



Statement of Accounts

2022/23

Contents

Narrative Report	3
Introduction	4
Vision for Essex	6
Organisation strategy.....	6
Revenue spending.....	7
Capital investment	11
Revenue reserves and balances.....	15
Cash flow management	16
Statement of Accounts.....	16
Annual Governance Statement.....	18
Conclusion	18
Statement of Accounts.....	19
Introduction	20
Council’s responsibilities.....	21
Council’s Financial Statements	23
Notes to the Council’s Financial Statements	30
Group Financial Statements.....	112
Notes to the Group Financial Statements.....	118
Pension Fund Financial Statements.....	127
Notes to the Pension Fund Financial Statements.....	130
Glossary of Terms.....	177
Annual Governance Statement.....	183
Introduction	184
Findings	184
Governance updates 2022/23	201
Previous governance matters arising.....	206
Action Plan	207
Independent Auditor’s Report.....	220

Narrative Report 2022/23

Narrative Report

Introduction

About Essex County Council

Essex County Council (ECC) is one of the largest of the county councils in England, covering an administrative area of around **3,465** square kilometres, with a population of about **1.5m** people and comprising **70** electoral divisions. The Council forms the upper tier of local government within Essex (excluding Southend and Thurrock).

Our Services

The following core services are provided by the Council:

- **Adult Social Care and Health** including the support of and assistance to people with learning or physical disabilities or sensory impairment and older people and the homeless; safeguarding vulnerable adults; public and mental health services; sport and physical activity; and drug and alcohol action.
- **Children’s Services and Early Years** including the safeguarding of children; looked after children; services to vulnerable children and young people and their families; and adoption and fostering services.
- **Community, Equality, Partnership and Performance** including strategic partnerships; information governance; community leadership, engagement, resilience and safety; emergency planning; libraries and community hubs; registration services; coroners; equality and diversity; Active Essex; Essex Outdoors; and Youth Services.
- **Devolution, the Arts, Heritage and Culture** including development of policy and programmes in relation to devolution; heritage, culture and the arts; Essex Records Office; faith covenant; gypsy and travellers; trading standards; country parks and green spaces; rural affairs; and tourism.
- **Economic Renewal, Infrastructure and Planning** including infrastructure and delivery; digital connectivity; international trade; economic development; spatial planning; minerals and waste planning; housing and property strategy; and built, historical and natural environments.
- **Education Excellence, Lifelong Learning and Employability** including mainstream schools and education; special educational needs and alternative provision; children missing education; schools safeguarding; school crossing patrols; post 16 skills and apprenticeships; adult community learning; and employability and skills.
- **Finance, Resources and Corporate Affairs** including financial administration and management; procurement; commercial property and partnerships; insurance; income and revenues optimisation; technology services; facilities management; Pension Fund; traded services; human resources; and customer services.
- **Highways Maintenance and Sustainable Transport** including transport strategy; network management; park and ride; maintenance of highways, public rights of way and structures; street

Narrative Report

lighting; travel planning; flooding and flood management; passenger transport; and home to school transport.

- **Leader** including democratic engagement; policy, strategy, communications, marketing and **public** affairs; South East Local Enterprise Partnership; climate change action; and energy and emissions reduction.
- **Waste Reduction and Recycling** including waste minimisation, disposal and recycling; integrated waste management; waste strategy; and waste programme delivery.

These services are either provided directly by the Council or are commissioned from and delivered by other organisations. Most of these services are mandatory, meaning that the Council must provide them because it is under a statutory duty to do so.

Our leadership and workforce

The decisions that affect the services we provide and the policies we adopt are made by our Councillors. There are **75** Councillors at Essex County Council, who are elected in local elections based on their political affiliations, to represent **70** areas known as divisions. Most of the Councillors serving throughout the 2022/23 financial year were elected for a four-year term, effective from **6 May 2021**.

Full Council is a meeting of all **75** Council members, and it is at these meetings that Councillors decide the overall policies of the County Council and set the Council's annual revenue budget and capital programme. The full Council is also responsible for electing a **Leader** of the Council. Councillor Kevin Bentley has been the **Leader** since May 2021. He is responsible for the strategic direction, policies and priorities of the Council, including the overall corporate revenue and capital budget strategy.

The Leader has appointed nine other Councillors to form a **Cabinet**. The Councillors who make up the Cabinet provide collective and individual leadership, undertake lead responsibility for allocated portfolios and contribute towards the strategic direction of the Council. One of the nine Cabinet Members appointed by the Leader fulfils the role of **Deputy Leader**. Councillor Louise McKinlay has been the **Deputy Leader** since May 2021.

Overview and scrutiny committees hold our Cabinet to account for the decisions made on behalf of the Council.

Senior officers, led by our **Chief Executive** Gavin Jones (our Head of Paid Services) and our Executive Directors, are responsible for:

- Advising Councillors on policy.
- Implementing Councillors' decisions.
- Service performance.

Together, these officers form our **Corporate Leadership Team**.

Our workforce is aligned to our Corporate Leadership Team. Our non-schools' workforce comprised **6,711** 'full time equivalent' employees as at 31 March 2023, with a further **4,303** employees working within our locally maintained schools.

Narrative Report

Vision for Essex

[The Future of Essex](#) is a single, shared vision for Essex that was created in 2017 in conjunction with our partners. It is a long-term statement of ambition and aspiration for Essex and it informs the Council's own plans and actions. The agreed ambitions are to:

- **Unite** behind a sense of identity
- **Enjoy life** long into old age
- **Share prosperity** with everyone
- **Strengthen communities** through participation
- Provide an **equal start** for every child
- Develop our County **sustainably**
- **Connect** us to each other and the World.

Organisation strategy

The Council's ambitions for 2021-2025 are outlined in [Everyone's Essex](#), the Council's Plan to Level up the County. Everyone's Essex sets out the Council's long-term strategic aims and priorities. As such, it is a key element of the Council's Strategic and Resource Planning Framework – through which the Council ensures that its resources are used to secure progress against a consistent and enduring set of aspirations.

Renewal, Equality and Ambition run through everything the Council does. Alongside these themes, the Council is focussed on four areas where outcomes really matter for the quality of life for the people of Essex. They are:

- the **Economy**
- the **Environment**
- **Children and families**
- Promoting **health, care** and **wellbeing** for all the parts of our population who need our support.

In focussing on these areas, the Council is mindful that it must address today's challenges and begin to tackle tomorrow's. The Council has set out twenty commitments that, taken together, it believes will make Essex a stronger county. These commitments are focussed on outcomes that really matter for the quality of life for the people of Essex.

