

## **Minutes of the Meeting of the Standards and Audit Committee held on 17 March 2015 at 7.00 pm**

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**Present:** Councillors Simon Wootton (Chair) and Yash Gupta (Vice-Chair),  
Jason Oliver, Rhona Long and Stephen Rosser – Co-Opted Members

**Apologies:** Councillors Cathy Kent and Brian Little

**In attendance:** Sean Clark, Head of Corporate Finance  
Debbie Hanson, Ernst and Young  
Gary Clifford, Client Manager for Audit Services  
Chris Harris, Head of Internal Audit  
Lee Henley, Information Manager  
Andy Owen, Corporate Risk Officer  
David Kleinberg, Fraud Investigations Manager  
Kenna-Victoria Martin, Senior Democratic Services Officer

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

### **36. Minutes**

The Minutes of Standards and Audit Committee, held on 4 February 2015, were approved as a correct record.

### **37. Items of Urgent Business**

There were no Items of Urgent business declared.

### **38. Declaration of Interests**

There were no declarations of interests declared.

### **39. Risk and Opportunity Management - Benchmarking and Review of the Policy, Strategy and Framework**

The Corporate Risk Officer introduced the report to the Committee explaining that to enable Standards and Audit Committee to consider the effectiveness of the Council's ROM arrangements the report was presented on an annual basis.

It was further explained that the report provided details of how the Council's ROM arrangements compared against the ALARM/CIPFA Benchmarking Model, outlines of the current ROM activity, the proposals to maintain/improve

practice across the organisation and includes the updated ROM Policy, Strategy and Framework.

Members were informed that the results were used to calculate the overall scores for the Enabler Results, it was highlighted that the table at 2.5 of the agenda showed Thurrock's scores. It was notified to Members that the Council had attained level 4 – Embedded and integrated for the Enabler criteria and Level 3 - Working for the Results criteria.

The Committee were taken through the graphs at Appendix 1 of the report and were notified that the benchmarking had revealed that for 6 of the 7 strands the Council had reached Level 4, for 1 of the 7 strands the Council's scores were on the border of attaining the score for Level 4 and for 4 of the 7 strands the Council's score had improved slightly against the previous year's results. Overall the Council had attained a score which was similar with the average score of the benchmarking cohort for all of the 7 strands.

Members enquired as to whether the Council had the capacity to continue to improve its scores and achieve a level 5. The Risk Officer informed the Committee that he would like to see the Council achieve level 5 however given the current cost restraints it would be a challenge to reach the higher standard, which is more comprehensive. The Committee were also informed that there was some uncertainty as to whether the Council would continue with the model and are to consider a review against the RM element of the corporate governance and assurance framework for the 2015 exercise.

It was further queried as to who Thurrock Council was benchmarked against, the committee were notified that the 37 public organisations within the cohort were made up from 6 Unitary councils, 4 London Borough councils, 5 County councils, 5 District councils, 5 Scottish Unitary, 6 Metropolitan, 4 Fire, 1 Police and 1 Government Organisation.

#### **RESOLVED:**

##### **That Standards and Audit Committee**

1. **Note and comment on the results of the benchmarking exercise, the current ROM activity and proposals to maintain and improve the practice across the organisation.**
2. **That Standards and Audit Committee note and comment on the updated ROM Policy, Strategy and Framework.**

#### **40. Regulation of Investigatory Powers Act (RIPA) 2000 – Quarterly Activity Report**

The Information Manager introduced the report to the Committee, notifying them that this was the quarter 3 report, which covered the period of October 2014 to December 2014. During which the Council had processed 1 RIPA

authorisation, related to fraud, to date the Council had dealt with 3 cases related to fraud and 1 other relating to Trading Standards.

The Vice-Chair enquired as to the amount of staff that would be assigned to a fraud case and whether officers thought this was value for money. The Committee were advised that on the case in question, 6 officers were assigned and a case under RIPA investigation a cost effective decision would be taken.

Members queried if the Council won a case as to whether the outcome was publicised. Officers confirmed to Members that if the Council won a conviction then the decision would be publicised.

**RESOLVED:**

**That Standards and Audit Committee note the statistical information relating to the use of RIPA from October 2014 to December 2014.**

**41. Internal Audit Progress Report 2014-2015**

The Internal Audit Manager presented the report to the Committee, notifying them that it detailed the reports finalised since the previous progress report presented to the Committee on the 9th December 2014.

