklist.</p> <p>Ensure that service managers are fulfilling their anti-fraud responsibilities (see Senior Managers).</p>
<b>Contractors and Partners</b>	<p>Maintain adequate systems and controls to ensure the prevention and detection of fraud and corruption.</p>
<b>Corporate Governance Group (CGG)</b>	<p>Support the Counter Fraud Policy and Strategy and receive reports relating to the Council's Counter Fraud activity and Fraud Principal Risk. Provide oversight of the Council's counter-fraud activities across all areas of the Council, including those specifically recognised as high-risk areas.</p>
<b>Councillors</b>	<p>Comply with the Council's relevant policies and procedures including constitution, code of conduct, financial rules, procurement procedures, conflicts of interest.</p>
<b>Digital Services and Information Governance</b>	<p>Deploy procedures and technical controls to minimise information security risks.</p>
<b>Director of Connected Chelmsford</b>	<p>Designated Whistleblowing Officer. The Legal and Democratic Services Manager and the HR Services Manager are responsible for dealing with reported cases in the first instance as her deputies.</p>

Stakeholder	Responsibility
<b>External Audit</b>	In line with International Standard on Auditing (UK) 240, External Audit are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.
<b>Human Resources</b>	Support associated Council Policy and Training framework to assist with awareness of, and compliance with the Policy and Strategy.  HR Services Manager is Deputy Whistleblowing Officer
<b>Monitoring Officer/Legal &amp; Democratic Services Manager (Statutory Duty)</b>	Local Government and Housing Act 1989 requires the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for the operation of the Council's constitution, and to be responsible for matters relating to the conduct of councillors and their training in relation to counter fraud and anti-bribery and corruption awareness.  Legal and Democratic Services Manager is Deputy Whistleblowing Officer
<b>Section 151 Officer (Statutory Duty)</b>	Has a statutory duty, under Section 151 of the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs and under the Accounts and Audit Regulations 2015 for determining systems of internal control to prevent losses and fraud.  Also acts as the Council's nominated Money Laundering Reporting Officer (MLRO).
<b>Senior Managers</b>	Establish and support an anti-fraud culture in their services by ensuring employees are aware of relevant policies and procedures relating to anti-fraud and bribery, code of conduct etc, ensuring that training requirements are met, and adopting a robust control environment, as well as ensuring any internal audit recommendations are implemented promptly.  Ensure teams know how to whistleblow and respond promptly and appropriately in line with the Council's <a href="#">Fraud Response Plan</a> if someone raises a concern.  Monitor roles perceived to be at higher risk of bribery and corruption to ensure transparency over decisions, and any conflicts or failures to disclose are managed appropriately.  Undertaking due diligence to evaluate the background, experience and reputation of business partners to protect the Council from exposure to external fraud, bribery and corruption.  Consider whether new/changes to policies, procedures, strategies etc that may be connected to fraud and/or corruption risk and advise Internal Audit accordingly.

Stakeholder	Responsibility
	Ensure that NFI (National Fraud Initiative) data matches are reviewed and investigated, where applicable and respond to enquiries from other matched bodies. Provide mandatory fraud statistics where applicable to meet Transparency Code requirements.

## Principles and Objectives

This policy and strategy is based on guidance and best practice relating to fraud and corruption in the public sector including:

[CIFAS Fighting Fraud and Corruption Locally](#)

[CIPFA Code of Practice on Managing the Risk of Fraud and Corruption](#)

Providing an outline for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top, Fighting Fraud and Corruption Locally (FFCL) sets out five pillars of activity:



(Source: Fighting Fraud and Corruption Locally, A Strategy for the 2020s)

## Govern

Those who are charged with governance support the activity by ensuring that there are robust arrangements and executive support to ensure counter fraud, bribery and corruption measures are embedded throughout the organisation.

Every Council employee and our partners are responsible for following this policy, not tolerating fraud, and encouraging a 'counter fraud culture' among colleagues and associates.