Economy

- Good jobs
- Infrastructure
- Future growth and investment
- Green growth
- Levelling up the economy

Environment

- Net zero
- Transport and built environment
- Minimise waste
- Green communities
- Levelling up the environment

Narrative Report

Health

- Healthy lifestyles
- Promoting independence
- Place-based working
- Carers
- Levelling up health

Family

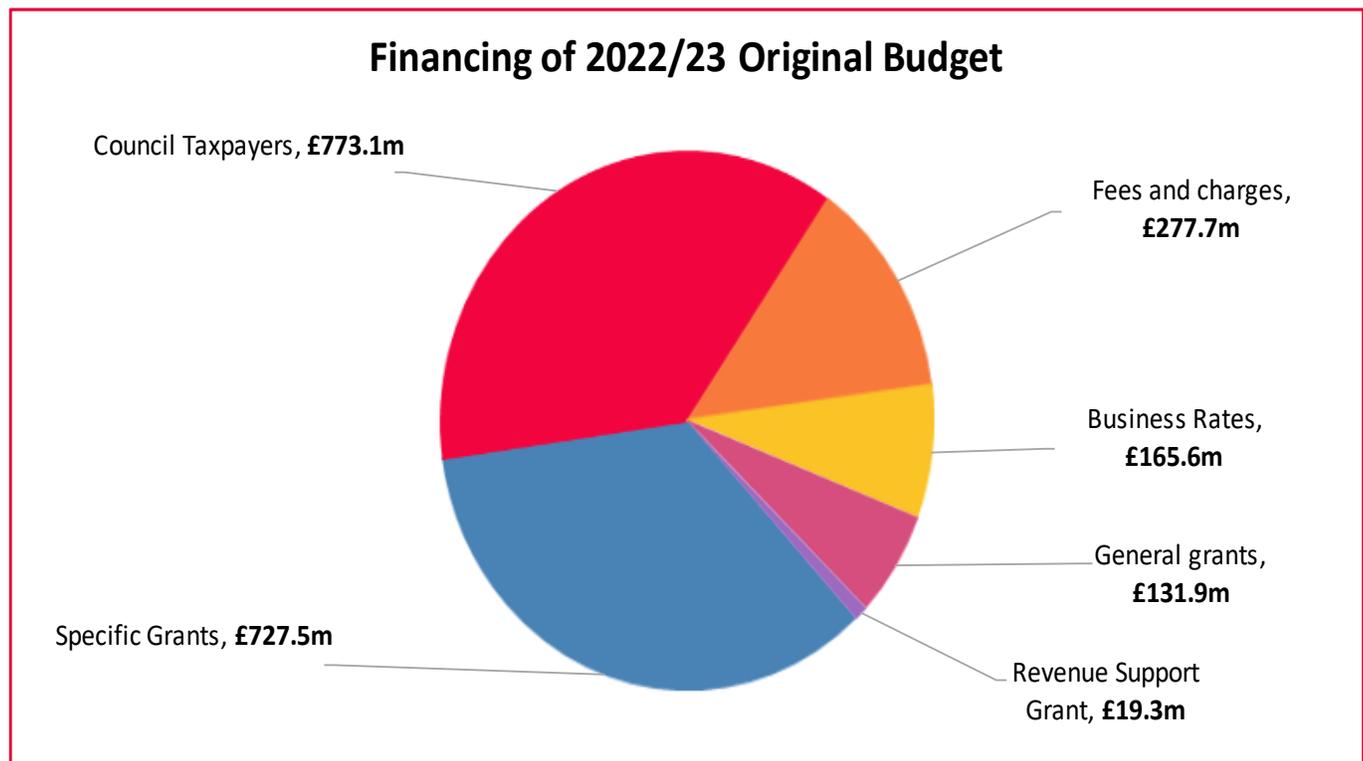
- Education outcomes
- Family resilience and stability
- Safety
- Outcomes for vulnerable children
- Levelling up outcomes for families

Revenue spending

Revenue spending plans for 2022/23

In total, we planned to spend a gross budget of **£2,095.1m** on the provision of services (including schools) this year. This spending plan was aligned to the Council's Cabinet Members, according to their specific responsibilities for discharging the functions of the Cabinet.

We intended to finance this budget from income from the following sources:



Council tax was increased by **4.49%** in 2022/23, comprising a **1.99%** general Council Tax increase and a **1%** Adult Social Care precept as set out by Government for the year, plus an additional **1.5%** Adult Social Care precept deferred from 2021/22 using the flexibility set out by the Government. The Adult Social Care precept was used to insulate Adult Social Care from higher savings, and support growth in demographics and inflation.

Narrative Report

Taking these increases into account, the Council Tax for a band D property was set at **£1,401.12** (compared with £1,340.91 in 2021/22), which equated to an increase of **£1.16** per household per week.

This budget was underpinned by a financial strategy to ensure that the Council continues to live within its means, whilst also continuing to deliver essential services to residents and keep Council Tax as low as possible.

Year-end position

The Council ended the year in a better position than expected, with a moderate under spend of **£11.742m** (1.2%). 2022/23 was another exceptional and challenging year though, with volatility in expenditure as a consequence of rising inflation and interest rates and the realisation of pent-up demand for our services (especially in Social Care) following on from the COVID-19 pandemic.

The under spend of **£11.742m** is after adjusting for proposals to carry forward under spends for use in 2023/24 and other reserve movements and reflects:

- A net under spend by services of **£853,000**. This mainly results from an under spend of **£3.301m** on Highways Maintenance and Sustainable Transport, partly offset by an over spend within Children's Services and Early Years of **£2.874m**.
- An under spend of **£12.326m** on interest, capital financing and dividends, mainly as a consequence of lower than anticipated borrowing for the capital programme because of delivery slippage, and from additional investment returns because of higher interest rates.
- An under receipt on funding of **£1.437m**.

The net under spend of **£11.742m** has been set aside in earmarked revenue reserves to meet future cost pressures, as follows:

- **£8.0m** has been allocated to the **Reserve for Future Capital Funding**, to provide some level of resilience against growing cost escalation risks across the Council's **£1.2bn** capital programme.
- **£3.0m** has been allocated to a new **Highways** reserve to support one-off investment in Highways.
- **£742,000** has been added to the **Technology and Digitisation** reserve, to support ongoing digital transformation.

Actual net expenditure compared with the final approved budget for the Cabinet Members' portfolios is shown overleaf, together with the planned and actual financing of that expenditure.

Narrative Report

Further details of the Council’s revenue investment plans are included in the Essex County Council Annual Plans for [2023/24](#) and [2024/25](#), which are available on the Council’s website.

