

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **24 November 2022**

Committee Room 2, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Elizabeth Rigby (Chair), James Thandi (Vice-Chair), Gary Collins, Steve Liddiard, Kairen Raper and Allen Mayes

Charles Clarke

Substitutes:

Councillors Adam Carter, Shane Ralph, Sue Sammons, Lee Watson and Lynn Worrall

Agenda

Open to Public and Press

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To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
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Queries regarding this Agenda or notification of apologies:

Please contact Rhiannon Whiteley, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **16 November 2022**

Information for members of the public and councillors

Access to Information and Meetings

Advice Regarding Public Attendance at Meetings

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- You should connect to TBC-GUEST
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
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- Access the modern.gov app
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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the Standards and Audit Committee held on 20 October 2022 at 7.00 pm

Present: Councillors James Thandi (Vice-Chair), Steve Liddiard and Kairen Raper

Charles Clarke (Co-optee Member)

Apologies: Lisa Laybourn (Co-optee Member)

In attendance:

Rachel Brittain, Binder Dijke Otte (BDO)
Paul Greenway, Field Intelligence Officer
Lee Henley, Strategic Lead, Information Management
Andy Owen, Corporate Risk and Insurance Manager
Jonathan Wilson, Interim Director Finance & S151 Officer
Rhiannon Whiteley, Senior Democratic Services Officer

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.

12. Minutes

The minutes of the Standard and Audit Committee meeting held on the 7 July 2022 were approved as a true and correct record.

13. Items of Urgent Business

The Chair agreed to a verbal update being provided from Rachel Brittain from BDO (Binder Dijker Otte) on the progress of the external audit.

Rachel confirmed that the audit had progressed well since she last spoke to the Committee and they have completed procedures in the lower risk areas. Rachel confirmed that they are not able to conclude the audit as a result of the Government intervention and Best Value Inspection. It will be necessary to consider the outcomes and the Council's response and action plans and the impact of these on the financial statements and on the value for money arrangement. The external audit is therefore unlikely to be concluded before March 2023.

Councillor Raper sought to clarify when the Audit should have originally been completed.

Rachel Brittain confirmed that originally it was expected to be completed by Christmas time 2022.

Rachel Brittain and Jonathan Wilson left the meeting.

14. Declaration of Interests

No interests were declared.

15. Annual Complaints & Enquiries Report - 2021/2022

The Strategic Lead for Information Management presented the Annual report on Complaints and Enquiries.

The Strategic Lead for Information Management confirmed that there had been an increase in complaint volumes compared to the previous year and the main reason for this was due to an increase in complaints about waste and this was likely due to the industrial action last year. There has also been an increase in Housing Repair complaints, the reasons for this increase was due to Covid 19 as the repair contractors had staffing issues due to staff isolating and there were also material shortages.

Councillor Liddiard queried whether there had been an increase in residents saying they cannot get hold of Council staff.

Councillor Raper stated that residents that have spoken to her in surgeries in Tilbury have stated that they are not confident in using the digital system for reporting complaints due to being elderly or not being able to afford it. Councillor Raper highlighted that it is important that there is a clear route for those who don't want to use the internet.

The Strategic Lead for Information Management responded that he has not seen a significant rise in complaints about not being able to get hold of council staff however, the report shows residents are reporting delays in replies across certain areas and there is some learning that needs to be taken away from that.

The Strategic Lead for Information Management confirmed he is aware that some residents don't have access to the internet and he agrees that the members enquiries route can assist with this.

Councillor Thandi commented that it would be good for the Council to promote how to make a complaint through other methods such as in the paper.

RESOLVED:

1.1 **To note the statistics and performance for the reporting period.**

16. Annual Information Governance Report April 2021 - March 2022

The Strategic Lead for Information Management presented the report to the Committee.

The Strategic Lead for Information Management confirmed that during 2021/22, the council processed 98% of Freedom of Information (FOI) requests within the 20-working day legal timeframe. The Information Commissioner expect public authorities to answer at least 90% on time so this is very positive.

During the reporting period, the council received 148 Subject Access Requests under the Data Protection Legislation, 91% of these requests were processed within the legal timeframe. The volume of SAR's received for this reporting period has increased by 76% compared to 2020/21.

Councillor Raper queried on page 104 the meaning of legal professional privilege

The Strategic Lead for Information Management responded that this is where the Council have refused to provide a response and given the reason of legal professional privilege. This refers to where there are conversations between lawyers and there is potential litigation or ongoing legal proceedings and therefore the information cannot be disclosed for this reason.

RESOLVED

1.1 To note the Information Governance activity and performance

17. In Quarter 2 Refresh of the Strategic / Corporate Risk and Opportunity Register

The Corporate Risk and Insurance Manager presented the report. He explained that the report provides the Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/Corporate Risk and Opportunity Register.

Appendix 1 is the dashboard which provides a summary of the items in the register mapped against the council's priorities, shows the significance of the risks and opportunities, the ratings for the items along with the management time frames.

Appendix 2 is the Risks and Opportunities In Focus report. This document highlights the higher priority items identified by the review. The rationale for items being in focus is based on the numeric value of the rating. Any risks/opportunities which are currently rated 16 or 12 automatically become in focus and any which are currently rated 9 or 8 would be considered on a case by case basis for the in focus report.

The Criteria Guide for Impact and Likelihood levels are included under Appendix 3 to show the guidelines used to rate and prioritise the items.

Any risk management improvement opportunities identified from the Best Value inspection will be used to inform plans to further embed the ROM arrangements across the Council and updates on the position will be reported in subsequent papers to Standards & Audit Committee.

Councillor Raper queried on the bottom of page 113 where it is stated that an organisation that was successful in the tender process has failed to deliver the capacity contracted for, she requested an update on this.

