

Minutes of the Meeting of the Standards and Audit Committee held on 21 September 2017 at 7.00 pm

- Present:** Councillors Graham Hamilton (Chair), Tony Fish (Vice-Chair), Gary Collins and Oliver Gerrish
- Jason Oliver, Co-Opted Member
- Apologies:** Councillors Jack Duffin and Ben Maney
- Stephen Rosser, Co-Opted Member
- In attendance:** Sean Clark, Corporate Director of Finance & IT
Gary Clifford, Client Manager for Audit Services
Lee Henley, Information Manager
Suresh Patel, Ernst and Young
Martina Lee, Ernst and Young
Charlotte Raper, Democratic Services Officer
Wendy Le, 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.

10. Minutes

The minutes of the meeting of Standards and Audit Committee held on 6 July 2017 were approved as a correct record.

11. Items of Urgent Business

There were no items of urgent business.

12. Declaration of Interests

There were no declarations of interest.

The Chair agreed to amend the order of the agenda, so that Items 10 and 11 would be heard first.

13. Audit Results Report for the Year Ended 31 March 2017

The Corporate Director of Finance and IT introduced the representatives from the external Auditors, Ernst and Young. The representatives detailed their findings from their audit of the 2016/17 financial statements and proposed to issue an unqualified audit opinion and an unqualified value for money conclusion.

The Chair queried the population sample on some of the testing. It was clarified that the external auditors assessed bigger value items and key areas above the materiality threshold in all cases, and for the remainder of the data a random sample was taken and assessed. It was also clarified that an unqualified opinion was the most positive outcome.

Councillor Collins thanked the external auditors and officers within the finance department for their sterling work.

RESOLVED:

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

14. Financial Statements and Annual Governance Statement 2016/17

The Corporate Director of Finance and IT introduced the report including the draft financial statements and the Annual Governance Statement.

Councillor Collins stated that he was satisfied with the report.

RESOLVED:

That the Standards and Audit Committee:

1. Having considered the comments within the Audit Results Report earlier on the agenda, approved the Financial Statement.

2. Noted the issues contained within, and approved, the Annual Governance Statement; and

3. Approved the letter of representation on behalf of the Council that was then signed by the Chair of the Committee.

15. Counter Fraud & Investigation Annual Report

The Senior Counter Fraud & Investigations Manager introduced the report which outlined the performance of the Counter Fraud & Investigation Department over the last year as a whole as well as the work the department have delivered nationally for other public bodies. He highlighted that, as Local Authorities did not have the power to investigate, claims of benefit fraud that had been passed onto the Department of Work and Pensions (DWP) fell within the “no fraud” category.

The Chair asked how lucrative the work delivered for other public bodies had proven, Members were advised that the forensic service had successfully paid for itself through its traded work. The Vice-Chair asked if there were plans to work with more organisations in future, the Senior Counter Fraud & Investigations Manager confirmed the department was looking to develop additional relationships moving forward.

The Chair requested a distinction be made between cases of no fraud and those cases which were passed to DWP to make the data clearer. At present the options listed were the only reporting options, therefore cases which were passed to DWP were marked as “no fraud” with an additional comment advising the matter had been referred onwards, following the Chair’s request however the department would look to amend the reporting options.

The Senior Counter Fraud & Investigations Manager highlighted page 25 of the agenda, and the fact that 45 alerts had been shared within the past year. The department worked closely with Action Fraud (part of City of London) which enabled better sharing of information around risks such as phishing and lotto scams.

Jason Oliver praised the department for achieving a 400% return, but also on their success in holding influence at a national level, which was not common for Thurrock and was an achievement to be commended.

Councillor Collins echoed comments congratulating officers on their hard work. He asked for clarification around the process of passing on details of crimes. Members heard that any crime investigated was logged internally and details of wider crimes such as scams or organised crime was also reported to Action Fraud. Councillor Collins requested figures for Thurrock.

Councillor Gerrish asked what made Thurrock stand out in terms of its forensic capabilities. The Committee was advised that Thurrock was the only Local Authority with its own digital forensic service. Officers were highly qualified, more so than some police forces, and Thurrock offered lower rates than private companies. Government to Government work also meant that officers had access to more systems than would be available to private firms.

RESOLVED:

That the Standards and Audit Committee notes the performance of the Counter Fraud and Investigation Directorate over the last year.

16. Counter Fraud & Investigation Annual Strategy

The Senior Counter Fraud & Investigations Manager introduced the report which described the strategy for the ensuing year to improve the Council’s stance and identification methods as well as improve the counter-fraud culture.

