

## **Minutes of the Meeting of the Standards and Audit Committee held on 15 November 2016 at 7.00 pm**

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**Present:** Councillors John Kent (Chair), Graham Hamilton (Vice-Chair), Gary Collins, Ben Maney, Barbara Rice and Luke Spillman (Present as substitute)

Jason Oliver, Co-Opted Member

**Apologies:** Councillors Jack Duffin, Rhona Long and Stephen Rosser

**In attendance:** Debbie Hanson, Ernst and Young  
Suresh Patel, Ernst and Young  
Sean Clark, Director of Finance & IT  
Gary Clifford, Client Manager for Audit Services  
Daniel Helps, Investigations Manager  
David Kleinberg, Group Manager, Counter Fraud and Investigation  
Andy Owen, Corporate Risk Officer  
Jessica Feeney, Senior Democratic Services Officer

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

### **23. Minutes**

The minutes of the meeting held on the 26 September 2016 were approved as a correct record.

### **24. Items of Urgent Business**

There were no items of urgent business.

### **25. Declaration of Interests**

There were no declarations of interest.

### **26. Complaints Update**

The Monitoring Officer informed the committee that the report provided an update of complaints against Members of the Council, their current status, outcome and actions taken.

Councillor Collins queried if there were repeated complaints from the same people. The Monitoring Officer explained that there was a good spread of complaints.

Councillor Maney queried if members were cooperative when dealing with complaints. It was confirmed that there had not been any problems with the corporation of members.

**RESOLVED:**

**The Standards & Audit Committee noted the report and commented on any perceived trends and training needs**

**27. Thurrock Annual Audit Letter 2015/16**

Members were informed that the auditors issued an unqualified audit opinion on the 2015/16 financial statements and an unqualified value for money conclusion. The Annual Audit Letter set out findings from the audit in relation to the significant risk areas identified in the audit plan. The Council positively addressed these risks as noted in the Financial Statement Audit section of the report.

Members were made aware that the financial statements produced were to a high standard and supported by relevant supporting records. Officers worked hard to support the audit process and resolved queries quickly and effectively.

In arriving at their value for money conclusion the auditors confirmed the Council has arrangements in place to address the identified risk in relation to ongoing pressures from the economic downturn.

The Council is working to meet the significant financial challenges caused by ongoing reductions in funding and continue to monitor the position through the Medium Term Financial Strategy.

Members were informed that Debbie Hanson was no longer appointed to Thurrock Council. The new Ernest and Young representative Suresh Patel introduced himself to the Committee.

**RESOLVED**

**That the Standards and Audit Committee considered the comments of our external auditors as set out in the attached report and noted their findings.**

**28. Internal Audit Progress Report 2016/17**

The Internal Audit Plan 2016/17 was discussed by the Standards & Audit Committee at their meeting of 15 March 2016. This report was the second progress report for 2016/17. It detailed audit reviews issued as final, are in draft or work in progress that has started since the Committee meeting held on the 14 June 2016.

The Committee praised the internal audit team on their hard work.

Councillor Collins queried if there was any complicit or variation in procedures with the changes within internal audit. The Chief internal audit Manager confirmed that there were no issues.

**RESOLVED:**

**That the Standards & Audit Committee considered reports issued by Internal Audit in relation to the 2016/17 audit plan.**

**29. Internal Audit Service Update 2016/17**

Members were informed that the report was the first service update that had been presented to the Standards & Audit Committee and provided a high level summary of the progress that the service had made since it was brought back in-house from the 1 April 2015.

The Committee were advised that the report would be presented to members of the Committee on an annual basis to provide them with an update on how the service is developing in the long term.

**RESOLVED:**

**That the Standards & Audit Committee Agreed that the new structure would improve the service being provided by internal audit and give additional assurance around the internal control, risk management and governance frameworks to senior management and members.**

**30. Review of the Strategic/Corporate Risk and Opportunity Register, Mid-Year Review**

One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the Authority's risk management arrangements are adequate and effective.

To enable the Standards and Audit Committee to consider the effectiveness of the Council's risk and opportunity management arrangements reports are presented on a bi annual basis and provide details of how the key risks and opportunities facing the Authority are identified and managed.

The Corporate Risk Officer worked with Services, Department Management Teams, Performance Board and Directors Board during September to update the Strategic/ Corporate Risk and Opportunity Register.

The report 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.

Councillor Rice raised a concern regarding the financial risk around Adults' and Children's Social Care it was highlighted to the committee that there had been 25 delayed discharges in Thurrock. It was questioned what emerging plans were in place and the immediate interventions if any. The Corporate Risk Officer advised that the management action plans for the risk outlined the current and planned action to address risks.

The Director of Finance & IT explained that the issues and financial risks were regularly reviewed by Directors Board. It was agreed that the Director of Finance & IT would provide an update the financial risks relating to Adults' and Children's Social Care as part of the budget report to Cabinet. Councillor Spillman requested that the Welfare Reform Act be considered and incorporated in the report to Cabinet as it could potentially affect around 500 residents.

The Committee queried why high (red) target ratings had been applied to a number of the risks. Officers informed members that some of these risks were longer term issues and would not be managed in the short term. However a target date of the 31st March 2017 had been applied to these items, which was when the risks and whole register is refreshed. To clarify the position it was agreed that a review of the risks with high (red) target ratings would be undertaken and a follow up report submitted to the Committee on the findings.

## **RESOLVED**

- 1. That Standards and Audit Committee noted the items and details contained in the Dashboard (Appendix 1).**
- 2. That Standards and Audit Committee noted the 'In Focus' report (Appendix 2), which includes the items identified by Corporate Risk Management, Performance Board and Directors Board that Standards and Audit Committee should focus on this quarter.**
- 3. That officers report through the Cabinet budget reports the committee's concerns about the financial risk around Adults' and Children's Social Care and bring an update report back to the next committee on those risks with a target rating of 16.**

### **31. Counter Fraud & Investigation Update Report**

Members were informed that the Counter Fraud & Investigation Directorate (CFID) was formed in 2015 and was now operational with the sole responsibility to prevent, detect and deter all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

The CFID developed working arrangements with other agencies to further the Council's anti-fraud culture and share best practice. The CFID success has grown and has been recognised nationally as the leading Local Authority

fraud service and as a model for the approach to tackling fraud and corruption.

Since the last report the department successfully launched the Essex Fraud Partnership, bringing together other local authorities in the County as well as police, Home Office and Housing Providers to unify against fraud, safeguarding our residents.

Councillor Collins queried how much revenue the Essex Fraud Partnership had created. The Group Manager for Counter Fraud explained that there was an income estimate of £480,000 a year, it was explained further that the department were looking to grow in employment.

The Chair of the Committee questioned if one prosecution out of 115 identified frauds was a low number. Members were informed that to prosecute alleged fraud a wide base of evidence must be resourced over a period of time.

**RESOLVED:**

**That Committee noted the performance of CFID**

**32. Regulation of Investigatory Powers Act (RIPA) 2000 - Six Monthly Activity Report**

The report provided an update on the usage and activity of RIPA requests during April 2016 to September 2016.

**RESOLVED:**

**That the Standards and Audit Committee noted the statistical information relating to the use of RIPA from April 2016 to September 2016.**

**33. Work Programme**

Members noted the work programme.

**The meeting finished at 8.15 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](mailto:Direct.Democracy@thurrock.gov.uk)**