The Corporate Risk and Insurance Manager confirmed he was not the risk owner and therefore was not in a position to answer the question tonight however he will obtain a response from the correct person and provide an update at a later date.

RESOLVED:

- 1.1 That Standards and Audit Committee note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which highlights the higher priority items identified by the review.**
- 1.3 That Standards and Audit Committee note the Best Value Inspection of the governance arrangements (including risk management) outlined in sections 2.7 and 2.8 of the report.**

18. Counter Fraud & Investigation Quarterly Update

The Field intelligence Officer presented the report to the Committee. He explained that the Counter Fraud department supports Thurrock Council and wider partners to protect the public purse where necessary. This includes proactive work to enhance the council's controls as well as responding to intelligence from that proactive work and information from other sources.

The Field Intelligence Officer highlighted the performance of the CFI team over the last quarter (Q1) ;

- 12 reports of suspected fraud have been received
- 6 Investigations have been closed as 'no fraud'
- 1 sanction has been delivered in cases of proven fraud
- 1 Social housing property has been recovered due to being abuse by a tenant

Councillor Liddiard queried if the workload had gone up or down.

The Field Intelligence Officer confirmed that they are proactive and reactive but the workload has stayed roughly the same, currently they have got around 100 open cases.

Councillor Liddiard asked if the team rely on people contacting them or do they look out for specific activities.

The Field Intelligence Officer confirmed that they work closely with other departments in the Council as they are their eyes and ears on the ground and they also have the relationship with residents. The Field Intelligence Officer confirmed that they also take direct referrals or referrals from law enforcement agencies. These partnerships are essential for the team to operate.

Councillor Liddiard queried that sometimes they get reports where on the face of it there is a woman and child living together but there is a man in the background.

The Field Intelligence Officer responded to confirm that is the kind of information the Counter Fraud team would welcome.

Charles Clarke queried how a member of the public would make a report.

The Field Intelligence Officer confirmed there is a report portal on the Thurrock Council website and there is also an email address reportfraud@thurrock.gov.uk

RESOLVED:

1.1 The Standards & Audit Committee comments on the performance of the Counter Fraud & Investigation Department.

-

19. Work Programme

The Committee discussed the work programme. Councillor Liddiard raised that the Standards and Audit Committee should be best informed following the Best Value Inspection and he would therefore expect an update on this at the first Committee meeting after the 3rd January 2023 which will be on the 2nd March 2023.

The meeting finished at 7.24 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**

24 November 2022	ITEM: 5
Standards and Audit Committee	
Regulation of Investigatory Powers Act (RIPA) - Activity Report 2022/23 (April to September)	
Wards and communities affected: N/A	Key Decision: Non-key
Report of: Lee Henley – Strategic Lead – Information Management	
Accountable Assistant Director: Lee Henley – Strategic Lead – Information Management	
Accountable Director: Jonathan Wilson – Interim Director Finance & Section 151 Officer	
This report is Public	

Executive Summary

This report provides an update on the usage and activity of RIPA requests during the period April 2022 to September 2022.

1. Recommendation(s)

1.1 To note the statistical information relating to the use of RIPA for the period April 2022 to September 2022

2. Introduction and Background

2.1 The Regulation of Investigatory Powers Act 2000 (RIPA), and the Protection of Freedoms Act 2012, legislates for the use of local authorities of covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to an authority's core functions.

2.2 The Investigatory Powers Commissioner's Office (IPCO) is responsible for the judicial oversight of the use of covert surveillance by public authorities throughout the United Kingdom.

2.3 The RIPA Single Point of Contact (SPOC) maintains a RIPA register of all directed surveillance RIPA requests and approvals across the council.

3. Issues, Options and Analysis of Options

3.1 RIPA Activity:

3.1.1 There was 1 RIPA surveillance authorisation processed during April 2022 to September 2022. The table below summarises 2022/23 RIPA volumes along with the full year figures for 2021/22:

	2021/22	2022/23
Trading Standards	0	1
Fraud	0	0
Covert Human Intelligence Source (CHIS) authorisations	0	0
Total	0	1

Note – Despite RIPA activity levels being low (or none during 2021/22), there is a requirement to report this information to Members. If we don't, the council we will be criticised in any RIPA inspection.

3.1.2 Low numbers of RIPA authorisations are a result of the council utilising other forms of investigation due to its collaboration with the police and/or enforcement work being more overt rather than covert. The council continues to work with partners across the public sector to ensure that Thurrock as an area is protected from crime.

3.1.3 The outcomes of the above RIPA directed surveillance authorisations cannot be summarised in detail. This is due to Data Protection requirements and to ensure that any on-going investigations are not compromised as a result of any disclosure of information.

3.1.4 The table below shows the number of requests made to the National Anti-Fraud Network (NAFN) for Communication Data requests: **Note** - 2021/22 figures are full year figures.

Application Type:	2021/22	2022/23
Events (Service) Data	1 (Fraud)	
Entity (Subscriber) Data	4 (2 Fraud and 2 Trading Standards)	
Combined	3 (2 Fraud and 1 Trading Standards)	2 (2 Fraud)
Totals	8	2

Notes in relation to NAFN applications:

- Events Data – Is information held by a telecom provider including itemised telephone bills and/or outgoing call data.
- Entity Data – Includes any other information or account details that a telecom provider holds e.g. billing information.
- Combined – Includes applications that contain both Events and Entity data.

4. Reasons for Recommendation

4.1 This report provides an update on the usage and activity of RIPA requests for April 2022 to September 2022

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The RIPA SPOC has consulted with the relevant departments to obtain the data set out in this report.

6. Impact on corporate policies, priorities, performance and community impact

6.1 Monitoring compliance with RIPA supports the council's approach to corporate governance and will ensure the proper balance of maintaining order against protecting the rights of constituents within Thurrock.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Senior Management Accountant

The reported RIPA Activity is funded from within agreed budget envelopes.

