

Minutes of the Meeting of the Standards and Audit Committee held on 7 July 2022 at 7.00 pm

Present: Councillors Elizabeth Rigby (Chair), Augustine Ononaji (Vice-Chair), Adam Carter, Steve Liddiard, Kairen Raper and Graham Snell

Charles Clarke, Co-Opted Member
Lisa Laybourn, Co-Opted Member

In attendance: Matthew Boulter, Democratic Services Manager and Deputy Monitoring Officer
Rachel Brittain, Binder Dijke Otte (BDO)
Nicholas Coker, Intelligence Manager & Senior Appropriate Officer, Counter Fraud
Andy Owen, Corporate Risk and Insurance Manager
Jonathon Wilson, Assistant Director, Finance
Jenny Shade, Senior Democratic Services Officer

Before the start of the Meeting, all present were advised that the meeting was being recorded, with the recording to be made available on the Council's website.

1. Minutes

Minutes of the Standard and Audit Committee held on the 10 March 2022 were approved as a correct record.

2. Items of Urgent Business

There were no items of urgent business.

3. Declaration of Interests

There were no declarations of interest.

4. Regulation of Investigatory Powers (RIPA) - Activity Report 2021/22

The report presented provided members with an update on the usage and activity of RIPA requests during the period 1 April 2021 to 31 March 2022. Members were also presented with the refreshed RIPA Policy.

Councillor Ononaji referred to the minutes of the last committee and to his comment made on page 6 of the agenda in regard to "low number of complaints in 2020/21" and again with no recorded complaints for 2021/22 questioned the consistency behind the low numbers. Nick Coker stated that where possible it was to try and keep this figure as low as possible and as

there had been no replications this was a testament that other investigation methods were being employed.

Councillor Ononaji stated the Standard and Audit Committee should be privy to data information when in relation to the prevention of crime to which Nick Coker stated the report on fraud this evening would provide more details for members on the statistics provided for the Counter Fraud Investigation Team and there was a requirement from the surveillance commission to bring the RIPA report to this committee. Councillor Ononaji stated that hopefully the committee would see some improvements to show that the RIPA policies were being implemented properly. Nick Coker stated the use of direct surveillance would be avoided as much as possible, so that was why the figures remained low and was testament to the other investigative methods used.

Councillor Rigby asked what the alternatives were of the less non-intrusive methods being used to which Nick Coker stated a lot of investigations could be resolved without the use of direct surveillance, a lot of economic crime, insider threats and housing fraud cases could be resolved by reviewing council records, records held by external agencies and partners, speaking to individuals involved and avoiding the need to utilise legislation such as RIPA.

Councillor Carter referred to page 18, paragraph 3.1.4 of the agenda and questioned whether there was any reason for the drop of requests made to the National Anti-Fraud Network in 2021/22 when compared to 2020/21. Nick Coker stated that due to how some of that work was now undertaken had sat around the COVID pandemic and there had been a significant drop in the type of investigations that would normally have been conducted and by some of the restrictions that had been put in place by Government.

RESOLVED

Noted the statistical information relating to the use of RIPA for the period 1 April 2021 to 31 March 2022.

5. Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework

The report presented provided members with details of how the Council's Risk and Opportunity Management arrangements compared against good practice, outlined the current activity, the proposals to maintain and improve the practice across the organisation and included the updated Policy, Strategy and Framework.

Councillor Raper referred to paragraph 2.4 of the report and asked for clarification on who would pose and respond to those questions to which Andy Owen stated this model was devised by CIPFA with about 39 questions with strands of various sections, CIPFA posed the questions, he would undertake the answers as part of a self-assessment against the model, the result would then be shared with the performance and director boards to which information

and further feedback from those areas, would in turn be put into the model and results would be produced. Andy Owen stated the last audit report had ran on a similar model and produced similar results.

Lisa Laybourn referred to paragraph 3.1 of the report, evaluation of results, and stated the results were positive but noted there had not been much progress between 2020 and 2021. She questioned whether there was an ambition to reach Level 5 and whether these were supported by actions over time and if so, were they being monitored. Andy Owen stated the council was doing well to maintain Level 4 and to reach Level 5 would take some resource on capacity and as the Risk Manager would take up a lot of his time, but work could be undertaken with the performance and director boards to make those improvements. Andy Owen agreed that a further review against the model could be undertaken to understand what more could be done to get to Level 5, probably not possibly to obtain this year but to put in a medium-term plan to get to that level.

