

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 **21 March 2024**

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

### Membership:

Councillors Fraser Massey (Chair), Kairen Raper (Vice-Chair), Lynn Worrall, Gary Collins, Elizabeth Rigby and James Thandi

Charles Clarke  
Jasdip Singh Nijjar

### Substitutes:

Councillors Cathy Kent, Valerie Morris-Cook and Maureen Pearce

### Agenda

Open to Public and Press

	<b>Page</b>
<b>1 Apologies for Absence</b>	
<b>2 Items of Urgent Business</b>	
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.	
<b>3 Declaration of Interests</b>	
<b>4 Management Actions from Internal Audit's 2020/21 Reports</b>	<b>5 - 12</b>
<b>5 Internal Audit Charter 2024</b>	<b>13 - 26</b>
<b>6 Internal Audit Protocol- Item to follow</b>	
<b>7 Committee on Standards in Public Life Update</b>	<b>27 - 34</b>

**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](mailto:Direct.Democracy@thurrock.gov.uk)

Agenda published on: **13 March 2024**

## **Information for members of the public and councillors**

### **Access to Information and Meetings**

#### **Advice Regarding Public Attendance at Meetings**

If you are feeling ill or have tested positive for Covid and are isolating you should remain at home, the meeting will be webcast and you can attend in that way.

Hand sanitiser will also be available at the entrance for your use.

#### **Recording of meetings**

This meeting will be live streamed and recorded with the video recording being published via the Council's online webcast channel: [www.thurrock.gov.uk/webcast](http://www.thurrock.gov.uk/webcast)

If you have any queries regarding this, please contact Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)

#### **Guidelines on filming, photography, recording and use of social media at council and committee meetings**

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities. If you wish to film or photograph the proceedings of a meeting and have any special requirements or are intending to bring in large equipment please contact the Communications Team at [CommunicationsTeam@thurrock.gov.uk](mailto:CommunicationsTeam@thurrock.gov.uk) before the meeting. The Chair of the meeting will then be consulted and their agreement sought to any specific request made.

Where members of the public use a laptop, tablet device, smart phone or similar devices to use social media, make recordings or take photographs these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee. The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

## Thurrock Council Wi-Fi

Wi-Fi is available throughout the Civic Offices. You can access Wi-Fi on your device by simply turning on the Wi-Fi on your laptop, smartphone or tablet.

- You should connect to TBC-GUEST
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
- A Terms & Conditions page should appear and you have to accept these before you can begin using Wi-Fi. Some devices require you to access your browser to bring up the Terms & Conditions page, which you must accept.

The ICT department can offer support for council owned devices only.

## Evacuation Procedures

In the case of an emergency, you should evacuate the building using the nearest available exit and congregate at the assembly point at Kings Walk.

## How to view this agenda on a tablet device



You can view the agenda on your [iPad](#) or [Android Device](#) with the free modern.gov app.

Members of the Council should ensure that their device is sufficiently charged, although a limited number of charging points will be available in Members Services.

To view any “exempt” information that may be included on the agenda for this meeting, Councillors should:

- Access the modern.gov app
- Enter your username and password

# 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

<b>21 March 2024</b>		<b>ITEM: 4</b>
<b>Standards and Audit Committee</b>		
<b>Management Actions from Internal Audit's 2020/21 Reports</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Report of:</b> Colin Ratcliffe – Interim Head of Financial Assurance, Risk, Internal Audit, and Insurance, and Barry Hatton – Internal Auditor		
<b>Accountable Assistant Director:</b> N/A		
<b>Accountable Director:</b> Dawn Calvert – Interim Chief Financial Officer and S151 Officer		
<b>This report is</b> Public		
<b>Version:</b> Final		

## Executive Summary

At the meeting of the Standard and Audit Committee (the Committee) on 29 February, Internal Audit's progress paper included the following recommendation:

**Consider and accept, or otherwise, Internal Audit's proposal not to verify implementation of management actions from audit reports from 2020/21 engagements.**

The Committee requested that Internal Audit provide a list of "High" and "Medium" priority rated recommendations from Internal Audit's 2020/21 audit reports. The Committee wanted to review the list and select a set of recommendations for follow up work by Internal Audit.