As Council workers and public servants, we are all required to demonstrate the highest levels of honesty, integrity, transparency, accountability and leadership. These are

enshrined in the Council's Values and Behaviours and the Seven Principles of Public Life (The Nolan Principles).

The Council's corporate governance framework, which underpins the operation of the Council, has a number of facets which fortify the Council against fraud, including:

- The Constitution, Financial Regulations, Practice Notes and the Scheme of Delegation
- An established Audit and Risk Committee
- A S151 Officer with statutory responsibility for the oversight of all financial affairs
- A Monitoring Officer with statutory responsibility for monitoring the legality of the council's affairs
- Employee vetting procedures (recruitment checks and DBS where appropriate), detailed Member and Officer Codes of Conduct and disciplinary procedures
- Declaration of interest, close personal relationships and gifts and hospitality procedures for Members and Officers
- A confidential Whistleblowing process
- A Counter Fraud suite including policies, training and awareness.
- A Corporate Risk Management Strategy which recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council's Principal Risks (of which Fraud is one), aligned to Our Chelmsford, Our Plan objectives. There is also a separate Fraud Risk Register.
- An Internal Audit service which provides independent and objective assessments on the adequacy and effectiveness of the governance, risk management, and control arrangements across the Council.
- External Audit providing unbiased assessments of financial management and compliance with laws, ensuring accountability transparency and effective governance.
- Proactive Cyber Security and Information Governance services.

The internal arrangements that are put in place should be communicated throughout the organisation and publicly available to demonstrate the culture and commitment to preventing fraud.

Chelmsford will demonstrate this by:

- Delivering a counter fraud and corruption policy and strategy applying it to all aspects of the Council's activities which will be communicated throughout the Council and acknowledged by those charged with governance.
- Assessing its fraud and corruption risks, have an action plan to deal with them and regularly report to Management Team and Members.
- Presenting a regular report to Management Team and Audit & Risk Committee to compare against FFCL.

- Briefing Management Team and Audit & Risk Committee on fraud risks and mitigation.
- Management Team and Audit & Risk Committee supporting counter fraud work to ensure that it is appropriate in terms of fraud risk and resources.
- Scrutinising weaknesses revealed by instances of proven fraud and corruption and feed back to departments to fraud proof systems.

## **Acknowledge**

In order to create a counter fraud response Chelmsford must acknowledge and understand fraud risks and then demonstrate this by committing the right support and appropriate resource to tackling fraud.

This means undertaking a risk assessment of fraud areas and vulnerabilities, having a plan to address it, and have access to resources with the right capabilities and skills.

Chelmsford will demonstrate this by:

- Monitoring the risk of fraud via the Council's Principal Risk Register.
- Undertaking an assessment against the risks and horizon scanning of future potential fraud and corruption risks. This assessment will include the understanding of the harm that fraud may do in the community.
- Specifically considering the risks of fraud and corruption in the Council's overall risk management process.

## **Protect**

Chelmsford will protect public funds, protecting the Council from fraud and cyber-crime and also protecting itself from future frauds as well as protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.

Chelmsford will demonstrate this by:

- Assessing fraud resources proportionately to the risk the Council faces and are adequately resourced.
- Develop a fraud plan which is agreed by Management Team and Audit & Risk Committee, reflecting resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the Council's activities including those undertaken by contractors and third parties or voluntary sectors.

## **Prevent**

Fraud can be prevented and detected by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

Chelmsford will demonstrate this by:

- Putting in place arrangements to promote and ensure probity and propriety in the conduct of its activities and prevent and detect fraud and corruption as well as a



mechanism for ensuring that this is effective and is reported to Management Team and Audit & Risk Committee.