7.2 Legal

Implications verified by: **Mark Bowen**
Interim Head of Legal Services

There are no specific legal implications from this update report. Whilst the Council is empowered to use covert surveillance in investigations this should only be undertaken where they are necessary and proportionate and the evidence cannot be obtained in another more proportionate way.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
Community Development and Equalities Manager

There are no such implications directly related to this report.

7.4 **Other implications (where significant)** – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder or Impact on Looked After Children

None.

8. **Background papers used in preparing the report** (including their location on the council's website or identification whether any are exempt or protected by copyright):

None.

9. **Appendices to the report**

None

Report Author:

Lee Henley

Strategic Lead - Information Management

24 November 2022	ITEM: 6
Standards & Audit Committee	
Internal Audit Charter 2022	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Director: Jonathan Wilson – Interim Director Finance & Section 151 Officer	
This report is Public	

Executive Summary

The Internal Audit Charter is a formal document that defines the Internal Audit Services’ purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit’s position within the Council, including the nature of the Head of Internal Audit’s functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

Whilst the Charter is normally presented and signed off on a bi-annual basis, there are changes to the reporting arrangements which require the Charter to be updated.

1. Recommendation(s)

1.1 That the Standards & Audit Committee approve the internal Audit Charter 2022 and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.

2. Introduction and Background

- 2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.
- 2.2 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 2.3 An effective internal audit service should:
 - Understand the whole organisation, its needs and objectives;

- Understand its position with respect to the organisation's other sources of assurance and plan its work accordingly;
- Be seen as a catalyst for improvement at the heart of the organisation;
- Add value and assist the organisation in achieving its objectives; and
- Be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.

3. Issues, Options and Analysis of Options

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Council with assurance that the internal audit service is working towards compliance with the requirements of the Public Sector Internal Auditing Standards.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Internal Audit Charter has been agreed with the Assistant Director of Finance (Acting Section 151 Officer) as the responsible officer.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

7. Implications

7.1 Financial

Implications verified by: **Joanne Freeman**
Finance Manager for Management Accounts

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **Mark Bowen**
Interim Head of Legal Services

The contents of this report and appendixes form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, including to at least annually undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity implications arising from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

There are no significant other implications arising from this report.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS).
- CIPFA – PSIAS Local Government Application Note (February 2019)
- Internal Audit Charter 2021

9. **Appendices to the report**

- Appendix 1 – Internal Audit Charter 2022.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Resources & Place Delivery

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Thurrock Council

Internal Audit Charter 2022

October 2022

To be presented to Standards and Audit Committee on the 20th
October 2022

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Consultation

This Audit Charter will be circulated to the members of Directors Board, the Standards & Audit Committee and Section 151 Officer as part of the consultation process.

Distribution

Copies of this Audit Charter will be provided to all members of the Standards & Audit Committee, Section 151 Officer and all staff by being made available on the council's internet site.

Who to contact to find out more:

Gary Clifford, Chief Internal Auditor

Email: gclifford@thurrock.gov.uk

Telephone: (01375) 652702

Version – 4 - Next review date September 2024 or as required by changes to working practices or legislation.

1 INTRODUCTION

- 1.1 Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Thurrock Council. It assists the council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management, internal control.
- 1.2 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.
- 1.3 The internal audit service is provided by Thurrock Council's Internal Audit team. Your key internal audit contact is:

	Chief Internal Auditor
Name	Gary Clifford
Email address	gclifford@thurrock.gov.uk

- 1.4 This Charter has been prepared in order to support the council in ensuring it has in place an effective Internal Audit service that meets the requirements of the Public Sector Internal Auditing Standards (PSIAS) which came into effect from 1st April 2013 and were updated in February 2019.
- 1.5 This Charter will be reviewed, updated as required and reported to the Standards & Audit Committee for consideration on a bi-annual basis.
- 1.6 For the purposes of this Charter, the Chief Internal Auditor fulfils the role of the council's Head of Internal Audit (HoIA) and is referred to as such throughout the document.
- 1.7 Within Thurrock Council, the HoIA does not have any responsibility for other operational areas within the council.

2 DEFINITION AND PURPOSE OF INTERNAL AUDIT

- 2.1 Internal Audit is defined in the Public Sector Internal Audit Standards as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by introducing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control, and governance processes.”

- 2.2 Internal Audit is a key part of the assurance cycle for the council and provides senior management with assurance on whether the organisation's risk management, control and governance processes are adequate and operating effectively.

- 2.3 To clarify and align this Charter with the PSIAS, senior management are defined as Directors' Board, the Leadership Group and members of the Standards & Audit Committee.

3 PROFESSIONALISM

- 3.1 The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- 3.2 The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the council's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

4 AUTHORITY

- 4.1 In accordance with Chapter 9, Part 3, Section 1, Paragraph 1.9 of the Council Constitution covering the Finance Procedure Rules, to enable the HoIA and internal audit staff to fulfil their responsibilities, they have the right to automatic and full access to all records (however held) relating to any transaction carried out or on behalf of the council and to any of the council's premises or land. They may seek and obtain any explanations they need to conduct their work or require any employee to produce council assets under their control, wherever located.
- 4.2 The HoIA and internal audit staff are not authorised to perform any operational duties associated with the organisation which may conflict with their independence.

5 ORGANISATION

- 5.1 The HoIA will report functionally to the Standards & Audit Committee and administratively (i.e. day to day operations) to the Corporate Director of Resources and Place Delivery (Section 151 Officer).
- 5.2 The Standards & Audit Committee will:
- Approve the internal audit charter.
 - Approve the risk based internal audit plan.
 - Receive communications from the HoIA on the internal audit activity's performance relative to its plan and other matters.
 - Make appropriate inquiries of management and the HoIA to determine whether there is inappropriate scope or resource limitations.