Capital investment

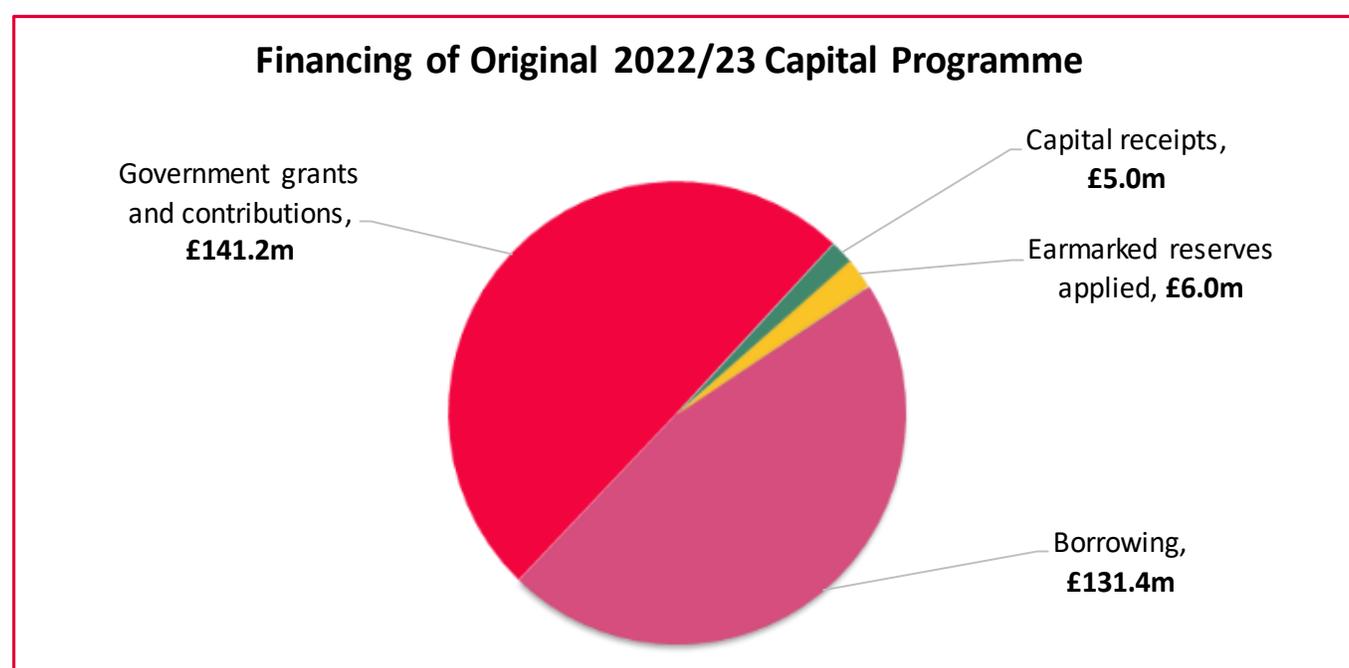
Background to the 2022/23 Capital Programme

The Capital Programme for 2022/23 was originally set at **£283.6m** and comprised a diverse portfolio of activity, with elements that generate income and growth, drive savings and ensure the quality of infrastructure, for the benefit of Essex residents:

- **Invest to maintain** (31%) – projects intended to maintain and extend the life of our assets, including highways and the flood management programme.
- **Invest to save / generate return** (16%) – schemes that generate a return or saving, including accommodation for older people with disabilities, LED street lighting and the Essex Housing Programme.
- **Invest to Grow** (53%) – including areas where the Council is expanding its capacity, such as economic growth schemes in infrastructure and highways, the creation of new school places to meet additional demand from demographic changes and new housing developments and enhancing skills in key growth areas.

The Programme was aligned to the Council’s Cabinet Members, according to their specific responsibilities for discharging the functions for the Cabinet.

It was intended to finance the 2022/23 Capital Programme from the following sources.



Statement of Accounts 2022/23

Statement of Accounts

- **Equipment Pool**

The purpose of this arrangement is to source, deliver, fit and refurbish equipment, adaptations and aids to daily living in service users' homes as part of an integrated community equipment service. Partners contribute based on their assumed activity levels.

- **Transforming Care Partnership Pool**

The aim of this arrangement is to ensure that people with learning disabilities, autism, or both can live in the community, with the right support, thereby reducing their need for in-patient services and improving their quality of life.

All the current releasable funding for the hospital placements is paid into the pool, to fund commissioned hospital placements and community placements when people are discharged from hospital. If there is insufficient funding within the pool to fund all the community placements, the deficit is met by the local authority partner in whose administrative area the deficit occurs.

Statement of Accounts

Pension Fund Financial Statements

The Pension Fund financial statements summarise the financial transactions and net assets related to the provision of pensions and other benefits payable to former employees of the Council, Essex district, borough and unitary councils, and for other scheduled and admitted bodies.

The Essex Pension Fund financial statements comprise:

- **Fund Account** - summarises the financial transactions of the Pension Fund for the year.
- **Net Assets Statement** - summarises the net assets relating to the provision of pensions and other benefits payable to former employees of the Council and other admitted bodies.

The Pension Fund accounts are set out in the following pages, as detailed below.

Statement of Accounts

4.1.2 Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Scheme Regulations (see note 9 which commences on page 146).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and included in Transfers in.

Bulk (group) transfers are accounted for on an accruals' basis in accordance with the terms of the transfer agreement.

4.1.3 Investment Income

- **Dividend income**

Dividend income is recognised in the Fund Account on the date the shares are quoted ex-dividend. Any amounts not received by 31 March are disclosed in the Net Assets Statement as other investment balances due. Investment income also includes withholding tax where this cannot be recovered.

- **Interest income**

Interest income is recognised in the Fund Account on an accruals basis, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

- **Income from other investments**

Income from other investments is accounted for on an accruals' basis. Any amount not received by the end of the financial year is disclosed in the Net Assets Statement under other investment balances.

- **Distributions from pooled funds**

Distributions from pooled funds are recognised at the date of issue. Any amounts not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

Annual Governance Statement

- To maximise efficiency and to enhance the user experience new technology has been installed in the Council Chamber and the main Committee Room to support the running of virtual and hybrid meetings. There is now a permanent facility for remote attendance by officers and non-voting members at meetings.
- The Council continues to press for the ability to hold remote meetings in some cases – for example short meetings of less significant committees where possible given the environmental, financial and time savings. Members are disappointed that we still do not have the Government's response to the consultation it undertook some time ago.
- The Council continues to assess the longer-term governance issues associated with the impact of the pandemic such as financial resilience, pausing of certain projects and long-term home working. The impact of longer-term home on team cohesion and the ability of trainees to learn

Ofsted and CQC Local Area SEND Inspection

The Ofsted revisit found that Essex had made sufficient progress in improving SEND services. Ofsted and the Care Quality Commission published their final report confirming the significant progress that Essex had made to address the areas of weakness previously identified in its SEND service offer. Key highlights from the report include:

- Better partnership working between health and education organisations, as well as increased oversight of joint SEND commissioning arrangements.
- Improvements in the accurate identification of SEND for children and young people.
- Progress made in the co-production of Education Health and Care plans across health, social care and education.