The Chair asked whether officers might elaborate on whistleblowing, as he felt it received a somewhat unfair press. The Committee heard that there were not large numbers of allegations within the Council however staff would be protected under legislation. Significant allegations would also need to be passed to the relevant director and the S. 151 Officer. It was agreed that the Council’s policy required an update.

The Corporate Director of Finance and IT echoed that there were not many cases of whistleblowing within the Council but any allegations were investigated fully and seriously. The Council did not shy away from its own issues or attempt to disguise them if discovered.

Councillor Collins asked how the department hoped to ensure they would comply with the incoming General Data Protection Regulations. There were ongoing discussions with the Strategic Lead for Information Management. Work was still in progress around protecting data to ensure the department was fully compliant when the new regulations were introduced.

RESOLVED:

That the Standards and Audit Committee agrees the counter-fraud strategy and work plan for the ensuing year.

17. 2016/17 Access to Records Report

The Strategic Lead for Information Management presented the report which outlined the performance and statistics for Freedom of Information and Data Protection for the year 2016/17.

Councillor Collins queried what Bilfinger Europa was, in the chart at 2.18 of the report. It was confirmed that Bilfinger Europa was the Council's facilities contractor.

Jason Oliver noted that the figures were rising whilst the time taken to respond was falling, which in itself served as a cost-saving exercise, and congratulated officers for their efforts.

The Chair added that in the digital age information should be more easily retrievable. The Committee heard that the department's main focus was to get more information online, as there were still a number of requests refused as they exceeded the cost threshold. Freedom of Information requests would still require old, paper records to be included.

The Chair asked how far back data was required and how easy it was for officers to search email records by content rather than just subject matter. The Strategic Lead for Information Management clarified that there were not many requests for records of emails relating to a specific subject, enquiries generally referred to specific service areas. If an individual requested policy documents or information relating to costs any information held by the council would have to be found and provided. The Information Management department was not responsible for each request; they were passed to relevant service areas. As for how far back information should date, the Council should comply with its document retention policy and records should be deleted in-line with this policy.

Councillor Collins asked whether officers were confident the Council was on target to meet the General Data Protection Regulations (GDPR) deadline.

Members assured that the Chief Internal Auditor would audit the Council's GDPR position and a report would be brought to the Committee. There were 9 months until the deadline and much to be done. While it was likely not everything would be complete the Council would have to prove there was a plan in place, the issue would be if a breach were reported the Council would need to provide an action plan with delivery dates. The Strategic Lead for Information Management was confident that the council was making progress in GDPR.

Jason Oliver recalled that the Data Protection Bill had stipulated the age of a minor as 13, not 16. He asked whether that would alter the situation within Children's Services. The Bill had been very recent and as such the data set for Children's Services had not been fully considered yet.

The Chair asked about the EU's right to forget policy. The Committee was advised that a key change within the GDPR was enhanced rights of the individual, including the right to ask to be 'forgotten'. There were exceptions depending upon why the Council needed to retain the data, such as for legal reasons, and the right was not inherent. Part of the GDPR action plan was information assets and the Council was revisiting the basis for processing data to ensure it was GDPR compliant.

RESOLVED:

The Standards and Audit Committee notes the performance and statistics for 2016/17 for both FOI and Data Protection.

18. Annual Complaints Report 2016/2017

The Strategic Lead for Information Management presented the report which set out the Council's complaints statistics for the year 2016/17. Members were advised that the procedure had changed in year, to remove the 'concerns' stage and reduce response deadlines. These changes had occurred on 1 August 2016 and may have contributed to a slight dip in performance; however the outcome as a whole was positive, with 38% of complaints upheld compared to 50% the previous year.

The Chair noted that the work was impressive.

Councillor Collins referred to Appendix 1, on page 58 of the agenda. He expressed concern, in terms of Health and Safety, if the Transforming Homes workforce had a poor command of the English language. The Strategic Lead for Information Management confirmed that steps were being taken to address concerns as the number of upheld complaints within the Transforming Homes remained high, largely around communication issues.

RESOLVED:

That the Standards and Audit Committee notes the statistics and performance for the reporting period.

19. Internal Audit Progress Report 2017/18

The Chief Internal Auditor presented the report which outlined work undertaken since the last update report issued on 6 July 2017.

RESOLVED:

That the Standards and Audit Committee:

Consider reports issued and the work being carried out by Internal Audit in relation to the 2017/18 audit plan.

The meeting finished at 8.12 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**