- Putting in place arrangements for monitoring compliance with standards of conduct across the Council covering: Codes of conduct including behaviour for counter fraud, anti-bribery and corruption, Register of Interests, Register of gifts and hospitality.
- Undertaking recruitment vetting of staff prior to appointment by risk assessing posts and undertaking the checks recommended.
- Ensuring that there is a zero-tolerance approach to fraud and corruption and independent whistle-blowing policy which can also be accessed by contractors and third parties, is monitored for take up and can show that suspicions have been acted upon without discrimination.
- Undertaking Internal Audit activity which may detect potential fraudulent activity including:
  - Assessing the risk of fraud as per the Council's Fraud Risk Register when producing the risk-based annual audit plan. In addition, assessing and aligning all individual audit reviews to the Council's Fraud Risk Register.
  - Utilising Data Analytics to detect any anomalies, with a specific focus on anti-fraud tests.
  - Undertaking reviews of Council processes/walk throughs etc to highlight any gaps in control and areas that are vulnerable to fraudulent activity.
- Consulting counter fraud staff to review new policies, strategies and initiatives across departments and this activity will be reported to Management Team and Audit & Risk Committee.
- Ensuring the fraud response plan covers all areas of counter fraud work and is linked to the audit plan and communicated to Management Team and Audit & Risk Committee.
- Ensuring that the Council actively takes part in mandatory NFI exercises and promptly takes action arising from it.
- Where concerns of fraud have been highlighted, carry out investigations and review the control framework to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls.
- Publicise successful cases of proven fraud/corruption to raise awareness.

## **Pursue**

The Council will develop capability and capacity to investigate fraudsters and use the full range of sanctions available to it, including criminal prosecution, cautions, administrative penalties, civil recovery, internal disciplinary procedures and/or referral to professional bodies in order to deter fraud, bribery and associated offences.

The sanction decision will have regard at all times to the council's anti-fraud policy objectives, the individual circumstances of each person concerned and the overall impact of the punishment to both the individual and the community.

Chelmsford will demonstrate this by:

- Reporting statistics maintained by the Counter Fraud team which cover all areas of activity and outcomes.
- Developing a programme of proactive counter fraud work which covers risks identified in the fraud risk assessment.
- Collaborating with other Council services and external enforcement agencies, encouraging a corporate approach and co-location of enforcement activity
- Undertaking prevention measures and projects using data analytics where possible
- Ensuring the Counter Fraud team have unfettered access to premises and documents for the purposes of counter fraud investigation.
- Ensuring that there are professionally trained and accredited staff for counter fraud work, with adequate knowledge in all areas of the Council and the counter fraud team has access to specialist staff for surveillance, computer forensics, asset recovery and financial investigations where required.

## **Anti-bribery and Corruption**

Bribery (i.e. the offering, promising or giving of a financial or other advantages designed to induce an individual to take an improper decision or action) is a criminal offence. These inducements can take many forms including cash, holidays, event tickets, meals. Decisions could relate to recruitment, the award of contracts, planning consents and other awards.

**We have zero tolerance towards bribery: the Council, and all those employed/engaged by us, will not pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.**

To use a third party as a conduit to channel bribes to others is also a criminal offence. **We do not, and will not, engage indirectly in or otherwise encourage bribery.**

This policy applies to all of the organisation's activities, its personnel, including all levels and grades, those permanently employed, temporary staff, agency staff, contractors, Members (including independent Members), volunteers and consultants who will:

- Act honestly and with integrity at all times and will act to safeguard the council's resources for which they are responsible
- Comply with the spirit, as well as the letter of the laws, and regulations of all jurisdictions in which the organisation operates, in respect of the lawful and responsible conduct of activities
- If an employee suspects that bribery has occurred or is being offered, they must report their suspicions in accordance with the [Fraud Response Plan](#).

The Council will follow the guidance issued by the [Ministry of Justice](#) on compliance with the Bribery Act. In particular, it will take account of the six principles set out in the guidance as part of ensuring a robust and effective anti-bribery approach.

## **1. Proportionate Procedures**

The procedures to prevent bribery by persons should be proportionate to the bribery risks faced and to the nature, scale and complexity of the Council's activities. They should also be clear, practical, accessible, effectively implemented and enforced

## **2. Top Level Commitment**

Management Team are committed to preventing bribery by persons associated with the Council and to fostering a culture in which bribery is never acceptable. An annual Counter Fraud report will be presented to Management Team and Audit and Risk Committee.