The revisit, which took place between 17 May 2022 and 19 May 2022, follows a previous inspection between 30 September and 4 October 2019.

Information Governance

There were three matters which members of the public referred to the Information Commissioner's office 2022/23. One was for an FOI, one for was for an EIR and the other was a Data Subject complaint. Only one (Data Subject complaint) was upheld. This is an increase from 21/22 where we received only one ICO complaint.

The Council has not recorded any major security incidents this year. There has been 15% reduction in the total number of security incidents recorded in 2022/23. However, there was an 8.8% increase in incidents which included personal data. This increase could be attributed to increased awareness which are staff have received throughout the year as more staff have now completed Information Governance eLearning.

Annual Governance Statement

and Corporate Affairs. The assessment of the authority against the FM Code, and development of the action plan will be completed on an annual basis as part of the budget setting process.

Local Government and Social Care Ombudsman (LGSCO)

Between 1 April 2022 to 31 March 2023 Essex County Council contact from the Local Government and Social Care Ombudsman (LGSCO) resulted in findings of fault or maladministration as listed in Annex 1. The ECC Customer Services team believes that in all cases the remedy was complied with and the action taken in response.

The Compliance and Complaints team continue to work compliantly with the Ombudsman's office, attend regular Ombudsman focus groups and where failings identified suggest suitable viable resolutions for consideration of the Ombudsman to warrant early conclusion of a formal investigation.

Health and Safety

During the financial year 2022/23 there were no improvement notices served on the Council.

In January 2019 a member of staff was knocked unconscious by a pupil at a community special school. ECC provided written submissions to the HSE in February 2021 and on 20 December 2021 asked for a review of the Fees For Intervention. The HSE concluded their review of the case in July 2022 and found that no further action was required. For this case the FFI totals £27,179.70 and ECC is in a formal dispute with HSE over the FFI.

ECC Owned Companies

ECC has interests in and is involved in companies for many different reasons. For example, to trade services for profit or to set up a joint decision-making forum with partners. The Council has adopted company guidance which sets out requirements about creating new companies or joining a new company. The creation of an ECC company is a significant step. No ECC company may be created or dissolved without a formal decision of the Cabinet or the Leader. ECC has a Shareholder Board Chaired by the Leader which oversees relationships with ECC companies, delivery of each ECC company's business plan, performance, financial issues, investments and governance arrangements.

In 2022 ECC took a decision to participate in Freeport East Limited by becoming a member of the company and appointing a director.

In early 2023 an application was made to close Essex Trade and Investment Limited. That application is currently out to public notice via Companies House

In 2022 ECC took a decision to cease trading of Essex Legal Services Limited. This was as a result of a significant increase in the cost of insurance experienced by all legal services provider and because virtually all the external work undertake can be done without needing to use the company. The

Annual Governance Statement

The external auditors for the 2022/23 financial year remains BDO LLP. The Council's External Auditor, BDO LLP (BDO) have reported a delay to completion of the audit of the Council's Accounts for 2020/21 and 2021/22. This is beyond the Council's control. This means that it is not yet possible to formally publish the statement of accounts for 2020 to 2021 and 2021 to 2022. The reasons for this delay have been reported to the Audit, Governance and Standards Committee and published on the website.

BDO consider that the accounts produced by ECC and the information which the Council has provided to them provided is of good quality. It is therefore very disappointing that there has been this delay and that ECC is not yet able to present final accounts to the Audit, Governance and Standards Committee or to the Council itself. This is a national problem and it is understood that very few authorities were able to publish their final accounts for 2020/21 or 2021/22 on time.

The external auditors for the 2022/23 financial year remains BDO LLP. From 2023/24 the external auditors will be Ernst and Young.

Previous governance matters arising

All actions identified in the 2021/22 Annual Governance Statement action plan have been adequately addressed, with implementation being reviewed by the Monitoring Officer and Corporate Governance Steering Board. Areas where actions are ongoing have been updated in the 2022/23 action plan.

Governance issues during 2022/23

The Council has successfully delivered an ambitious capital programme. However in recent years government has asked ECC to deliver more larger schemes. At present we have £500m of grant funding to deliver specific projects

- Harlow Sustainable Transport Package and new bridges over the river Stort.
- A133 to A120 Link Road near the proposed Tendring/Colchester Borders Garden Community
- Colchester Rapid Transit Scheme
- Beaulieu Park Station
- Chelmsford North Eastern Bypass

These schemes all involve significant construction and land acquisition costs as well as payments to statutory undertakers and rail operators. They are inherently risky schemes and subject to cost escalations and risk. These schemes have been regularly reported to Councillors and decisions have been taken at key gateway points based on reports.

Nonetheless, there have been significant cost escalations and delays. These can happen with any capital scheme but the combined size of the projects means that the overall risk is more significant than that which ECC is used to doing. This raises an issue as to whether we have the right resources, skills and

Annual Governance Statement

reporting lines in place to deliver the schemes as well as possible and ensure that Councillors and senior leaders have a complete and up to date picture so that the right mitigations can be put in place. We are taking urgent action to ensure that we do have the right resources and advice and reporting lines.

Action Plan

The actions detailed below are in place to maintain good governance arrangements throughout 2023/24, in addition ECC will monitor governance actions arising from the potential [devolution deal](#) for Greater Essex.

Subject	Action(s)	Responsible Officer	Target completion date
Governance	Conclude the review all ECC companies in line with the Local Partnerships Local Authority Company review guidance and implement actions arising.	Monitoring Officer	March 2024
Assurance	Implement actions identified as part of the 2022/23 Service Assurance Statement process.	CLT	March 2023
Governance	Review monitoring and reporting and capacity surrounding major capital schemes.	CLT	September 2023

We have been advised on the outcome of the result of the review of the effectiveness of the governance framework and consider that the arrangements provide satisfactory assurance and continue to be regarded as fit for purpose in accordance with the governance framework. We are committed to monitoring the implementation of the action plan, via the Corporate Governance Steering Board, as part of the next annual review.