6 INDEPENDENCE AND OBJECTIVITY

- 6.1 The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.
- 6.2 Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.
- 6.3 Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 6.4 The HoIA will confirm to the Standards & Audit Committee, at least annually through the HoIA's Annual Report, the organisational independence of the internal audit activity.
- 6.5 To enhance the independence of Internal Audit, its personnel report direct to the HoIA. The HoIA has the right of independent access to the Chief Executive, as well as reporting lines and direct access to the Section 151 Officer and the Chair and members of the Standards & Audit Committee.
- 6.6 The HoIA holds one to one meetings with the Chair of the Standards & Audit Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.
- 6.7 The HoIA and team of auditors are required to sign a declaration of interest form on an annual basis. Copies of the signed declarations will be retained by the HoIA.

7 RESPONSIBILITIES

- 7.1 One of the main responsibilities of Internal Audit is to support the Corporate Director of Resources and Place Delivery in the discharge of their duties as Section 151 Officer by providing an effective internal audit of the council's systems of internal control, risk management and corporate governance in accordance with the Accounts & Audit Regulations 2015. Internal Audit do this by providing a high quality, independent service to the council which evaluates and reports, through the Chief Internal Auditor's Annual Report, on the effectiveness of the risk management, internal control and governance processes. This is usually presented to the Standards & Audit Committee at their first meeting of the municipal year and is used to inform the Annual Governance Statement.

7.2 The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organisation's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organisation's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organisation. Where consulting or advisory activities are undertaken, the HoIA will not issue an assurance report. An advisory report will be issued.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Standards & Audit Committee.
- Evaluating specific operations at the request of the Standards & Audit Committee or management, as appropriate.

7.3 The HoIA also has a responsibility to:

- Develop a flexible, risk based 3 year internal audit strategy and detailed audit plan. The plan will usually be submitted to the Standards & Audit Committee for review and approval each year at its March meeting, prior to work commencing to deliver the plan.
- Include any additional tasks requested by management and the Standards & Audit Committee following consultation with the Corporate Director of Resources and Place Delivery.
- Ensure the internal audit team consists of professional and suitably skilled audit staff with sufficient knowledge and experience.

- Establish a Quality Assurance and Improvement Program to ensure the quality and effective operation of internal audit activities and compliance with the PSIAS.
- As part of the audit planning cycle, evaluate and assess significant merging or consolidating functions and new or changing services, processes or operations within the organisation.
- Highlight risks and weaknesses in control and make recommendations for improvements to management based on an acceptable and practicable timeframe.
- Carry out follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Liaise with the external auditor to provide maximum audit coverage to the organisation whilst minimising duplication of work.

8 REPORTING

- 8.1 A written report will be prepared and issued by the HoIA or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Standards & Audit Committee.
- 8.2 The HoIA shall issue progress reports to the Standards & Audit Committee and management summarising outcomes of audit activities, including follow up reviews. These will be presented in line with the agreed work programme of the Standards & Audit Committee.
- 8.2 The HoIA is required to provide the Section 151 Officer with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in the risk management, governance and control processes. This assurance is provided through the HoIA's Annual Report which is presented to the Standards & Audit Committee following the financial year end.

9 DATA PROTECTION

- 9.1 Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions.
- 9.2 Personal data is not shared outside of Thurrock Council. The only exception would be where there is information on an internal audit file that external auditors have access to as part of their review of internal audit work or where there is a legal or ethical obligation to do so (such as providing information to support a fraud investigation based on internal audit findings).
- 9.3 Thurrock Council has a Data Protection Policy in place that requires compliance by all of their employees. Non-compliance may result in disciplinary action.

10 FRAUD

10.1 The Standards & Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Standards & Audit Committee recognises that internal audit is not responsible for identifying fraud. However, it will assess the risk of fraud and be aware of the risk of fraud when planning and undertaking any internal audit work. Any instances of potential fraud or corruption identified during the course of an internal audit review will be immediately communicated in the first instance to the HoIA who will determine the short-term action to be taken. It will then be discussed with the Corporate Director of Resources and Place Delivery and the Assistant Director of Fraud & Investigation to determine any further action required.

Signature _____
Councillor Elizabeth Rigby
Chair of the Standards & Audit Committee

Date: 20th Oct 2022

Signature _____
Gary Clifford
Chief Internal Auditor

Date: 20th Oct 2022

Signature _____
Jonathan Wilson
Assistant Director of Finance and Acting Section 151 Officer

Date: 12th Sept 2019

24 November 2022	ITEM: 7
Standards & Audit Committee	
Counter Fraud & Investigation Quarterly Update (Q2)	
Wards and communities affected: All	Key Decision: Non-key
Report of: Michael Dineen, Assistant Director for Counter Fraud Investigation, Enforcement & Community Safety	
Accountable Assistant Director: Michael Dineen, Assistant Director for Counter Fraud Investigation, Enforcement & Community Safety	
Accountable Director: Julie Rogers, Director of Public Realm	
This report is Public	

Executive Summary

The Counter Fraud & Investigation service is responsible for the prevention, detection and deterrence of all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

This report outlines the performance of the CFI team over the last quarter (Q2) for Thurrock Council as well as the work the team have delivered nationally for other public bodies.

1. Recommendation

1.1 The Standards and Audit Committee comments on the performance of the Counter Fraud & Investigation Department.

2. Introduction & Background

2.1 The council's Counter Fraud team is responsible for delivering the corporate counter fraud programme which includes proactive work to enhance the council's controls as well as respond to intelligence from that proactive work and information from other sources.

3. Performance

3.1 CFI receives reports about suspected fraud from the public, government and law enforcement partners, internal referral mechanisms and proactive

operations. The figures show the performance of the department for Quarter 2 (Q2) of 2022/23.