## **3. Risk Assessment**

The nature and extent of the Council's exposure to external and internal risks of bribery will be assessed as part of the Council's risk management process. Any risk assessment is intended to be an on-going process based on regular communication and review.

## **4. Due Diligence**

A proportionate and risk-based approach will be taken in respect of persons and other organisations that perform services for or on behalf of the Council. Due diligence will include an evaluation of the background, experience and reputation of business partners. The transactions will be properly monitored, and written agreements and contracts will provide references to the Bribery Act 2010 and this policy. Reciprocal arrangements may be required for business partners to have their own policies in place. They will be advised of the Council's policy and be expected to operate at all times in accordance with such policy.

## **5. Communication (including training)**

The Council will ensure that this policy and other related policies and procedures are embedded in the Council's working arrangements through appropriate communication, including training, which is proportionate to the risks the Council faces. The Council's induction programme will include reference to the Bribery Act 2010 and this policy.

## **6. Monitoring and Review**

This policy, control arrangements, risk management processes and other related policies and procedures designed to prevent bribery and corruption will be monitored, reviewed and improved where necessary on a regular basis. All incidents of bribery or suspected bribery will be reported to the Audit & Risk Committee.

## Monitoring and review

Chelmsford will consider its performance against each of the following key themes in line with FFCL:

<b>Culture</b>	Creating a culture where fraud and corruption are unacceptable and that is measurable
<b>Capability</b>	Assessing the full range of fraud risks and ensuring that the range of counter fraud measures deployed is appropriate
<b>Capacity</b>	Deploying the right level of resources to deal with the level of fraud risk that is monitored by those charged with governance
<b>Competence</b>	Having the right skills and standards commensurate with the full range of counter fraud and corruption activity
<b>Communication</b>	Raising awareness internally and externally, deterring fraudsters, sharing information, celebrating successes
<b>Collaboration</b>	Working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

# Counter Fraud Strategy 2025-27

**Vision: To minimise the risk of fraud and corruption in the Council by embedding a comprehensive and effective counter fraud culture and response, which protects public funds, Council services and the Council's residents from the harm that fraud can cause.**

## Strategic Counter Fraud Objectives 2025-27

### Capability

- Undertake a detailed update of the Council's Fraud Risk Register to support the Council's robust assessment of its fraud and corruption risks, ensuring it includes horizon scanning of future potential risks, takes into account the harm that fraud may do in the community and develop an action plan for mitigation which is regularly reported to Management Team and Audit and Risk Committee.
- Review fraud risks with consideration of the new Failure to Prevent Fraud legislation. The Council's fraud policies will also be reviewed and updated to make reference to the new offence.
- Consider undertaking risk workshops with service areas to review fraud risks and mitigation and incorporate these into the fraud risk register as appropriate.

### Capacity

- Consider the development and deployment, where possible, of data analytics/AI tools to improve and enhance fraud prevention and detection measures across the Council.

### Competence

- Develop and roll out ongoing general counter fraud and anti-bribery training and awareness relevant to Council roles and responsibilities.
- Training programme to be aligned to the fraud risk register, targeting specific fraud risk areas and/or emerging risks (such as threat of AI in the fraud landscape).
- Ensure those with specific counter fraud responsibilities are maintaining and enhancing their professional skills to respond accordingly to changing work environments and emerging technology.

### Communication

- Encourage the organisation to consult with Internal Audit when developing new policies and procedures to assess whether the risk of fraud will be effectively mitigated.
- Develop an annual comms programme to maintain regular counter fraud awareness across the organisation e.g. Fraud Awareness Week activities.
- Consider publicising outcome of successful fraud and corruption cases internally and externally, where appropriate, to endorse the Council's anti-fraud culture and zero tolerance approach.