Cllr Kevin Bentley
(Leader of the Council)



Gavin Jones
(Chief Executive)

Annual Governance Statement

Annex 1 – List of upheld LGO complaints in 2022/23

Case ID	Date	Service	Statement
21 004 607	04/04/2022	Education	Summary: Mr and Mrs F complain the Council has failed to provide suitable alternative education to their son (Child X) who could not attend his primary school due to his special educational needs. Further, they say the Council has not reviewed Child X's Education and Health Care Plan (EHCP) so that he could effectively transition to secondary school. We found the Council failed to provide alternative education for Child X while he was unable to attend primary school. The Council also failed to amend Child X's EHCP in good time so that he could attend secondary school. The Council's proposed transition arrangements for Child X were not appropriate for him and it has not provided suitable alternative education to him for this period also. These failings have caused Child X and both Mr and Mrs F serious loss, harm and distress. The Council has agreed to my recommendations to remedy this.
21 017 649	06/04/2022	Education	Summary: We will not investigate this complaint about an Education, Health and Care Plan. This is because we are satisfied with the actions the Council have taken and have proposed to take.
21 010 309	19/04/2022	Adult Social Care	Summary: Mr X complained the Council failed to clearly communicate or respond properly to his queries about the payment arrangements for his late mother, Mrs Y's care. The Council was at fault. There were errors in communication around Mrs Y's finances, delays in responding to his complaint, and it failed to keep Mr X updated about Mrs Y's care. The Council has agreed to apologise and pay Mr X £200 to acknowledge the uncertainty and frustration this caused. It has agreed to review its procedures to prevent a recurrence of the faults.
21 008 023	08/05/2022	Education	Summary: Miss X complained that the Council failed to consider her application and appeal for home to school transport for her 16-year-old son properly. There was fault in the way the Council considered the matter as it did not look at whether in all the circumstances of the case it was necessary to offer help with transport. Nor did it explain how it measured distances. The Council has agreed to review the decision and its post-16 transport policy.

Annual Governance Statement

Case ID	Date	Service	Statement
21 012 257	19/05/2022	Adult Social Care	Summary: Mrs B complained about the action the Council when her mother Mrs C was discharged from hospital and needed care. We found the Council at fault for failing to communicate with the family when Mrs C went into hospital, for failing to give clear and complete information about who would pay for the care and for delaying in carrying out a reassessment. But we consider the Council's actions in apologising and commissioning the care for 33 weeks is a reasonable way of putting matters right.
21 013 933	24/05/2022	Education	Summary: Mr B complained that the Council delayed in arranging college transport for his son C and failed to inform him when the transport was cancelled on two occasions at short notice. We found the Council at fault and welcomed its offer to Mr B of £238 in mileage costs. The Council has agreed to pay an additional £250 to recognise the distress and time and trouble caused.
21 013 721	24/05/2022	Registration	Summary: Ms X complains the Council has not dealt with her mother's death properly. The Council is at fault because it did not provide information, delayed sending the death certificate and did not respond to Ms X's complaint clearly. The Council has agreed to apologise to Ms X, pay Ms X £175, provide information, provide guidance to staff and review its complaint responses.
21 005 643	25/05/2022	Education	Summary: Mrs X complained about the Council's handling of her daughter, Y's, Education Health and Care plan, and its failure to ensure Y received a suitable education. The Council was at fault for a significant delay in finalising Y's plan, a delay in consulting the family's preferred school, and a failure to check whether the education Y was receiving at home whilst a suitable school was identified was suitable. I have recommended it pay Mrs X £1,800 to remedy the costs of educating Y at home for a longer period due to the delays and to recognise the educational opportunities Y missed out on. It should make changes to its processes to prevent recurrence of the faults.
21 013 609	26/05/2022	Adult Social Care	Summary: Mrs M complained to us about the way in which the Council has calculated the contribution her daughter has to make towards the cost of her care, and the way in which it has communicated about this. We found fault with regards to the actions of the Council, which the Council has agreed to remedy.
21 011 373	29/05/2022	Coroner	Summary: Mr X complains the Council has not dealt with his father's death properly. The Council is at fault because it did not provide information, took too long to allocate a Coroner's Officer and did not offer the opportunity to view the body. The Council has agreed to apologise to Mr X, pay Mr X £100, provide information and provide guidance to staff.

Annual Governance Statement

Case ID	Date	Service	Statement
21 013 183	07/06/2022	Education	Summary: Mrs X complained the Council has failed to properly manage her son's EHCP review and delayed in issuing an amended plan. She states this has negatively impacted on her son's education and led to him missing school. Mrs X also complained her son has been illegally excluded from school on three occasions over the last 12 months and that the Council has failed to provide suitable alternative provision. The delays in annual review process and in issuing a final EHC plan amount to fault. As does the failure to provide suitable alternative education between November 2021 and April 2022. This fault has caused Y and Mrs X an injustice.
21 005 470	13/06/2022	Education	Summary: Mrs B says the Council failed to put in place alternative education provision for her son despite agreeing his placement was no longer appropriate for him. There were some delays by the Council ensuring the school put in place alternative provision and some communication issues with Mrs B. An apology to Mrs B and her son and payment to Mrs B is satisfactory remedy.
21 000 724	23/06/2022	Education	Summary: Mr G complains the Council has failed to provide his daughter (Child X) with physiotherapy provision, as required by her Education and Health Care Plan. We found the Council has fallen significantly short of providing the provision Child X is entitled to receive by law. Further, the evidence shows a fundamental lack of management and oversight by the Council in relation to securing Child X's education provision. We consider the failings identified have caused both Child X and Mr G a serious injustice. The Council has agreed to our recommendations to remedy this.
21 009 402	19/07/2022	Education	Summary: Mr Y complains about the Council's refusal to provide transport assistance for his daughter, W, to attend her nearest available secondary school. We find the Council at fault for not properly considering W's case. In particular, that there was no closer school she could attend due to her status as a late applicant and furthermore for not properly exploring the circumstances around the family's reasons for applying late. The Council will apologise, re-take its decision and amend its Education Transport policy.
21 016 352	07/08/2022	Education	Summary: Miss X complained about the Council's delay in completing an Education, Health and Care Plan review for her son, Y, causing them distress and uncertainty. We found the Council at fault. We recommended it apologise to Miss X; pay her £300 for distress and uncertainty; pay her £100 for time and trouble and; complete Y's EHCP review.