- 25 reports of suspected fraud have been received
- 20 Investigations have been closed as 'no fraud'
- 3 sanctions have been delivered in cases of proven fraud
- 0 Social housing property has been recovered
- 123 active investigations are currently being conducted

3.2 The ring-fenced National Investigation Service (NATIS) function within the Counter Fraud & Investigation portfolio continues to support both central and local government bodies. This department will continue to assist the CFI where applicable and to the best use of resources.

4. Work Plan for 2022/23

4.1 CFI has a programme of proactive work to ensure the council's controls against fraud are robust and effective. That plan was presented and accepted by the Standards and Audit Committee in July 2022. **Appendix 1** sets out the progress made in delivering the Counter Fraud & Investigation Work Plan 2022/23.

4.2 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFI and the Section 151 Officer, these will be brought back to the Committee for approval.

4.3 The proactive work by the service continues with a focus on delivering training and knowledge across the council, from employees to members. The team will be engaging with high-risk areas, such as housing and social care, to ensure all that work within these high-risk areas are aware of the signs of fraud or unlawful behaviour. This is a significant part of the pro-active work plan.

4.4 Closer interaction with Housing and Environment is envisaged for the year to come with specific joint working to target the assets of those that prosper from their criminal activity against the council. This will utilise officers with the appropriate powers from the CFI and share the expertise with others in the council.

5. Reasons for Recommendation

5.1 This report provides a detailed update to the Committee on the counter-fraud measures for the Council and how it is reducing fraud under the council's counter-fraud strategy.

6. Consultation (including Overview and Scrutiny, if applicable)

6.1 Not applicable.

7. Impact on corporate policies, priorities, performance and community impact

7.1 Work undertaken by CFI to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting good corporate governance.

8. Implications

8.1 Financial

Implications verified by: **Laura Last**
Senior Management Accountant, Finance

There are no financial implications arising from this report.

8.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer & Deputy Monitoring Officer

There are no legal implications within this report.

8.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer - Adults, Housing & Health

There are no social or community issues surrounding this report. There are also no Diversity or Equality issues.

8.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

None.

9. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Counter Fraud & Investigation Policy & Strategy – thurrock.gov.uk/fraud
Counter Money Laundering Policy & Strategy – thurrock.gov.uk/fraud
CroweClarkWhitehill Annual Fraud Indicator – crowe.co.uk

10. Appendices to the report

- Appendix 1 – Counter Fraud & Investigation Proactive Work Plan 2022/23

Report Author:

Michael Dineen

Assistant Director for Counter Fraud Investigation, Enforcement & Community Safety

Counter Fraud & Investigation



Proactive Work Plan 2022/23



Counter Fraud & Investigation Annual Strategy 2022/23

Our Fraud Control Strategy

Our Strategy ensures all of our actions are considered and justified.

The Counter Fraud & Investigation team's work ensures that we are able to identify at an earlier stage intelligence relating to the key priorities below, particularly those affecting the most vulnerable of society.

Who are We?

A specialist function to protect public finance from fraud and serious crime, using our legal framework as a local authority service

What is Our Purpose?

- 1 Protect the public purse from crime
- 2 Support the wider-public sector with shared, advanced capabilities

What are Our Priorities?

Crimes affecting a vulnerable adult or child

Insider threats in local government

Organised crime targeting local government

Improving local government's resilience to cyber crime

How do we Succeed?

Always acting Ethically in everything that we do, working to our values, attitudes and principles

Consider opportunities to work collaboratively with others for the benefit of our purpose, sharing our knowledge, experience and expertise

Apply the 4 'P' Strategy to Prevent, Protect and Prepare local government for economic crime, pursuing offenders where necessary

Ensure our teams are fully equipped to respond to the threats faced from economic crime

Proactive Work Plan 2022/23

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	<p>Training of high risk areas in counter fraud measures</p> <p>Ensure understanding of the threats posed to those areas. To be tailored to the areas and ongoing support offered via a Single Point of Contact with CFI. This is a yearly activity that CFI will continue to deliver.</p>	July 2022 to June 2023	<p>Ongoing and will be delivered to the high-risk areas. Intention to deliver fraud training to members within next 6 months. Two new employees have started with the fraud team to develop this.</p> <p>The use of ICT and the fraud awareness package that was previously used is to be pushed out across the council to all members of staff.</p>	Phil Butt/Rob Kleinberg	
Council-wide	<p>Review all relevant policies concerning fraud aspects of the council's business</p> <p>Ensuring that all hold the most up to date legislative information as well as ensuring best practice is always adhered to.</p>	Jan 2023	<p>Will be completed by deadline. Michael Dineen has taken over the role of AD for Counter Fraud, Enforcement & Community Safety. This action will remain with him.</p>	Michael Dineen	
Council-wide	<p>A Fraud Health Check on the Social Care Application Process</p> <p>Ensuring the applicants that apply for Social Care assistance are entitled to and worthy of such care assistance, specifically direct payment care.</p>	Apr 2023	<p>This is an area for the new AD to start targeting and will work with new members of staff to ensure this becomes a priority for the team.</p>	Phil Butt	
Council-wide	<p>Targeting POCA and Civil Legislation to maximise effect on criminal behaviour</p> <p>Ensure that CFI utilise the appropriate legislation to maximise the effects on criminals and ensure that our</p>	June 2023	<p>This will be continued and working with Environment Crime Unit will be first to utilise the relationship. This continues and the CFI will work with current AFIs to ensure best value for</p>	Roger Noakes	

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
	vision of protecting the public purse is adhered to by promoting this work.		money in relation to the sharing of resources.		

As well as the proactive work, the CFI will continue to work on all the reactive investigations that continues every day from the referrals it receives. This is predominately the work that is required to be completed to ensure a successful CFI as can be seen throughout this report.