Internal Audit identified 20 relevant recommendations from 10 reports. These are listed at **Appendix A**.

Internal Audit estimated that, on average, the resource requirement to initiate, review, and report upon the status of an historic management action is half a person-day. If the Committee wants follow-ups on all 20 associated management actions, Internal Audit will need to find 10 full time equivalent days. While this demand can be accommodated within current resources, due to current vacancies, it will impact on resources for the audit plan. Team resources are being discussed with the new Chief Financial Officer.

## Commissioner Comment:

In considering the audits from 2020/21 that the Committee wishes to prioritise for follow up, priority is given to those the Committee considers present the most tangible risk to the Authority so that a balance can be maintained between these requirements and the need to maintain the existing

programme. In considering the immediate needs of the resourcing of the team account needs to be taken of the budget agreed by Council which is pairing back expenditure on agency and interim staff. All efforts should be made to fill vacancies on a permanent basis so as to provide for continuity and cost-effective use of the Council's resources.

## **1. Recommendation(s)**

- 1.1 Review the list of 2020/21 recommendations at Appendix A and select those that the Committee wants Internal Audit to follow-up regarding the implementation status of the associated management actions.**

## **2. Introduction and Background**

- 2.1 As part of its Charter, Internal Audit is required to carry out follow up reviews to ensure management has implemented agreed internal control improvements. For several years, Internal Audit did not follow through on this obligation. In September 2023, Internal Audit implemented a review into the status of management actions going back to 2018/19.
- 2.2 At the meeting of the Committee on 29 February 2024, Internal Audit reported the implementation status for 13 management actions associated with recommendations with risk/priority ratings of "Medium" or "High" from 2018/19 and 2019/20. The Committee noted the verification status of these management actions.
- 2.3 Internal Audit reported to the Committee that it had discovered that migration of its audits from 2020/21 and 2021/22 into an upgraded version of its audit software had not copied material from these audits including Internal Audit's recommendations.
- 2.4 Given the lack of available resources to remedy this situation and the historic nature of the 2020/21 recommendations, Internal Audit invited the Committee to consider Internal Audit's proposal not to verify implementation of management actions from the 2020/21 audits.

## **3. Issues, Options and Analysis of Options**

- 3.1 The Committee considered that some of the agreed 2020/21 management actions were likely to be relevant now if not implemented. It therefore requested that Internal Audit provide a list of the recommendations from the 2020/21 audits for review by the Committee at its meeting on 21 March 2024.
- 3.2 Responding to this request, Internal Audit identified 20 recommendations with a priority/risk rating of "High" or "Medium" from 10 reports. The title of the audits, the recommendations, and their respective priority/risk ratings are listed in Appendix A.
- 3.3 Internal Audit estimated that, on average, the resource requirement to initiate, review, and report upon the status of an historic management action is half a person-day. If the Committee wants follow-ups on all 20 associated management actions, Internal Audit will need to find 10 full time equivalent days. While this demand can be accommodated within current resources, due to current vacancies, it will impact on resources for the audit plan. Team resources are being discussed with the new Chief Financial Officer.



#### **4. Reasons for Recommendation**

- 4.1 The reason for the recommendation is a direct response to the request by Committee that it selects those recommendations in the 2020/21 audit reports that it wants Internal Audit to follow-up.

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

- 5.1 Not applicable.

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

- 6.1 Internal Audit estimates it will expend half a person-day, on average, to review and report the implementation status of each management action. The redeployment of Internal Audit's limited resources will impact upon its ability to conduct current audit work.

#### **7. Implications**

##### **7.1 Financial**

Implications verified by: **Rob Chimani**  
**Accountant**

**8<sup>th</sup> March 2024**

There are no financial implications arising from this progress report.

##### **7.2 Legal**

Implications verified by: **Gina Clarke**  
**Governance Lawyer and Deputy Monitoring Officer**  
**11<sup>th</sup> March 2024**

The Council is required to comply with the requirements of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. This Act and Regulations require the Council to have a sound system of internal control which: (i) facilitates the effective exercise of its functions and achievement of its aims and objectives (ii) ensures that the financial and operational management of the Council is effective and (iii) includes effective arrangements for the management of risk.

