

MINUTES of the meeting of Standards and Audit Committee held on 05 March 2014 at 7.00pm

Present: Councillors Robert Gledhill (Chair), Yash Gupta, Cathy Kent and Phil Anderson (substitute Simon Wootton)

Co-opted Members: Jason Oliver and Rhona Long

Apologies: Councillor Healy and Wootton

In attendance: Sean Clark–Head of Corporate Finance
Gary Clifford–Client Manager for Audit Services
Chris Harris – Head of Internal Audit
Lucy Magill – Head of Public Protection
David Kleinberg – Fraud Investigation Manager
Debbie Hanson – Ernst and Young
Christine Connolly - Ernst and Young
Kenna-Victoria Martin – Democratic Services

49 MINUTES OF THE PREVIOUS MEETING

The Minutes of Standards and Audit Committee, held on 06 February 2014, were approved as a correct record, subject to recommendation 2 of item 45 page 6 in the agenda being corrected to 'Noted that Cleaner, Greener, Safer Overview and Scrutiny have Animal Welfare Policy on the forward plan and this will encompass the responsibilities of the Council in relation to stay horses'

50 ITEMS OF URGENT BUSINESS

There were no items of urgent business.

51 DECLARATIONS OF INTEREST

There were no declarations of interest.

52 THURROCK COUNCIL BUSINESS CONTINUITY

The Head of Public Protection introduced the report to the Committee informing Members that the Council had a Corporate Continuity Plan in place, which enabled each department

Members were notified that the plan had been taken to Cabinet in May 2013, following which it was decided to carry out further tests and bring the plan to Committee. It was explained that officers would be looking at completing further testing within the next 12months.

Following questions from the Committee it was explained that the reason there was little information regarding ICT within the report was due to the fact that ICT came under Disaster Recovery. Members were informed that Serco were working on a piece of work within IT including work to support Thurrock online, Officers agreed to bring a item back to the Committee with regards to Disaster Recovery.

Members queried as to what Business Continuity entitled. The Head of Public Protection explained the Business Continuity plan enabled departments and different services to continue working should for example the Civic Offices flood.

It was enquired by the Committee if under 8.1 of the Business Continuity Plan (page 43 of the agenda) could include increasing works with community parties and public sector organisations may be able to provide useful opportunities for Business Continuity. Members also queried if under 8.2 of the Business Continuity Plan (page 43 of the agenda) could include community or public building that could be used within Business Continuity.

Officers informed Members that the poi9nts raised were within each team/department Business Continuity Plan, however could be applied stronger with the Corporate Plan.

The Chair of the Committee asked whether any reality tests had been undertaken. Officers confirmed reality tests had been carried out and by not allowing access to a floor of the Civic Offices allows officers to test 16plans all in one.

RESOLVED that Standards and Audit Committee agree:

- 1.1 To note the Thurrock Council Business Continuity Policy and plan.**
- 1.2 To note that the testing carried out this financial year has not resulted in any changes to the Thurrock Council Business Continuity Plan since agreed by Cabinet in May.**
- 1.3 To note the plan for testing of team business continuity plans.**
- 1.4 Points identified by the Committee be noted and reviewed by Officers**

53 Internal Audit Progress Report 2013-2014

The Client Manager for Audit Services presented the report to Members explaining there had been 8 reports which had received a green assurance and 2 reports received an amber/green assurance. It was further explained that during the period being reported 7 reviews were at a draft stage and with the client and a further 7 reviews were in progress. Members were informed

that this reviews would taken to the Committee as part of the final progress report.

The Committee commented that 2 schools had been given an amber/green assurance then queried what was being done to help improve the assurance to green. Officers explained that the recommendation will be followed up with the school and included within the process report.

Members queried as to when the internal audit for Housing Repairs was going to take place. Officers informed the Committee that the audit was scheduled for 2015/2016; however this could be brought forward to 2014/2015.

The Chair enquired as to the Social Care Income and Debtors, as he was aware of a case where a resident tried to pay their bills on time and wasn't allowed. The Head of Corporate Finance explained that the system used to allow payments had an upgrade and for an unknown reason wouldn't allow payments in excess of £1,000 in just this instance and the software issue had been reported to the supplier. He continued to explain that he was aware of the case and the resident had been advised to make 2 payments to keep individual transactions to under £1,000 until the issue was resolved.