24 November 2022	ITEM: 8
Standards and Audit Committee	
Complaints received under the Members' Code of Conduct	
Wards and communities affected: N/A	Key Decision: Non-key
Report of: Gina Clarke, Corporate Governance Lawyer & Deputy Monitoring Officer	
Accountable Director: John Jones, Director of Legal & Governance	
This report is Public	

Executive Summary

This report provides an update on complaints against members of the Council received during the municipal year 2021/22.

1. Recommendation(s)

1.1 That the Committee note the outcomes on complaints received under the Members' Code of Conduct.

2. Introduction and Background

2.1 It was reported to the July meeting of the committee complaints received under the Members' Code of Conduct during the municipal year 2021/22. This report provides an update on complaints received following the report to the committee in July. One new complaint has been received.

2.3 The current Members' Code was adopted by the Council in 2013. It was a requirement under the Localism Act 2011 that all councils adopt a Code of Conduct and that the Code adopted must be based upon the Nolan Principles of Conduct in Public Life. The Council also has arrangements for dealing with complaints.

2.4 Below is a table setting out details of code of conduct complaints received during the last municipal year. The table omits details of the identities of the complainant and the subject member, as the Council needs to adhere to the requirements of the Data Protection Act. The, the names of parties involved in code of conduct complaints are kept confidential unless it is appropriate to disclose the names as part of a formal investigation and consideration by a Hearing Panel of the Audit Standards Committee.

Date complaint received	Nature of the complaint and paragraph of the code alleged to have been breached	Monitoring Officer Assessment	Status
5.10.22	Failed to act solely in the public interest and improperly confer and advantage or disadvantage on any person..(para 2.1) Failed to behave in accordance with all legal obligations, etc and confidential information (para 2.8) Disrespect and not valuing others (para 2.9)	Complaint being assessed	On - going
24.09.22	Disrespect and not valuing others (para 2.9) Councillor failed to answer complainant's questions relating to council business on a final decision had not been made	Initial Assessment Decision issued – finding no potential breach of the code. No further action to be taken on the complaint	Closed
16.08.21	Failed to Make decision on merit (para 2.3) In relation to a decision made by a school	Initial Assessment Decision issued – finding no failure. Cllr was not acting in their capacity as a councillor No further action to be taken on the complaint	
7.10.21	Disrespect and not valuing others (para 2.9) Promote & support high standards (2.10) Councillor's comments on social media about an individual	Informal resolution. Apology sent to the complainant	Closed
7.10.21	Conferring an improper disadvantage on the complainant and others (para 2.1) Failed to have in accordance with legal obligations etc) Disrespect and not valuing others (para 2.9) relating planning decision	Initial Assessment Decision issued – finding no potential breach of the code No further action to be taken on the complaint	Closed
5.11.21	Failed to Make decision on merit (para 2.3) Accountable (para 2.4) Openness (para 2.5) Promote & support high standards (2.10) relating to a planning decision	Initial Assessment Decision issued – finding no potential breach of the code. No further action to be taken on the complaint	Closed

28.02.22	Bullying and disrespect - (para 2.9) related to comments post on social media about the complainant	Informal resolution complainant and subject councillor not to post comments on social media about each other	
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3. Issues, Options and Analysis of Options

- 3.1 The Committee is responsible for promoting and maintaining high standards of conduct by Members and co-opted Members of the Council and assisting them to observe the Code of Conduct.
- 3.2 Statistical information and details of complaints received against Members can assist the committee to identify any training needs or other steps to be taken to support Members.
- 3.3 As the Council is under a duty to promote and maintain high standards of conduct, where training needs of other steps are identified which within the current legal limitations would support Members to observe the Code, it is not recommended that no such action is taken.

4. Reasons for Recommendation

- 4.1 To ensure that the Council's current ethical framework, within the limitations of the Localism Act 2011, is conducive to promoting and maintaining the standards expected by the public and is strengthened.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Not applicable,

6. Impact on corporate policies, priorities, performance, and community impact

- 6.1 The Council's Constitution supports the governance of the Council and its decision-making, thereby assisting the Council to meet its corporate policies and priorities, as well as maintaining public confidence.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Senior Management Accountant – Resources and Place Delivery

There are no direct financial implications expected from this proposed policy change.

7.2 Legal

Implications verified by: **Gina Clarke**

**Corporate Governance Lawyer & Deputy
Monitoring Officer**

Section 27 of the Localism Act 2011, requires the Council to promote and maintain high standards of conduct by members and co-opted members and to adopt a code dealing with the conduct that is expected of members and co-opted members when they are acting in that capacity.

Section 28 of the Localism Act 2011 requires the council to have in place arrangements “for handling complaints that a member or co-opted member of the Council, or of a Committee of Sub-Committee of the Council, has failed to comply with Code of Conduct.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

Team Manager, Community Development

The Members Code of Conduct has been devised in accordance with the Equality Act 2010 and Public Sector Equality Duty and follows an ethical framework that promotes and maintains the standards of practice for councillors that can be expected by citizens. Complaints that allege the standards have not been upheld are investigated and assessed by the Monitoring Officer in line with the framework and legislative requirements expanded in section 7.2 of this report. The present status for complaints both individually and overall is set out in section 2.4 with the vast majority now closed or the subject of ongoing review by the Monitoring Officer.

7.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

Not applicable.

8. **Background papers used in preparing the report** (including their location on the Council’s website or identification whether any are exempt or protected by copyright):

9. **Appendices to the report**

None.