Failure to address the list of outstanding management actions from previous audit reports identified as high and medium risk in Appendix 2, has the potential in some instances to increase the risk of complaints being made about the Council, and also to increase the Council's exposure to legal, operational and financial risks.

### 7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project Monitoring Officer**  
**12 March 2023**

There are no diversity implications contained within this report.

### 7.4 Risks

If Internal Audit does not complete an adequate number of appropriate audits from across the Council, the Interim Chief Internal Auditor may not possess sufficient evidence upon which to formulate an annual internal audit opinion for 2023/24 on the adequacy and effectiveness of the Council's governance, risk management and control arrangements

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

The Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance frameworks

### 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):

- Internal Audit's Annual Audit Plane for 2020/21
- The folder in Objective holding copies of Final Audit Reports for 2020/21

### 9. Appendices to the report

- Appendix A - Table of Recommendations with Priority Ratings "High" or "Medium" from Internal Audit's 2020/21 Reports

### Report Author:

Colin Ratcliffe

Interim Head of Financial Assurance, Risk, Internal Audit, and Insurance  
Finance

**Table of Recommendations with Priority Ratings “High” or “Medium” from Internal Audit’s 2020/21 Reports**

Project Code	Audit Title	Rec. Ref. No.	Recommendation	Risk Rating
Not Recorded	Business User Allowance	20/21-01	Mileage should be a mandatory requirement which has to be met to receive BUA.	High
		20/21-02	The BUA Assessment Forms should be held in the employees’ personal files which are held electronically and easily accessible.	Medium
AE2021-37	Complaints Management Process	20/21-03	Complaints management should consider reviewing and reinforcing the existing procedure for dealing with complaints sent directly to services to ensure it is sufficiently robust to prevent some complaints going unaddressed for unreasonably long periods of time.	Medium
INT1920-35	Disclosure and Barring Service (DBS) checks	20/21-04	Once completed, the central list should be subject to formal approval by senior management. This will help to ensure checks are completed on all posts requiring them and the correct level of check is undertaken e.g. basic, standard or enhanced.	Medium
		20/21-05	The Council should not keep disclosure information for more than 6 months after its receipt which should then be confidentially destroyed. The only information that the Council should retain in a secure manner is	Medium
INT1920-02	Fostering	20/21-06	The Policy on Payments to Thurrock Council Foster Carers should be amended to reflect the correct mileage rate and going forward Foster Carers’ claims should be paid at 0.40 pence per mile.	Medium
		20/21-07	The Fostering Allowance should be paid at the correct prevailing rate.	Medium
		20/21-08	Care should be taken to ensure records are kept up-to-date.	Medium

		20/21-09	All mileage claims submitted by foster carers must include a full VAT receipt in order to meet HMRC requirements and allow the council to reclaim the VAT back.	Medium
		20/21-10	All claims for reimbursement of travelling and out of pocket expenses should be authorised by a Manager prior to being passed for payment.	Medium
AE2021-03	Houses in Multiple Occupation	20/21-11	A risk management process that consists of setting clear HMO specific objectives, regular assessment, identification and evaluation of key risks that threaten the achievement of objectives, development of appropriate mitigation measures and reporting in a risk register should be developed, implemented and maintained.	Medium
AE2021-06	Leaseholders Charges	20/21-12	A risk management process that consists of setting clear Leasehold specific objectives, regular assessment, identification and evaluation of key risks that threaten the achievement of objectives, development of appropriate mitigation measures and reporting in a risk register should be developed, implemented and maintained.	Medium
AE2021-17	No Recourse to Public Funds (NRPF)	20/21-13	It is acknowledged that there may be some slippage due to the current situation but once the revision of the Policy has been completed it should be approved by senior management, Legal Services and presented to members for final approval.	Medium
		20/21-14	The Authority should adopt a rational and consistent approach in determining how much subsistence should be provided to families with no recourse to public funds and apply this approach across supported families. It should also be documented how that amount has been reached and provide evidence in the assessment that the child's needs have been properly considered and the amount provided meets identified needs.	Medium
		20/21-15	A joint strategy for the provision of accommodation should be developed between Children Services and Housing to identify and support a reduction in spending and ensure a consistent approach to procurement.	Medium