RESOLVED That the Standards & Audit Committee:

1.1 Consider reports issued by Internal Audit in relation to the 2013/14 audit plan.

1.2 Note progress against the Internal Audit Plan for 2013/14.

54 DRAFT STRATEGY FOR INTERNAL AUDIT 2014-2015 TO 2016-2017 AND DRAFT ANNUAL PLAN 2014-2015

The Client Manager for Audit Services introduced the report to the Committee explaining that in November 2010 a comprehensive Audit Needs Assessment process involving all Corporate Directors and Heads of Service was carried out and resulted in a three year strategic plan being developed from 2011/12 to 2013/14. Officers were now meeting to discuss the next three year plan, including discussion with external audit.

Members were informed that further meetings needed to be held with Directors and Heads of Service before a final strategy and plan for 2014/2015 could be provided. This would include the plan going to Directors Board before the final plan came back to the Committee.

The Committee queried that with regards to governance control and effectiveness the following was absent;

- Asset disposal and acquisitions;
- Housing Repairs ;
- Care packages for Children and Adults social care.

Officers explained to Members that Housing Repairs were within the plan under 2015/2016, however they could move it forward and everything else would be taken on board.

It was enquired as to whether work to be included within the plan could be suggested. Officers stated that works could be suggested; however they would also be subject to discussions with the relevant director. During discussions Officers explained that should a school convert to an Academy, they no longer visited the academy to check on their progress, instead all reports are passed to Children Services and they then monitor the Academy.

RESOLVED that the Standards & Audit Committee

1.1 that the Standards & Audit Committee receive the Draft Strategy for Internal Audit 2014/15 to 2016/17 and the Draft Annual Audit Plan 2014/15 and officers report back to the next meeting with a final agreed version.

1.2 That items identified during Member discussions be taken to Directors Board for consideration and that Standard and Audit Committee Members receive a briefing note on the outcomes.

55 COUNTER FRAUD SERVICES – PROGRESS REPORT

The Fraud Investigation Manager introduced the report to Members informing them of the Council's joint working with Southend Borough Council and the Ministry of Justice. He also explained that attached at appendix 2 of the report was the Audit Commission's Fraud Briefing 2013 for Thurrock Council, which highlighted the need to improve responses to the threat from all types of fraud.

Members queried as to how their roles could help the Council combat fraud within the borough. The Fraud Manager explained that Councillors' roles were key as they would receive first hand information from residents which could then be passed to the Fraud Team to investigate.

The Chair informed the Committee that he felt that the report should be taken to the next available Full Council Meeting. Members agreed and the Chair proposed that it be added as an additional recommendation.

RESOLVED that the Committee

1.1 notes the Audit Commission's briefing and the update on the Council's approach to Anti-Fraud activity, including the draft Corporate Fraud Work Plan.

1.2 referred this report and its appendices to the next meeting of Full Council

56 EXTERNAL AUDIT: AUDIT PLAN

The External Auditor introduced the report to the Committee informing Members that the report outlined the audit strategy and the risks identified. Members were notified that that only 1 of the 3 opinion risks was specific to Thurrock.

The Committee were taken through the report and during discussions the following was queried by Members, having recently set the budget anything that cost £50thousand or more would be sent to relevant overview and scrutiny Committee and Full Council. How could the Council have materiality of between £4million and £8million, for ticking the wrong box. The External Auditor explained that the materiality level was set at the level at which the auditor assessed an error or omission would influence the users of the accounts. This was determined by reference to the gross expenditure but also took into account factors such as the level of balances and reserves. The audit procedures performed are designed to detect errors and omissions at a lower level than this and all errors above a very low level are reported to members.

RESOLVED That the Committee noted the report.

57 FINANCIAL STATEMENTS – PROGRESS REPORT

The Head of Corporate Finance presented the report to Members during which he explained that officers were no longer required to bring the financial statement to Committee at a draft stage, however it was decided to keep Members up to date with the progress of the financial statement.

Members were then taken through the report with the following being highlighted:

- that issues raised by external audit with regard to the 2012/2013 accounts had been discussed and the classification of income and expenditure items would be reviewed in detail at the year-end;
- Officers of the final accounts team have received training from CIPFA and the Councils External Auditors, Ernst and Young;
- The working papers supporting the financial statement have been drafted and allocated to relevant team members for completion including sections of the Whole of Government Accounts return.

RESOLVED that the Standards & Audit Committee notes the content of this report.

58 WORK PROGRAMME

Members discussed the work programme for the next municipal year and the Chair asked that for future Committees, at the last meeting of municipal year Members should receive an annual report of Member complaints.

The meeting finished at 8.50pm.

Approved as a true and correct record

CHAIRMAN

DATE

**Any queries regarding these Minutes, please contact
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or alternatively e-mail kmartin@thurrock.gov.uk**