Report Author:

Gina Clarke

Corporate Governance Lawyer & Deputy Monitoring Officer

Law and Governance

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24th November 2022	ITEM: 9
Standards & Audit Committee	
Internal Audit Progress Report 2022/23	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Director: Jonathan Wilson – Interim Director of Finance	
This report is Public	

Executive Summary

The Internal Audit Plan 2022/23 was discussed by the Standards & Audit Committee at their meeting of 10th March 2022. This progress report covers final reports issued since the last progress report to the Standards & Audit Committee, draft reports issued and work in progress. In addition, it covers an update on the resourcing issues which have impacted upon service delivery and changes to the audit planning process moving forward into 2023/24.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider reports issued and the work being carried out by Internal Audit in relation to the 2022/23 audit plan, the update on the resourcing issues facing the service and the changes to the audit planning process.

2. Introduction and Background

- 2.1 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.
- 2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.
- 2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the

Standards & Audit Committee about the operation of the internal control environment.

- 2.4 The audits contained in the Internal Audit Plan 2022/23 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

- 3.1 The reports issued by Internal Audit provide 4 levels of assurance opinion. The 4 opinions use a Red/Amber/Green (RAG) assurance level and reports are now categorised as:

- Green; Amber/Green (positive assurance opinions);
- Amber/Red (negative assurance opinion that provides some assurance but a number of weaknesses were identified); and
- Red (negative assurance opinion).

- 3.2 The purpose of this progress report is not only to highlight reports issued as final but to provide members with an update on work which has reached the draft report stage and work currently in progress. The status of work currently being undertaken is shown at Appendix 1.

- 3.3 This report also provides an update on the current resourcing issues facing the service which have impacted on the delivery of the plan. These are covered within Appendix 1 under the section "Work and other issues for which no reports are generated". In summary, the last 2 members of the team, the Senior Internal Auditors, both left in May 22 and July 22 respectively. The vacant Internal Auditor posts were both filled in September 22 but this still leaves the 2 Senior Auditor posts as vacant.

- 3.4 During the period being reported on, we have finalised 1 assurance report on Housing Voids, which received a Green (positive) assurance opinion.

- 3.5 As well as our core work, during the period being considered, from April 22, we implemented new working papers software to help improve the efficiency of the service by computerising more of the work we carry out. However, with the remaining staff leaving and 2 new employees starting in September, further training had to be provided on the software which was carried out at the end of October.

- 3.6 The audit planning process which has been followed for a number of years, required the service to undertake an audit needs analysis every 3 years and develop a 3-year strategy and an annual plan which just rolled forward. With the pace of change now occurring across local government, this is no longer fit for purpose. On this basis, it has been agreed with Directors Board that a 6-month audit plan, which is agreed by Directors Board and Standards & Audit Committee, would not only allow the service to be more reactive to changing

priorities but should also reduce the number of requests for ad hoc work making the service more effective..

4. Reasons for Recommendation

- 4.1 To assist the Standards & Audit Committee in satisfying itself that progress against the Internal Audit Plan is sufficient as one of the means of assuring itself of the effective operation of internal controls.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The audit risk assessment and the plan are periodically discussed with the Chief Executive, Corporate Directors, Directors and Assistant Directors before being reported to Directors Board and the Standards & Audit Committee.
- 5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Directors, Assistant Directors and/or management before being finalised.
- 5.3 The Internal Audit Service also periodically consults with the council's External Auditors to ensure that respective audit plans provide full coverage whilst avoiding duplication.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The council's corporate priorities were used to inform the annual audit plan 2022/23. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **Joanne Freeman**

Finance Manager for Management Accounts

There are financial implications to this report arising from the vacant posts which will result in an underspend against the budget. The costs associated with the implementation of audit recommendations will be considered and, where possible, met from existing budgets within the services.

7.2 Legal

Implications verified by: **Gina Clarke Corporate Governance Lawyer & Deputy Monitoring Officer**

The contents of this report and appendixes form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. The council must ensure that it has a sound system of internal control which facilitates the effective exercise of its

functions and achievement of its aims and objectives; ensures that the financial and operational management of the council is effective; and includes effective arrangements for the management of risk.

At least annually the council must undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project
Monitoring Officer

There are no direct diversity or equality implications arising from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and impact on Looked After Children

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. **Background papers used in preparing the report:**

- Strategy for Internal Audit 2020/21 to 2022/23 and Internal Audit Plan 2022/23
- Internal Audit Reports issued in 2022/23.

9. **Appendices to the report**

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Resources & Place Delivery

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2022/23

Date of Committee: 24th November 2022

Introduction

The internal audit plan for 2022/23 was presented to the Standards & Audit Committee on 10th March 2022.

Table showing reports issued as Final, in Draft and Work in Progress (WIP)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Housing Voids	Final	Green	0	2	1
Taxi Licencing	WIP	N/A	N/A	N/A	N/A
Council Tax	WIP	N/A	N/A	N/A	N/A

Work and other issues for which no reports are generated

We have now implemented an upgraded version of our Teammate audit working papers software. This involved training and user testing by the staff and feedback to the supplier on any issues around the reporting process.

As had been previously reported, during the pandemic we lost a Senior Internal Auditor and an Internal Auditor. As a result of this, 1 of the remaining Internal Auditors was successful in being promoted following interviews for the vacant Senior Internal Auditor post. This left the service with 2 Internal Auditor vacancies.

This meant that as at April 2022, the service consisted of the Chief Internal Auditor and 2 Senior Internal Auditors. However, at the end of March 2022, 1 of the Senior Internal Auditors was headhunted through LinkedIn and left at the end of May 2022. The second Senior Auditor handed in her notice on 19th May 2022 and formally retired at the end of August 2022. However, as she worked term-time only, her last working day was in mid-July.

The 2 Internal Auditor posts were successfully filled in September 2022 after 2 unsuccessful recruitment campaigns where no suitable candidates applied. These Internal Auditors received training on the new Teammate system in late October.