CE2021-01	Project Management Control Framework	20/21-16	It is recommended that a corporate project management policy be developed setting the council's position on project management to provide guidance and a foundation for developing control frameworks across directorates to ensure alignment of practices with the council's vision and priorities. This will help the council and individual directorates to achieve consistency and harmonisation of project management practices, and improve efficiency and effectiveness in project delivery.	High
		20/21-17	The framework should be updated to include a clear narrative description of the processes and controls required to mitigate risks identified in each stage of the project lifecycle. The number of stages or phases being considered for the directorate's project lifecycle, should take into consideration best practice available and recommendations from industry standard setters.	Medium
INT1920-22	Public Procurement Regulations 2015	20/21-18	The procurement team should take regular training on key elements of the public contract regulation to improve their effectiveness in its application	Medium
		20/21-19	Evaluators should be offered adequate training and should meet to discuss the basis for scoring bids prior to the assessment of tenders for major contracts. The sample evaluation sheet prepared to provide guidance to evaluators should include clear and objective basis for awarding scores for each admissible criteria to limit the scope for arbitrary decisions	Medium
INT1920-46	Housing Rents	20/21-20	Garage rent arrears should be monitored more closely and action taken to address arrears in line with council procedures. This will ensure the council maximises its income from garage rentals.	High

This page is intentionally left blank

<b>21 March 2024</b>	<b>ITEM: 5</b>
<b>Standards and Audit Committee</b>	
<b>Internal Audit Charter 2024</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key
<b>Report of:</b> Colin Ratcliffe – Interim Head of Financial Assurance, Risk, Internal Audit and Insurance	
<b>Accountable Assistant Director:</b>	
<b>Accountable Director:</b> Dawn Calvert – Chief Financial Officer (Section 151 Officer)	
<b>This report is public</b>	
<b>Version:</b> Final	

## Executive Summary

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

## Commissioner Comment:

Commissioners support the adoption of the Charter in demonstrating the Council’s commitment to its internal audit service standards and ways of working.

### 1. Recommendation(s)

**1.1 That the Standards and Audit Committee approve the Internal Audit Charter 2024 (Appendix 1) 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 The 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 Charter has been agreed with the Interim Chief Financial Officer (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: **Rob Chimani**  
**Accountant**

**12<sup>th</sup> March 2024**

There are no financial implication arising from this report.



## 7.2 Legal

Implications verified by: **Gina Clarke**  
**Governance Lawyer & Deputy Monitoring Officer**  
**11 March 2024**

The approval of the Internal Audit Charter 2024 supports of the Council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. This includes to undertake an effective internal audit at least annually, and amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards and associated guidance. The Council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee.

## 7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project Monitoring Officer**  
**11 March 2023**

There are no diversity implications within this report.

## 7.4 Risks

If the Internal Audit Charter is not agreed, the Internal Audit Service will not have sufficient authority to undertake internal audit activities required to provide an annual internal audit opinion on the adequacy and effectiveness of the Council's governance, risk management, and internal control arrangements.

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

The Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance frameworks.

## 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
- Institute of Internal Auditors International Professional Practices Framework

## 9. Appendices to the report

- Internal Audit Charter 2024

**Report Author:**

Colin Ratcliffe

Interim Head of Financial Assurance, Risk, Internal Audit, and Insurance  
Finance

# **Thurrock Council**

## **Internal Audit Charter 2024**

### **March 2024**

To be presented to Standards and Audit Committee on the 21 March 2024

## Contents

1. INTRODUCTION.....	1
2. DEFINITION AND PURPOSE OF INTERNAL AUDIT .....	1
3. PROFESSIONAL STANDARDS .....	2
4. AUTHORITY.....	2
5. INDEPENDENCE AND OBJECTIVITY .....	4
6. RESPONSIBILITIES .....	5
7. REPORTING .....	6
8. DATA PROTECTION .....	7
9. APPROVAL SIGNATURES.....	7

## Distribution

Copies of this Audit Charter will be provided to all members of the Standards and Audit Committee, Section 151 (S151) Officer and all staff by being made available on the council’s internet site.