Annual Governance Statement

Case ID	Date	Service	Statement
21 018 413	15/08/2022	Children & Families	Summary: Mrs Y complained about the Council’s decision to end her foster son, X’s staying put arrangement with her and Mr B. She said the Council failed to take proper account of X’s mental health and need for support. We find the Council was at fault for failing to communicate with Mrs Y and Mr B and failing to include all required information in the arrangement. This led to Mrs Y and Mr B feeling unsupported by the Council. We make several recommendations to address the injustice caused by fault.
21 016 616	23/08/2022	Highways	Summary: the Council failed to take action to deal with flooding of Mr C’s road and failed to give him any information about what action the Council was considering. An apology and payment to Mr C, assessment of the case and training for officers is satisfactory remedy.
21 008 070	09/10/2022	Adult Social Care	Summary: Mr L complained about the way the Council supported his son, Mr X’s care needs. Mr L said the Council failed to meet Mr X’s care needs and failed to meet his, and his wife’s needs as carers. The Council delayed in assessing the care and support needs and failed to provide supported living when Mr and Mrs L said they could no longer care for Mr X. The Council agreed to arrange appropriate alternative accommodation for Mr X. It agreed to pay Mr X £500, and Mr and Mrs L £3,000 to recognise the distress and additional strain caused to them over a prolonged period as a result of the faults.
22 001 277	24/10/2022	Highways	Summary: Mr X complains the Council has unreasonably refused his application for a dropped kerb. We find the Council was at fault for failing to consider whether there were any exceptional circumstances. The Council has agreed to reconsider Mr X application and exceptional circumstances and improve its services to prevent this fault from reoccurring.
22 002 274	26/10/2022	Highways	Summary: The Council was at fault for the time taken to resolve Mr X’s concerns about a drain flooding and causing damage to his property. The Council agreed to apologise to Mr X for the time taken to resolve the issue and pay him £200 for the frustration and inconvenience caused.
21 017 671	31/10/2022	Highways	Summary: Mr D complains the Council located a bus stop near his home. The Ombudsman has found fault because the Council has not evidenced how it considered the bus stop application. The Ombudsman has upheld the complaint and completed the investigation: the Council agreed to review the case and improve procedures for the future.

Annual Governance Statement

Case ID	Date	Service	Statement
21 016 894	31/10/2022	Education	Summary: Mrs X complained the Council failed to properly deal with her application for an EHC plan for her daughter. We found the Council's initial decision not to carry out an EHC assessment was one it was entitled to make. While the EHC took too long to issue, the impact of this was negated by the Council's agreement to revisit the assessment without the need for the family to appeal. We found there was fault in respect of a school transport issue and in communication about consultations. We also found some issues with the EHC drafting constituted fault. We recommended a remedy for the impact of these issues.
22 000 381	16/11/2022	Education	Summary: Miss X complained the Council failed to ensure her son, C, received the provision outlined in his Education, Health and Care Plan. Further she says the Council delayed issuing an amended Plan. We find the Council was at fault for failing to provide some of the agreed provision and delaying issuing an amended Plan. The Council has agreed to make a financial payment to recognise the injustice caused.
22 000 336	18/11/2022	Education	Summary: Mr B complained the Council's transport provider repeatedly failed to transport his disabled son to school, and the Council failed to properly respond to his complaints. We found the Council caused a service failure as it failed its duty to ensure Mr B's son was transported to school in line with his special educational needs. The Council agreed to apologise to Mr B and make payment to remedy the injustice this caused him and his son.
22 007 473	22/11/2022	Children & Families	Summary: We have upheld this complaint because the Council delayed consideration of a complaint at stage two of the children's statutory complaints procedure. The Council has now agreed to resolve the complaint by completing its stage two investigation and providing an appropriate remedy for the injustice caused to the complainant by its delay.
22 011 153	25/11/2022	Children & Families	Summary: We uphold Ms X's complaint that the Council has failed to reply to her complaint within its Children Act statutory complaints' procedure. The Council has agreed to now complete the procedure.
22 011 140	21/12/2022	Adult Social Care	Summary: We will not investigate this complaint about deprivation of assets to avoid care charges. That is because we are satisfied with the action the Council has agreed to take.

Annual Governance Statement

Case ID	Date	Service	Statement
21 010 544	22/12/2022	Adult Social Care	Summary: Ms Y complained on behalf of Mr and Mrs X that the Council stopped face-to-face contact with their son, Mr Z, failed to keep that decision under review and did not provide Mr and Mrs X with accurate updates as agreed. The Council was not at fault for stopping face-to-face contact at the start of the pandemic. However, it was at fault from June 2020 when it failed either to restart contact or apply to the Court of Protection for a variation to the contact arrangements. This also meant it failed to have due regard for Mr and Mrs X's human rights. This caused Mr and Mrs X distress and frustration. The Council has agreed to pay them X £300 to remedy this injustice. There was no fault in the updates Mr and Mrs X received.
21 016 639	05/01/2023	Adult Social Care	Summary: Ms X complained on behalf of her father, Mr Y, about the Council-commissioned home care provided to him at weekends. Ms X says the care provided at weekends was rushed and caused harm to Mr Y. We found fault by the Council and the Council has agreed to apologise to Mr Y and review the charges made by the care provider.
22 010 085	10/01/2023	Adult Social Care	Summary: We have found fault by the Council in the process of transferring Mr Y's direct payment which caused his mother Ms X avoidable distress and time and trouble complaining. We have not found fault in the process of assessing Mr Y's charge. The Council will apologise and pay Ms X £150 to reflect the injustice.
22 002 223	13/01/2023	Education	Summary: Mrs X complained about the Council not delivering specialist services outlined in her son's Education, Health and Care Plan since September 2020. We have found fault because the Council has failed to deliver specified provision. Mrs X has suffered avoidable frustration and distress in getting the issues resolved and her son has missed services he should have received. To remedy the injustice caused by this fault, the Council has agreed to apologise to Mrs X and Mr Y, make a payment to Mrs X and organise the provision Mr Y has missed.
22 009 279	26/01/2023	Environment	Summary: We will not investigate Mr X's complaint about the Council's creation of a temporary compound on land near his home as the matter has not caused significant injustice. We cannot investigate Mr X's concerns about the costs of a flood defence project as the matter falls outside our jurisdiction and any complaint about the decision to grant planning permission for the compound concerns the actions of the local planning authority.

Annual Governance Statement

Case ID	Date	Service	Statement
22 006 997	27/01/2023	Education	Summary: Mr X complains about the Council's delay in assessing his son's special educational needs and issuing an Education, Health and Care Plan. The Council was at fault. It has agreed a suitable remedy to recognise the loss of education and support and the unnecessary distress and anxiety caused.
22 010 021	30/01/2023	Children & Families	Summary: Ms X complained the Council failed to provide her with appropriate support when she agreed to care for her grandchild, F, between 2017 and 2020. The Council upheld Ms X's complaints after investigating them under the statutory children's complaints procedure. The Council failed to provide her with relevant support or explain the implications of caring for F under a private arrangement. The Council agreed to pay Ms X £1000 to recognise the distress and uncertainty caused to her as well as the further £1000 it has already offered to cover reasonable expenses. It also agreed to carry out service improvements.
22 006 358	03/02/2023	Education	Summary: We have partly upheld Ms X's complaint about a failure to secure educational provision for her son Y and about infrequent consultations with potential schools in 2022. The Council will apologise and make a payment to reflect lost provision.
22 013 530	16/03/2023	Adult Social Care	Summary: We have not investigated most of Mrs X's complaints about her relative Mrs Y's care because there is not enough evidence of fault or they are late. We have upheld one complaint about Mrs Y's footcare because the Care Home did not take adequate steps to liaise with the family to ensure Mrs Y had enough money to pay for the chiropodist. This meant she missed out on treatment for her toenails. The Council will apologise and take action described in this statement.