### Collaboration

- Explore the formation of a Counter Fraud Working Group with representation from those who have oversight of the Council's counter-fraud activities to co-ordinate and advise on the Council's counter-fraud activities across the Council, encouraging a corporate approach and co-location of counter fraud activity.

**The Council will also continue to promote its over-riding anti-fraud culture across all its service areas and within the community.**



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# Chelmsford City Council Audit and Risk Committee

**26<sup>th</sup> November 2025**

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## Audit and Risk Committee Work Programme

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### Report by:

Audit Services Manager

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### Officer Contact:

Elizabeth Brooks, Audit Services Manager [elizabeth.brooks@chelmsford.gov.uk](mailto:elizabeth.brooks@chelmsford.gov.uk)

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### Purpose

This report updates the rolling programme of work for this Committee.

### Recommendations

That the rolling programme of work for the Committee is agreed.

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## 1. Introduction

- 1.1. The Audit & Risk Committee works to a standard programme of work to ensure that their work is spread evenly across meetings, as far as possible, and to ensure that core reports are produced at the appropriate time within the Council's reporting timetable.

## 2. Rolling Programme of Work

- 2.1. Many of the reports submitted to this Committee are presented on a cyclical basis and can be timetabled for particular meetings. However, from time to time additional reports are requested which are presented to future meetings. The proposed rolling programme of work for this Committee for the next series of meetings is shown below.

**10<sup>th</sup> December 2025 - Cancelled**

**28<sup>th</sup> January 2026**

<b>Agenda Item</b>	<b>Report Owner</b>
External Audit – Accounts Sign Off	Accountancy Services Manager (S151)
Internal Audit Interim Report	Audit Services Manager
Procurement Update	Procurement Manager
Audit & Risk Committee Work Programme	Audit Services Manager

**18<sup>th</sup> March 2026**

<b>Agenda Item</b>	<b>Report Owner</b>
External Audit TBC	Accountancy Services Manager (S151)
Internal Audit Plan 2026 + Internal Audit Charter	Audit Services Manager
Risk Management Report	Audit Services Manager
Accounting Policies	Accountancy Services Manager (S151)
Audit & Risk Committee Work Programme	Audit Services Manager

**10th June 2026**

**(Joint meeting with Governance Committee)**

<b>Agenda Item</b>	<b>Report Owner</b>
Review of the Local Code of Corporate Governance	Legal and Democratic Services Manager
Annual Governance Statement	Legal and Democratic Services Manager

**(Audit & Risk Committee)**

<b>Agenda Item</b>	<b>Report Owner</b>
External Audit TBC	Accountancy Services Manager (S151)
Revenue (Outturn)	Accountancy Services Manager (S151)
Capital Monitoring (Outturn)	
Internal Audit Annual Report	Audit Services Manager

Agenda Item	Report Owner
Counter Fraud Annual Report	Audit Services Manager
Audit & Risk Committee Annual Report & Review of TOR	
Audit & Risk Committee Work Programme	

**16th September 2026**

Agenda Item	Report Owner
External Audit - TBC	Accountancy Services Manager (S151)
Health and Safety Annual Report	Public Health and Protection Services Manager
Internal Audit Plan to March 2026	Audit Services Manager
Risk Management Report	Audit Services Manager
Audit & Risk Committee Work Programme	Audit Services Manager

**2<sup>nd</sup> December 2026**

Agenda Item	Report Owner
External Audit - TBC	Accountancy Services Manager (S151)
Internal Audit Interim Report	Audit Services Manager
Audit & Risk Committee Work Programme	Audit Services Manager

List of appendices: None

Background papers: None

Corporate Implications

Legal/Constitutional: The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015). Numerous frameworks also emphasise the importance of the audit committee, including:

- Delivering Good Governance in Local Government
- Global Internal Audit Standards
- the Code of Practice on Managing the Risk of Fraud and Corruption

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None



Risk Management: The role of the Audit & Risk Committee in relation to risk management covers: assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks; keeping up to date with the risk profile and the effectiveness of risk management actions and; monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies: None

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