## Who to contact to find out more:

Colin Ratcliffe, Interim Head of Financial Assurance, Risk, Internal Audit and Insurance

Email: [colin.ratcliffe@thurrock.gov.uk](mailto:colin.ratcliffe@thurrock.gov.uk)

Version – 5 – Next review date March 2025 or as required by changes to working practices or legislation.

## 1. INTRODUCTION

- 1.1 Internal audit is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of 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, and 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:

Head of Internal Audit	
Name	Colin Ratcliffe
Email address	<a href="mailto:colin.ratcliffe@thurrock.gov.uk">colin.ratcliffe@thurrock.gov.uk</a>

- 1.4 This Charter has been prepared 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, which came into effect from 1 April 2013 and were updated in February 2019.
- 1.5 This Charter will be reviewed, updated as required, and reported to the Standards and Audit Committee for consideration on an annual basis.
- 1.6 For the purposes of this Charter, the Interim Head of Financial Assurance, Risk, Internal Audit and Insurance 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 have responsibilities for other operational areas within the council and further details can be found in section 6.

## 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 The mission of internal audit is to enhance and protect organisational value by providing risk based and objective assurance, advice, and insight (Source - Institute of Internal Auditors).

- 2.3 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 Public Sector Internal Audit Standards, senior management are defined as the Senior Leadership Team, and members of the Standards and Audit Committee.

### 3. PROFESSIONAL STANDARDS

- 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 (IPPF)*. 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 Specifically, the internal audit service works to the Public Sector Internal Audit Standards (the Standards). These Standards are based on the mandatory elements of the IPPF and exist to promote further improvement in the professionalism, quality, consistency, and effectiveness of internal audit services across the public sector.
- 3.3 The HoIA will periodically report to the Senior Leadership Team and the Standards and Audit Committee regarding the internal audit service's conformance to the Code of Ethics and the Standards.

### 4. AUTHORITY

- 4.1 The principal authority for internal audit at the council comes from the Accounts and Audit Regulations 2015, specifically Regulation 5 which demands:
- "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".*
- 4.2 The HoIA will functionally report to the Standards and Audit Committee and administratively to the Chief Financial Officer (S151 Officer).
- 4.3 The HoIA will have unrestricted access to, and communicate and interact directly with, the Standards and Audit Committee, including private meetings without management present.
- 4.4 The internal audit service will:
- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

Noting that this power also derives from Regulation 5(2) of the Accounts and Audit Regulations 2015.

- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the council, as well as other specialised services from within or outside the council, to complete the engagement.

4.5 To establish, maintain and assure that the council's internal audit service has sufficient authority to perform its duties, the Standards and Audit Committee will:

- Approve the Internal Audit Charter.
- Approve the risk based internal audit plan.
- Approve the internal audit service's budget and resource 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.

4.6 To establish, maintain and assure that the council's internal audit service has sufficient authority to fulfil its duties the Chief Financial Officer, on behalf of, and where appropriate in consultation with, the Senior Leadership Team, will:

- Approve the Internal Audit Charter.
- Approve the risk based internal audit plan.
- Approve the internal audit service's budget and resource plan.
- Receive communications from the HoIA on the internal audit service's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the HoIA, after consultation with the Audit Panel.
- Conduct performance appraisals of the HoIA, after consultation with the Audit Panel.
- Make appropriate enquiries of the Senior Leadership Team and the HoIA to determine whether there are inappropriate scope or resource limitations.

## 5. INDEPENDENCE AND OBJECTIVITY

- 5.1 The HoIA will ensure that the internal audit activity remains 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. If the HoIA determines that independence or objectivity has been impaired, they will disclose this impairment to the relevant parties.
- 5.2 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.
- 5.3 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.
- 5.4 Where the HoIA has roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit the threat to independence and objectivity.
- 5.5 Currently, aside from the internal audit services, the HoIA has oversight of the following areas:
- a) Risk Management
  - b) Insurance
  - c) Financial Assurance
- 5.6 The HoIA will confirm to the Standards and Audit Committee, at least annually through the HoIA's Annual Report, the organisational independence of the internal audit activity.
- 5.7 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 S151 Officer and the Chair and members of the Standards and Audit Committee.
- 5.8 The HoIA holds one to one meetings with the Chair of the Standards and Audit Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.
- 5.9 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.