Annual Governance Statement

Annex 2 – List of ECC companies

Name and date of incorporation	Main Objective	Type of Organisation/ ECC Involvement	Company Directors/ Secretaries / Others Connected with ECC	Arrangements for publication of Board Minutes
Active Essex Foundation 21 April 2016	To make sport and physical activity accessible to all Essex residents.	Charitable incorporated organisation. ECC is a subscriber, entitled to appoint one director.	Cllr Ray Gooding Jason Fergus	https://www.activ.essex.org/about-us/board-documentation/
ECL Trading Limited 10 February 2014	To carry on business as a general commercial company.	Private limited company. Wholly owned subsidiary of Essex Cares Ltd.	Essex Legal Services Limited (Secretary)	
Essex Cares Limited 14 October 2008	To deliver high quality community support services to vulnerable, disabled, disadvantaged and elderly people in the community to help them live independent lives.	Private limited company. ECC sole shareholder.	Essex Legal Services Limited (Secretary) Cllr Ian Grundy	
Essex Community Support Limited 16 October 2008	Other social work activities without accommodation.	Private limited company. Wholly owned subsidiary of Essex Cares Ltd.	Essex Legal Services Limited (Secretary)	
Essex Employment and Inclusion Limited 16 October 2008	Offers a fully supported employment service to assist working age adults to secure paid employment.	Private limited company. Wholly owned subsidiary of Essex Cares Ltd.	Essex Legal Services Limited (Secretary)	
Essex Equipment Services Limited 16 October 2008	Offers equipment, aids to daily living, adaptations and telecare that aim to support mobility and safety to people in their own homes.	Private limited company. Wholly owned subsidiary of Essex Cares Ltd.	Essex Legal Services Limited (Secretary),	

Annual Governance Statement

Name and date of incorporation	Main Objective	Type of Organisation/ ECC Involvement	Company Directors/ Secretaries / Others Connected with ECC	Arrangements for publication of Board Minutes
Essex Housing Development LLP 26 August 2020	To develop housing, which will deliver economic growth for the benefit of the area or persons resident or present in the Essex area. Following development of the schemes, the LLP will either sell the units on the open market or rent them out.	LLP - constitution is set out in the LLP Agreement between ECC, Seax Trading Limited and Essex Housing Development LLP.	Essex County Council (LLP Designated Member) Seax Trading Limited (LLP Designated Member)	
Essex Legal Services Limited 3 December 2009	To provide legal services.	Private limited company by shares. ECC is the only shareholder. This Company has ceased to trade as a change in the attitude of the Solicitors Regulatory Authority and general market increases in insurance costs means it is no longer required.	Katie Whall Joanna Gent Susan Moussa	
Essex Trade and Investment Ltd 9 June 2009	The purpose of the company is to promote commerce, science, art, education, religion, charity or any profession and to promote social, political or sporting activity.	This company is in the process of being dissolved as it is no longer required.	Mark John Doran Peter James Manning	
Exwaste Limited 30 July 1991	To be a vehicle for waste disposal.	Private limited company by shares. ECC is a shareholder.	Essex County Council (Secretary) Samantha Jayne Kennedy	
Medtech Accelerator Limited	The Medtech Accelerator will provide initial proof of concept support funding to NHS organisations with the aim of developing	Private limited company. ECC is a minority shareholder.	Christine Golding Nicole Wood	

Annual Governance Statement

Name and date of incorporation	Main Objective	Type of Organisation/ ECC Involvement	Company Directors/ Secretaries / Others Connected with ECC	Arrangements for publication of Board Minutes
24 June 2016	commercial companies to deliver innovative clinical products to market.			
Seax Trading Limited 10 January 2017	Environmental consulting	Private limited company. ECC is the only Shareholder.	Tina French	
South East LEP limited 2 March 2020	To ensure the survival and stability of our economy in the short term and to drive sustainable economic renewal and growth in the medium to long term.	Private company limited by guarantee without share capital.	Cllr Kevin Bentley Cllr Graham Butland (appointed by Braintree DC)	EssexCmis5 > Committees > SELEP Accountability Board
Veolia Pitsea Marshes Maintenance Trust 13 March 2000	To provide for the maintenance and upkeep of former landfill site as a public open space, once landfilling has ceased and the contractor has carried out his statutory duties.	Company is limited by guarantee. Registered charity. ECC has one trustee out of six.	Essex County Council	
Freeport East Limited	To facilitate and support the running of Freeport East	Company is limited by guarantee.	Cllr Lesley Wagland	

Annual Governance Statement

Annex 3 – Governance issues arising in subsequent years

Although the Annual Governance Statement relates to the governance system in place during 2022/23, the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom requires the reporting of significant events and developments relating to governance that have occurred between 31 March 2023 and the date on which the 2022/23 Statement of Accounts was certified by the Executive Director, Corporate Services, which took place in October 2024.

The delay in the re-confirmation of the Statement of Accounts for 2022/23 was occasioned by the delay in completing the audit of the accounts for 2022/23. This audit was completed in October 2024.

Capital Expenditure

The Council has successfully delivered an ambitious capital programme. However, in recent years government has asked ECC to deliver more larger schemes. At present we have around £500m of grant funding to deliver specific projects:

- Harlow Sustainable Transport Package and new bridges over the river Stort.
- A133 to A120 Link Road near the proposed Tendring/Colchester Borders Garden Community
- Colchester Rapid Transit Scheme
- Beaulieu Park Station
- Chelmsford North-Eastern Bypass

These schemes all involve significant construction and land acquisition costs as well as payments to statutory undertakers and rail operators. They are inherently risky schemes and subject to cost escalations and risk. These schemes have been regularly reported to Councillors and decisions have been taken at key gateway points based on reports.

Nonetheless, there have been significant cost escalations and delays. These can happen with any capital scheme but the combined size of the projects means that the overall risk is more significant. There were two limited assurance audits reported to the Audit, Governance and Standards Committee in 2023/24 on Beaulieu Park Station and the Chelmsford North-Eastern Bypass. Actions to address the audit recommendations are ongoing into 2024/25.

The risk position continues to be significant, although it is improving as a result of agreements being reached with landowners and as things have progressed. There are still significant construction risks in all projects and land ownership risks in all projects, particularly viewed against the background of inflation.

Annual Governance Statement

Social Media Etc Payments

In February 2024 Full Council referred a matter to the Audit, Governance and Standards Committee regarding payments in the Strengthening Communities Team in Public Health, mainly for social media expenditure during the pandemic. While most of the payments in scope were made in 2020 and 2021, some payments were made in 2023/24. Concerns were raised in 2021 and there was a response at the time. The Council had already published a significant amount of data on this topic following a number of information requests. The Committee met to consider this in April 2024 and a further report will be published when the Committee has concluded its consideration of this matter.