In respect of the Senior Internal Auditor posts, the first recruitment started in June and an offer was made to 1 of the candidates who accepted and was due to start on Monday 3rd October. However, on 29th September, this candidate withdrew their acceptance. A further recruitment covering both the vacant Senior Internal Auditor roles was undertaken during October but there were no suitably qualified candidates, so the roles have been readvertised. We are also working with the HR Advisors to identify the costs involved in targeting the recruitment to sector specific publications if the current recruitment is not successful.

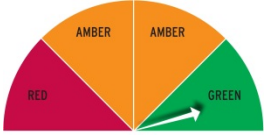
Changes to the Annual Plan

As can be seen from table above, and for the reasons identified in respect of resources, little work has been started in 2022/23. However, with the 2 new Internal Auditors now in post and trained on the audit software, reviews have now restarted.

We have also started discussions with Directors on a new approach which will see us agree our plans and report more frequently to Directors Board. An email was sent to all the members of Directors Board requesting that over the next month or two, I meet with each of them individually (in person or on Teams) to determine what are the key risks to their services and how we can use the internal audit service to provide them with assurance around the services they provide. I will then cascade this approach down to the Assistant

Directors and Strategic Leads and pick up on their concerns. I will also pick up on any issues arising from the Best Value Review, Improvement and Recovery Plan, Corporate Risk Register and External Auditors. From these various sources, I will develop a 6-month plan for presentation to DB in February 2023 and the Standards & Audit Committee in March 23. Having a 6-month plan should also reduce the amount of ad hoc work that we have to carry out as we can react more quickly to changing risks and priorities.

Key Findings from Internal Audit Work

Assignment: Housing Voids	Opinion: Green	
<p>Headline Findings: Our review of the Housing Voids identified 2 medium and 1 low recommendation around the adequacy of the control framework. The review looked at the following risks:</p> <ul style="list-style-type: none"> There may not be comprehensive void management policies and procedures in place resulting in void properties not being returned to the council housing stock in a timely manner and poor performance in turnaround times which impacts adversely on rental income and potential temporary accommodation costs. Void properties may not be inspected promptly and repairs may not be monitored effectively leading to poor workmanship and tenants' complaints. 		
Action and Response	Responsible Officer	Date
<p>Action – If tenants move out without giving the required notice, unless there is an agreement with the council, they should be liable for the total weekly payment. This will provide the service with sufficient time to prepare work schedules and pre-allocate the property in a timely manner.</p> <p>Response - The policy requires 4 weeks' notice to end a tenancy, or 2 weeks' notice in the case of internal transfers within TBC stock.</p> <p>There may be occasions when the surrender of keys without notice or before the end of the notice period is agreed. This will be applied on a case-by-case basis and decisions will be made using a person-centred approach.</p> <p>On these occasions the liability of rent will continue until the end of the week in which vacant possession was given.</p> <p>Possession of keys will allow property inspection to determine vacant possession and to allow for property inspection.</p> <p>The voids process will reflect this approach.</p>	<p>Tenancy and Neighbourhoods Service Manager</p>	<p>October 22</p>
<p>Action – Pre-termination inspections should be carried out as soon as notice is received. This will ensure the tenant undertakes repairs they are responsible for before they leave. This should also reduce the turnaround time on void properties, thereby maximising income generation.</p> <p>Response - Our new void process has now been implemented and this incorporates the pre-termination inspections. These are carried out at the earliest opportunity.</p>	<p>Tenancy and Neighbourhoods Service Manager/ Voids Team Leader</p>	<p>Complete</p>

**Standards & Audit Committee
Work Programme
2022/23**

Dates of Meetings: 7 July 2022, 20 October 2022, 24 November 2022 and 2 March 2023

Topic	Lead Officer
7 July 2022	
Audit Progress Report for 2020/ 21 External Audit	BDO / Jonathan Wilson
Regulation of Investigatory Powers Act (RIPA) 2000 – Activity Report 2021 /22	Lee Henley
Counter Fraud & Investigation Annual Report & Strategy	David Kleinberg
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework	Andy Owen
In Quarter 4 (2021/22) Review of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Ethical Standards Report	Matthew Boulter
Complaints received under the Members' code of conduct	Matthew Boulter
Red Reports (as required)	

20 October 2022

Annual Complaints & Enquiries Report 2021/22	Lee Henley
Annual Information Governance Report April 2021 - March 2022	Lee Henley
In Quarter 2 Refresh of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Counter Fraud & Investigation Performance Report Q1	David Kleinberg
Red Reports (as required)	

24 November 2022

Regulation of Investigatory Powers Act (RIPA) - Activity Report 2022/23 (April to September)	Lee Henley
Internal Audit Charter 2022	Gary Clifford
Counter Fraud & Investigation Quarterly Update (Q2)	Michael Dineen
Complaints received under the Members Code of Conduct	John Jones
Internal Audit Progress Report 2022/23	Gary Clifford
Red Reports (as required)	

2 March 2023

Chief Internal Auditor's Annual Report – Year ended 31 March 2022	Gary Clifford
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Internal Audit Progress Report 2022/23	Gary Clifford
Counter Fraud & Investigation Quarterly Update (Q3)	Michael Dineen
Internal Audit Strategy 2021/22 to 2023/23 and Annual Internal Audit Plan 2023/24	Gary Clifford
Audit Progress Report for the Year Ended 31 March 2022	Jonathan Wilson
Investment Briefing	Jonathan Wilson
In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework	Andy Owen
Update of Program and Project Management	Mark Bradbury
Audit Completion Report	BDO/ Jonathan Wilson
Financial Statements and Annual Governance Statement 2020/21	BDO / Jonathan Wilson
A13 Widening Project	Mark Bradbury / Kevin Munnelly
Stanford-Le-Hope Transport Projects	Mark Bradbury / Kevin Munnelly

Reports for 2023/24:

Clerk: Rhiannon Whiteley
 Last Updated: November 2022

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