## 6. RESPONSIBILITIES

6.1 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 and Audit Committee.
- Evaluating specific operations at the request of the Standards and Audit Committee or management, as appropriate.

6.2 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 and 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 and Audit Committee following consultation with the Chief Financial Officer.

- 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 Public Sector Internal Audit Standards.
  - 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.
- 6.3 The HoIA also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit service may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit service does not assume management responsibility.
- 6.4 The internal audit service adheres to Standards 1210.A2 in having an awareness of fraud when undertaking its work. However, the primary responsibility for preventing, detecting, and investigating fraud at the council rests with the Counter Fraud & Investigations Team.

## **7. REPORTING**

- 7.1 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 and Audit Committee.
- 7.2 The HoIA shall issue progress reports to the Standards and 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 and Audit Committee.
- 7.3 The HoIA is required to provide the Section 151 Officer with an annual 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 and Audit Committee following the financial year end.

## 8. DATA PROTECTION

- 8.1 Internal audit files need to include sufficient, reliable, relevant, and useful evidence in order to support its findings and conclusions.
- 8.2 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).
- 8.3 Thurrock Council has a Data Protection Policy in place that requires compliance by all employees. Non-compliance may result in disciplinary action.

## 9. APPROVAL SIGNATURES

---

Standards and Audit Committee Chair:  
Date: March 2024

---

Head of Internal Audit:  
Date: March 2024

---

Chief Financial Officer:  
Date: March 2024

This page is intentionally left blank

<b>21 March 2024</b>	<b>ITEM: 7</b>
<b>Standards and Audit Committee</b>	
<b>Committee on Standards in Public Life Update</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Not applicable
<b>Report of:</b> Daniel Fenwick, Director Legal and Governance & Monitoring Officer	
<b>Accountable Assistant Director:</b> Not applicable	
<b>Accountable Director:</b> Daniel Fenwick, Director Legal and Governance & Monitoring Officer	
<b>This report is</b> Public	
<b>Version:</b> Final	

## Executive Summary

This report provides an update of the work which has been undertaken by the independent Committee on Standards in Public Life, in particular the Committee’s report “Leading in Practice” published on 24 January 2023, which features case studies gathered from organisations in the public, private and charitable sectors on maintaining ethical organisational practices.

This report also provides an update work undertaken nationally to prevent abuse and intimidation of those working in public in life.

## Commissioner Comment:

None

### 1. Recommendation(s)

**1.1 Note the content of report of the Committee on Public Life’s report Leading in Practice (Appendix 1), and consider any matters which may be relevant to the Council that require action.**

**1.2 Note the research that has been undertaken by the Local Government Association on abuse and intimidation of councillors and consider any matters that may require further to action.**

### 2. Introduction and Background

**2.1 The independent Committee on Standards in Public Life (the CSPL) is an advisory non-departmental public body sponsored by the Cabinet Office monitors and makes**

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

recommendations on all issues relating to standards in public life. It can examine standards of conduct of all holders of public office and all those involved in the delivery of public services and make any recommendations as to any changes in the present arrangements which might be required to ensure the highest standards of propriety in public life issues relating to ethical standards.

- 2.2 On 24 January 2023 the CSPL published its report *Leading in Practice*, the CSPL's review into how a variety of organisations have sought to integrate ethical values into their policies and ways of working. The review is part of a package of the work which begun in the CSPL's 2021 review, *Upholding Standards in Public Life* which addressed the need for stronger rules and more independent regulation to prevent misconduct.
- 2.3 On the date of publication of the CSPL report, Lord Evans, the former Chair of the CSPL wrote an open letter to public sector leaders to prompt reflection and discussion on the importance of ethical leadership in the UK.
- 2.4 The *Leading in Practice Report (The CSPL report) Appendix 1*, explores practical steps leaders can take to ensure that ethical rules are underpinned by a shared understanding of ethical rules. The purpose of the CSPL report is to encourage leaders in the public sector to reflect on their own ethical leadership and consider whether they can do more to ensure that the Principles of Public Life are understood and embedded into all aspects of how their organisations operate. To help with this process, the CSPL report includes a set of questions for leaders to reflect on, these are set out in paragraph of 2.6 of this report.
- 2.5 The CSPL Report covers the following areas:
- Chapter 1: Values and the public sector
  - Chapter 2: Communicating expected behaviours and leading by example
  - Chapter 3: Encouraging a 'speak up' culture
  - Chapter 4: Training, discussion and decision-making
  - Chapter 5: Governance
  - Chapter 6: Recruitment and performance management
- 2.6 The CSPL report, sets out twenty questions for leaders to ask themselves under chapters 2 to 6 of the CPSL report to think about what more they can do to embed a values ethos in their own organisations.