Update: The Committee's report on this subject was published in August 2024 and is available here: <https://www.essex.gov.uk/sites/default/files/2024-08/Public%20AGS%20Report%20into%20Social%20Media%20Issues.pdf>

The recommendations are being implemented.

SEND

The [People and Families Scrutiny Committee](#) held two detailed public sessions looking at the demand pressures, capacity, and sufficiency in relation to the local SEND (special educational needs and disabilities) system. The extent of issues raised has led the Committee Members to decide to establish a Task and Finish Group to look at some aspects in more detail.

During most of the 2023/24 financial year the Council met the statutory deadline for putting an ECHP in place in approximately 1% of cases. There is a national issue, but it is the case that performance in Essex is statistically below other areas. There has been some improvement, and work is ongoing to improve performance.

Independent Auditor's Report 2022/23

Independent Auditor’s Report

Independent Auditor’s Report to Members of Essex County Council

Opinion on the financial statements

We have audited the financial statements of Essex County Council (“the Council”) and its subsidiaries (“the group”) for the year ended 31 March 2023 which comprise the Council and group Comprehensive Income and Expenditure Statement, the Council and group Movement in Reserves Statements, the Council and group Balance Sheets, the Council and Group Cash Flow Statements and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2023 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the group as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion on the financial statements

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the National Audit Office in November 2024 (“Code of Audit Practice”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of Essex County Council (“the Council”) in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director Corporate Services’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council’s ability to continue as a going concern for a period of at least twelve months from when the

Independent Auditor's Report

financial statements are authorised for issue. Our responsibilities and the responsibilities of the Executive Director Corporate Services with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Director Corporate Services is responsible for the other information. The other information includes all other information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We are required by the Code of Audit Practice to report to you if we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in this regard for the year ended 31 March 2023.

We have nothing to report in respect of the following other matters which the Code of Audit Practice requires us to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement is not misleading or inconsistent with other information that is forthcoming from the audit;
- we issue a report in the public interest under section 24 of the Act in the course of, or at the conclusion of the audit;
- we designate under section 24 of the Local Audit and Accountability Act 2014 any recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or

Independent Auditor's Report

- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

Responsibilities of the Executive Director, Corporate Services and Essex County Council

As explained more fully in the statement of the Executive Director Corporate Services' Responsibilities, the Executive Director Corporate Services is responsible for the preparation of the Statement of Accounts which comprises the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that the financial statements give a true and fair view and for such internal control as the Executive Director Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director Corporate Services is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council intends to cease operations or has no realistic alternative but to do so.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our procedures included the following:

- enquiring of officers and those charged with governance, including obtaining and reviewing supporting documentation in respect of the Council's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Council's controls relating to Managing Public Money requirements;
- reviewing the activity and reporting of the Council's Counter Fraud Team;
- discussing among the engagement team and involving relevant internal and or external specialists, including an independent review partner, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: revenue recognition, expenditure recognition, and posting of unusual journals;
- obtaining an understanding of the Council's framework of authority as well as other legal and regulatory frameworks that the Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council. The key laws and regulations we considered in this context include:
 - Local Government Acts of 1972 and 2003;
 - Local Government Finance Acts of 1988, 1992 and 2012;
 - Local Government and Housing Act 1989
 - International accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21;
 - Local Audit and Accountability Act 2014;
 - Accounts and Audit Regulations 2015;
 - VAT legislation;
 - PAYE legislation;

Independent Auditor's Report

In addition to the above, our procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council, in respect of its management of the Council, has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Independent Auditor's Report

Auditor's other responsibilities

As set out in the Matters on which we are required to report by exception section of our report there are certain other matters which we are required to report by exception.

Certificate of completion of the audit

We certify that we have completed the audit of the accounts of the Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in the Responsibilities of the Audited Body and Responsibility of the Auditor within Chapter 2 of the Code of Audit Practice. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Ciaran McLaughlin, Key Audit Partner
For and on behalf of BDO LLP, Local Auditor
Ipswich, UK

13 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Independent Auditor's Report

Independent Auditor's Report to Members of Essex Pension Fund

Opinion on pension fund financial statements

We have audited the pension fund financial statements of Essex County Council ("the pension fund") for the year ended 31 March 2023 which comprise the fund account, the net asset statement and notes to the pension fund financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the pension fund financial statements is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2023 and the amount and disposition of the fund's assets and liabilities as at 31 March 2023, other than the liabilities to pay pensions and other benefits after the end of the scheme year; and
- have been properly prepared in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Basis for opinion on the financial statements

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the National Audit Office in November 2024 ("Code of Audit Practice") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the pension fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director Corporate Services' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent Auditor's Report

Our responsibilities and the responsibilities of the Executive Director Corporate Services with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Director Corporate Services is responsible for the other information. The other information comprises all other information included in the Statement of Accounts, other than the pension fund financial statements and our auditor's report thereon. Our opinion on the pension fund financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the pension fund financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the pension fund financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Executive Director for Corporate Services and Essex County Council ("the Council") as administering authority of the pension fund

As explained more fully in the Statement of the Executive Director Corporate Services' Responsibilities, the Executive Director Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that the financial statements give a true and fair view and for such internal control as the Executive Director Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the pension fund financial statements, the Executive Director Corporate Services is responsible for assessing the pension fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council intends to wind up the scheme or has no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the pension fund financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our procedures included the following:

- enquiring of officers and those charged with governance, including obtaining and reviewing supporting documentation in respect of the pension fund's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the pension fund's controls relating to Managing Public Money requirements;
- reviewing the activity and reporting of the Council's Counter Fraud Team;
- discussing among the engagement team and involving relevant internal and or external specialists, including an independent review partner, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: posting of unusual journals, misappropriation of assets (investments and member benefits) and pension scams (transfers out to inappropriate or unapproved arrangements);
- obtaining an understanding of the pension fund's framework of authority as well as other legal and regulatory frameworks that the pension fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the pension fund. The key laws and regulations we considered in this context include:
 - Public Service Pension Act 2013
 - Local Government Pension Scheme Regulations 2013 (as amended)
 - Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

Independent Auditor's Report

- Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016
- International accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23;
- Local Audit and Accountability Act 2014;
- Accounts and Audit Regulations 2015;

In addition to the above, our procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Cabinet; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report

Use of our report

This report is made solely to the members of Essex County Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in the Responsibilities of the Audited Body and Responsibility of the Auditor within Chapter 2 of the Code of Audit Practice. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Ciaran McLaughlin, Key Audit Partner
For and on behalf of BDO LLP, Appointed Auditor
Ipswich, UK

13 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).