RESOLVED

- 1. That Standards and Audit Committee noted the results of the review, the current ROM activity and proposals to maintain and improved the practice across the organisation.**
- 2. That Standards and Audit Committee noted and approved the updated ROM Policy, Strategy and Framework.**

6. In Quarter 4 (2021- 22) Review of the Strategic / Corporate Risk and Opportunity Register

The report presented provided the Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/ Corporate Risk and Opportunity Register.

Lisa Laybourn questioned whether the ratings had been based on impact to which Andy Owen referred Members to Appendix 3 of the report that outlined the current criteria for impact or likelihood on how the items were rated. A discussion took place on the risk scoring and concluded that the risk scoring in the report we're the revised residual risks after any appropriate controls had been applied.

RESOLVED

- 1. That the Standards and Audit Committee noted the items and details contained in the Dashboard (Appendix 1).**
- 2. That the Standards and Audit Committee noted the 'In Focus' report (Appendix 2), which highlighted the higher priority items identified by the review.**

7. Audit Progress Report for 2020/21 External Audit

The report presented detailed the progress of the audit for 2020/21 financial statements. It was noted that much of the audit field work had been substantially completed with most areas of the audit being progressed. However much of the audit work was pending a review by the audit manager and audit engagement lead. With the appointment of a new audit team member to undertake the day-to-day management of the audit and to oversee the review and completion of audit procedures, audit work would restart in July with the expectation it would be completed by the end of September and to be reported to this committee in October 2022. Thurrock's audit delay was in line with the national issue being raised by Government who were taking action to get the timeliness of local audit back on track.

Councillor Carter referred to paragraph 3.3, appointment of a new audit team member, of the report and questioned when that position had been filled to which Rachel Brittain stated they had started on Monday, 4 July.

Councillor Ononaji questioned how much progress had been made since the last report in March 2022 to which Rachel Brittain stated no progress had been made as that key person had not been in post and this had been the first opportunity for someone to be made available to start this work. Councillor Ononaji highlighted the importance of the work to be undertaken and questioned whether the right tools and resources were in place to complete this work to which Rachel Brittain stated they were trying to recruit and fill vacancies in a more innovative way. Explained the audit market was a tough market at this time to recruit with lots of competition for each of their vacancies. They were looking at different solutions, looking at using overseas staff, had a centre of excellence which had been set up in South Africa but tended to be more junior grades. The position that needed to be replaced was a key senior member of the team and required public sector experience to be able to do a good job. Councillor Ononaji questioned when progress would be made to which Rachel Brittain stated she hoped to bring the audit completion report to the October committee, at that point the audit should be finished.

Charles Clarke referred to the recently closed consultation and that the audit could not be signed off without the completion or the final result, questioned whether the October date proposed was subject to that consultation to which Rachel Brittain confirmed that was vital before she could sign off, there may be some additional work, but confirmed to be able to do this within the timeline proposed. Charles Clarke questioned whether this would give the committee the guarantee that come October all 21 audits would be completed and would be looking at the next year's audit to which Rachel Brittain stated this would be achievable, unless any unexpected issues arose, to be finalised in that timeline.

Lisa Laybourn asked for some clarification on how the open consultation would impact the prior period to which Rachel Brittain stated the issues were with infrastructure assets, in the way they are accounted for and the fact that quite often those assets would be added to and then not written off.

Therefore, there was a potentially issue on the balance sheet where both the asset and the depreciation would be overstated, but the net position would probably be right. Confirmed that the consultation had gone out therefore any changes made would apply retrospectively so that there were not any issues over comparatives.

Councillor Rigby referred to the objection to the financial statements and questioned whether this had delayed the work that was on going to which Rachel Brittain stated there would be additional work to be undertaken that would need to be carried out on the final accounts to address this objection but confirmed that this had not delayed the process.

Councillor Rigby questioned whether the staff crisis would be better managed going forward to which Rachel Brittain stated there were still vacancies within the team but were actively looking at different ways to recruit, there was a significant backlog that needed to be caught up on but was confident they had sufficient number of staff to get these completed.