### ***Communicating values and leading by example***

1. How do the people in your organisation know that you care about the Principles of Public Life?
2. What do you do to help people understand how the Principles of Public Life translate to the standards of behaviour expected in their day-to-day work?
3. How do you address behaviour that is not consistent with the Principles of Public Life?

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

4. How do you know that people across your organisation are hearing a consistent tone from their managers in relation to the standards of behaviour expected of them?

### ***Encouraging a 'speak up' culture***

5. Are there clear and well-understood ways that people across your organisation can raise their concerns when things 'just don't feel right'? How do you know these routes are trusted?

6. What do you do to ensure that retaliation is not tolerated in your organisation?

7. How do you ensure you are listening to the concerns and suggestions of people in your organisation? Are you being open and transparent in communicating the outcome to people in your organisation, while respecting confidentiality?

8. How do you know the managers in your organisation are listening and responding well to concerns that are raised directly with them?

### ***Training, discussion and decision-making***

9. Is your staff training specific to the ethical risks and challenges faced by your organisation?

10. How do you encourage leaders at all levels to discuss the practical application of the Principles of Public Life in their teams?

11. Have you considered whether the people in your organisation might benefit from dedicated support for considering ethical issues, such as ethics committees or counsellors?

12. How do you know that people in your organisation are making consistently good decisions that take into account the Principles of Public Life?

### ***Governance***

13. Is your board clear on their role in relation to the ethical culture of the organisation?

14. Does your risk assessment process identify and monitor the key ethical risks for your organisation?

15. Does your board have access to the range of data needed to assess and monitor the ethical health of your organisation and to identify potential areas of concern?

16. How do you ensure that your organisation takes necessary action where the data suggests that changes are needed?

17. When things have gone wrong in your organisation, could the signs have been spotted and addressed earlier?

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

## ***Recruitment and performance management***

18. Does your recruitment and selection process place sufficient weight on the extent to which candidates' personal values align with the Principles of Public Life?

19. How does your organisation's selection process test the ability of candidates to exercise sound judgement when faced with ethical dilemmas?

20. Do the performance management processes of your organisation give sufficient weight to how individuals deliver on their objectives, as well as the outcomes that are achieved?

## **Ending Abuse in Public Life for Councillors**

- 2.7 On a national and local level there is evidence of increasing levels of abuse against councillors and council employees which is having an impact on democratic processes. In 2017, the CSPL published a report on Intimidation in Public Life which the Committee suggested that "the scale and intensity of intimidation is now shaping public life". Following the 2017 CPSL report, the Local Government Association (LGA) established a programme and a project which undertook research into abuse and intimidation. A survey undertaken by the LGA found that 88% of councillors who responded to its survey experienced abuse, with 98% of those claiming to face abuse on multiple occasions. 27% of councillors said they would not stand in the next election. Two-thirds (68%) of the councillors said that abuse and intimidation had influenced their position on whether to stand again. Councillors who responded to its survey experienced abuse, with 98% of those claiming to face abuse on multiple occasions. 27% of councillors said they would not stand in the next election. Two-thirds (68%) of the councillors said that abuse and intimidation had influenced their position on whether to stand again. The Chair of the LGA's Civility in Public Life Programme Steering Group has stated that unaddressed, abuse and intimidation risk forcing good councillors out of local politics altogether. The LGA are urging the government to introduce legislation that would allow a council to proactively withhold councillors' home addresses from the public
- 2.8 On 3 July 2023 the LGA issued a report Debate not Hate: Ending Abuse in Public Life for Councillors which provide guidance to councils as to how better support councillors to prevent and handle abuse and intimidation. The LGA's report makes a number of recommendations to protect councillors from abuse and intimidation, and also sets out guiding principles which may help councils to consider the level of support their members require and how best to provide this support

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision



2.9 The LGA's proposed guiding principles are:

- 1. Zero-tolerance approach to abuse:** establish and enforce a strict policy that sets clear expectations for interactions and promoting respectful debate.
- 2. Clarity of process and responsibility:** Clearly define the process for raising concerns and assign responsible persons who are well equipped and located in the council to provide councillors with support.
- 3. Relationships with local police:** Proactively foster strong relationships with police to improve coordination and advance mutual understanding of abuse affecting councillors and the police role in addressing it.
- 4. Tailored risk assessments:** Consider the needs of individual councillors and proactively identify risks through dynamic and periodic risk assessments.
- 5. Prioritise councillor wellbeing:** Recognise and consider how the council can support councillor wellbeing and address the negative impacts of personal attacks and hurtful commentaries.

2.10 The research undertaken by the LGA to produce their report found clear evidence that abuse of politicians is on the rise across the board and that issues can arise and escalate very quickly. Therefore Members are asked to consider what issues may occur in the future Thurrock and consider any matters that may require further to action to respond to abuse from members of the public.

### **3. Issues, Options and Analysis of Options**

- 3.1 There are clear benefits for the Council in setting clear standards and for elected members and council employees to become familiar with the fundamental values underpinning the council's governance arrangements, this will equip elected members and council employees to act in line with ethical standards.
- 3.2 By not setting clear standards for elected members and council employees could lead to a greater risk of ethical standards not being adhered to

### **4. Reasons for Recommendation**

For the Committee to consider what action may be required to taken to ensure the higher standards of propriety relating to ethical standards. To consider what action may be required to help councillor and the council better navigate the challenges of abuse and intimidation of councillors.

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

- 5.1 Not applicable.

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

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

6.1 The integration of ethical values into Council policies, practices and ways of working will ensure that ethical values are woven into every aspect of how the Council operates is critical to good leadership and meeting the Council's corporate priorities.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Rosie Hurst**  
**Interim Finance Manager**

There are no financial implications directly arising for the recommendations set out in this report.

### **7.2 Legal**

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

The Council's standards regime complies requirements the Localism Act 2011. However, the Committee may consider what additional practical measures could be put in place to support councillors and employees to promote and maintain high ethical standards within the Council

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Lee**  
**Team Manager - Community Development and Equalities**  
**Adults, Housing and Health Directorate**

There are no specific diversity and equality implications arising from this report.

### **7.4 Risks**

N/a

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

None

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

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):
- Open Letter from Lord Evans, Chair of the Committee on Standards in Public Life, to public sector leaders to prompt reflection and discussion on the importance of ethical leadership in the UK, dated 24 January 2023: [Open letter to public sector leaders on ethical leadership - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114111/open-letter-to-public-sector-leaders-on-ethical-leadership-24-jan-2023.pdf)
  - Committee on Standards in Public Life: 'Upholding Standards in Public Life', November 2021: [Upholding Standards in Public Life - Published Report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/103111/2021-upholding-standards-in-public-life.pdf)
  - Debate Not Hate: Ending Abuse in Public Life for Councillors: [Debate Not Hate: Ending abuse in public life for councillors | Local Government Association](https://www.local.gov.uk/debate-not-hate)
9. **Appendices to the report**
- Committee on Standards in Public Life: 'Leading in Practice', January 2023: [Leading in Practice – A review by the Committee on Standards in Public Life \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/114111/leading-in-practice-a-review-by-the-committee-on-standards-in-public-life.pdf)

## Report Author

Gina Clarke  
Governance Lawyer  
Legal Services

Version Control (delete as appropriate)

**Version 1** - First draft ready for DMT, SLT and Commissioner input; **Version 2** - Second Draft ready for Portfolio Holder, Leader and other Member Input; **Version 3** - Third draft for any further comments; **Version Committee** – Draft ready for submission to public committee; **Version Cabinet** – Final version ready for Cabinet/Executive decision

This page is intentionally left blank