RESOLVED

That the Standards and Audit Committee noted the progress of the external auditors in completing the audit of 2020/21 financial statements.

8. Ethical Standards Report

The report presented asked the committee to recommend to Council that the Local Government Association's (LGA) model Councillor Code of Conduct and the Social media policy for Members were adopted. The committee was asked to consider the LGA's Guidance on Member Code of Conduct Complaints Handling.

Councillor Snell referred to page 132, sanctions, of the report and questioned whether in the report there was a trigger point when a Member may have taken a step too far. Mathew Boulter stated the Monitoring Officer would be the gatekeeper for the complaints service and would need to attend this committee to ask members for advice and guidance regarding any sanctions as part of a member advisory group. The Monitoring Officer would make an assessment of any trigger and concluded that if a members behaviour needed some form of sanction it would need to come to that advisory group for investigation.

Councillor Ononaji questioned whether the Policy was here this evening for the committee to agree for it to be adopted to which Mathew Boulter stated the Local Government Association had issued a revised version of the policy with a few additions and amendments, these can be added to the council's latest edition to bring that in line with what the Local Government Association had suggested as a model code. Councillor Ononaji questioned whether this policy had been shared with all 49 members to which Matthew Boulter stated the Code of Conduct Report would be presented to Full Council in due course to be signed off.

Councillor Carter thanked Matthew Boulter for the social media guidelines prepared and thanked him for the very good report.

Councillor Rigby referred to Sanctions in the report and that none of them had mentioned suspension of a councillor and this would only take place if a member committed a criminal offence would they then be disqualified. She asked for clarification that if a member broke the code of conduct, they would still be able to act as a councillor but not sit on any committees to which Matthew Boulter stated that was correct unless they broke the law and stated that political party discipline would kick in at some point if a member were to breach something significant. Also, an advisory group could look at what sanctions could be put in place for any such breach.

RESOLVED

- 1. The committee recommended to Full Council the adoption of the Local Government Association Model Councillor Code of Conduct as set out in Appendix 1.**
- 2. The committee considered and recommended to Full Council the adoption of the Social Media policy for Members as set out in Appendix 2.**
- 3. The committee considered the LGA's Guidance on Member Code of Conduct Complaints Handling and that the Monitoring Officer revises the Council's existing arrangements to reflect best practice.**

9. Complaints received under Members' Code of Conduct

The report presented set out details of complaints against Members of the council received during the municipal year 2021/22.

Councillor Snell questioned whether there had been an incidence when a complaint about a member was dealt with without that member ever finding out to which Matthew Boulter stated the complaints in the report were formal complaints which had been assessed against the seven Nolan principles. As Monitoring Officer, he received a lot of issues from people about relationships with councillor, with residents and officers and a lot of those would be dealt with before a member had been informed as these would have been assessed as a non-complaint or been resolved without the due process of the complaints system.

Charles Clarke referred to paragraph 2.4 of the report and questioned whether there was a different process with dealing with a complaint that had been received from another councillor and questioned how these would be assessed and reported back on. Matthew Boulter stated there would be no discouragement on member-on-member complaints but there would be an expectation that members would resolve issues or disagreements between

themselves in a political way. Although if a member felt that another member had breached the Nolan principles, standards in public life, the monitoring officer would be fully supportive of them making a formal complaint which would be investigated in the same way as any other complaint would be dealt with.

Councillor Snell questioned whether any of the decisions discussed this evening would be any different under the new standards to which Matthew Boulter stated none of the complaints represented a serious breach of the code with nothing in the report that would have been dealt with differently.

Councillor Rigby questioned whether members would be informed of any complaints that had been raised against them, to which Matthew Boulter stated contact would be made with that resident, the complaints process explained to them and once they understood that process may decide not to pursue their complaints. Members would not be made aware of those complaints. Although for anything significant, behaviour or actions of a member would have to be addressed and that Member would be told.

Councillor Ononaji questioned how complaints from members of the public would be dealt with when that resident had not fully understood the role of a member to which Matthew Boulter stated every complaint had to be made through a complaints form which was accessible to everyone online which would take the complainant through a number of stages which would clarify their complaint. They would need to provide evidence and provide information on how they would like the complaint to be resolved. There may be situations when residents decide this would not be the route to take but confirmed to members that every form completed would be investigated. As part of this process, residents may be informed there was no complaint to be had because the complaint had no substance.

RESOLVED

That the committee noted the outcomes on complaints received under the Members' Code of Conduct.

10. Counter Fraud and Investigation Annual Report

The report presented to members outlined the performance of the team over the last year, 2021/22, as well as proposed the new Counter Fraud strategy and proactive work plan to tackle fraud for the council in 2022/23.

Councillor Carter referred to page 235 of the agenda, finances, and thanked the Counter Fraud Investigation team for their hard work and for the applaudable detection of more than £2.3 million of fraud from various sources whilst also recovering £1.9 million.

Councillor Raper also referred to page 235 of the agenda, referred to the secondment of staff and whether the partner contributions covered the on-site budget to which Nick Coker stated it would.

Councillor Ononaji referred to page 231, results and statistics, of the agenda and questioned why Housing was the highest in the crime type categories in the number of suspected fraud and active investigations. Nick Coker stated housing fraud had always been a big part of the council's investigations team, there had been factors over the period of the COVID pandemic with lockdowns, restrictions on visiting people in their homes and people isolating. Therefore, it had become difficult to detect, implement outstanding or normal investigation processes and to identify instances of house fraud such as subletting or abandonment. Councillor Ononaji asked what steps were being taken to reduce those housing fraud activities or possibly stop them from happening to which Nick Coker stated the team worked closely with officers from the housing department, provided training to officers, officers would be more visible within the social housing scene and by visiting tenants. Measures were in place to reduce the number of incidences of housing fraud and when such cases were uncovered the appropriate action would be taken. Councillor Ononaji questioned whether improvements could be made to manage this area to which Nick Coker stated it was a difficult area to manage given the way in which people lived their lives and every possible measure was being undertaken to reduce the number of incidences and to give those homes to families that genuinely needed them.

Lisa Laybourn also referred to page 231 of the agenda and to the total of open investigations being £1.7 million and asked for a brief explanation on how those figures were calculated, such as how many investigations were open, those being conducted and how far back some of the fraud went. Nick Coker stated that for some incidences such as housing it was quite difficult to quantify but other cases such as money laundering and social care revenues cases a more precise figure could be given. There were standard guidelines in relation to calculating fraud which were followed by the Counter Fraud Investigation Team. There was also a criminal finance team, accredited financial investigations and intelligence officers who were key to calculating many of the figures in the report.

Councillor Snell referred to the same tables on page 231, Insider Threats, and questioned what the prevalence of this was and whether this was diminishing over time to which Nick Coker stated this was not hugely prevalent in the council and although he did not have the exact figures to hand this maybe something the committee might like to revisit and bring to committee at another time.

Charles Clarke referred to page 231, Insider Threats, and asked for some clarification on the number of reported suspected frauds compared to the active investigation figures to which Nick Coker stated that figure could change during the course of an investigation and would need to look at the specifics of each investigation to identify what may have changed that figure or what the process of investigation had been to have amended or changed that figure.

Charles Clarke noted the work undertaken with other councils, NATIS and Cabinet Office and questioned was this something that benefitted the council directly through grants or had this been consultancy work. Nick Coker stated the team had a very unique skill set in relation to the investigation of economic crime which was sought after to assist not only with the council's investigations but offered their services elsewhere which in turn benefitted the council and the residents of Thurrock.

Councillor Rigby stated that during the pandemic there were fewer referrals and questioned whether the number of referrals had started to increase to which Nick Coker stated that things had started to return to normal with the number of referrals picking up and engagement with the council and that engagement between council officers and members of the public had also increased.

Councillor Rigby questioned whether there was any comparison with other boroughs on the number and type of fraudulent claims to which Nick Coker stated that across the national picture there had been parts of the country that had been more affected than Thurrock against similar schemes and business support grants. That fortunately Thurrock had been in a unique position with officers taking a lead on the investigation of such offences.

RESOLVED

- 1. The Committee noted the performance of the Counter Fraud & Investigation team over the last year.**
- 2. The Committee approved the Counter Fraud & Investigation strategy and work programme for 2022/23.**

11. Work Programme

Members discussed the work programme and raised the concern on the number of items on the next committee meeting. Democratic Services agreed to take this away and discuss with Officers.

The meeting finished at 8.20 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**