Members were informed that in the year to date, 24 reports had been issued as final, have 8 reports at draft or debrief stage and 5 reviews that are work in progress. 7 reports had received a Green assurance rating for the control frameworks within their area, 1 report received an Amber/Red assurance rating for the control framework in its area. The Committee were advised that no Amber/Green assurances had been issued.

A follow up meeting in respect of the review around the Troubled Families Programme had been carried out and the Committee were notified that a consultant had been brought in to tighten up controls and ensure sufficient evidence is available to confirm claims.

It was enquired by the Committee as to the Change Controls Serco report getting an Amber/Red assurance what action had been proposed and why had it been given such an assurance rating. Officers advised Members that the current report detailed the process on Thurrock Councils side and since it had been agreed that an extended scope be carried out to look at Serco's position. It was further explained that as high level recommendations were identified there was the possibility of high risks for Thurrock Council. Officers notified the Committee that there would be an officer at the first meeting of the municipal year to answer any questions Members may have on this report.

**RESOLVED:**

**That the Standards & Audit Committee:**

1. **Consider reports issued by Internal Audit in relation to the 2014/15 audit plan.**

2. **Note progress against the Internal Audit Plan for 2014/15.**

**42. Internal Audit Service Contract Update and Draft 3 month Internal Audit Plan 2015-2016**

The Head of Corporate Finance introduced the report to the Committee informing them that 7 years ago the decision was taken to outsource Internal Audit. He continued to notify Members that the current contact with Baker Tilly was coming to an end and the decision had been taken to bring the service back in-house, including transferring the Internal Audit Team back to Thurrock Council.

It was explained that as yet no major decision had been made with regards to sharing services or shaping the service overall. Members enquired whether there were any financial implications with bringing the service back under Thurrock Council; Officers assured the Committee that as yet there were no adverse financial implications.

The Internal Audit Manager gave the Committee the assurance that even though the Internal Audit Team were going through a transition they would still be delivering the same service throughout the period of development.

Members were advised that the service had a 3 month plan which included follow up work and reviews as asked for by the external audit team.

The Chair of the Committee enquired as to why the plan was in draft format rather than Members seeing a completed plan. Officers explained that the plan had been left as a draft to give the Committee the opportunity to make any changes or amendments. It was agreed that the Committee were happy with the proposed draft plan.

**RESOLVED:**

**That the Standards & Audit Committee:**

1. **Note the decision to TUPE transfer the Internal Audit Team from Baker Tilly back into the Council.**
2. **Receive the 3 month Internal Audit Plan 2015/16 and agree for officers to report back to the Standards & Audit Committee at the first meeting in the new municipal year with a full Three Year Strategy and Annual Plan 2015/16.**

**43. Counter Fraud & Investigation Service Update Report**

The Group Counter Fraud and Investigation Officer presented the report to the Committee notifying them that the provision of a corporate-wide service

targeting fraud risk was agreed by Directors Board. The new service named the Counter Fraud & Investigation Service, successfully bid for central government funding of £594 thousand to develop the service intended to share best practice and specialist resources from Thurrock Council with other public authority partners.

Members were informed that in October 2014, a Service Level Agreement was signed with Southend-on-Sea Borough Council to provide a counter fraud and investigation service jointly across both authorities. It was further advised that the service would provide expert resources to prevent detect and deter attacks on the public purse by economic crime across central and local government organisations with particular focus with Thurrock Council & Southend Borough Council.

It was sought by the Committee as to how many staff was employed within the service, Officers advised Members that staff were shared by both authorities and agency staff were also on hand if needed.

The Vice-Chair of the Committee, queried as to how with an internal and external audit teams and directors how was it possible for fraud to continue to happen. It was advised by the Head of Corporate Finance that even with the most robust of internal processes, it would not be possible to stop fraud.

#### **RESOLVED:**

##### **That the Standards & Audit Committee:**

- 1. Notes the developments being made in the counter fraud & investigation service.**
- 2. Notes the progress made in delivering the requirements of Fighting Fraud Locally and the Corporate Counter Fraud & Investigation Plan 2014/15.**

#### **44. External Audit Plan 2014-2015**

The Head of Corporate Finance explained to the Committee that this item would have to be brought back for it to be agreed when the Committee had a quorum.

The External Auditor, talked Members through the report and explained that it was clear that there had been an improvement within the Governance of the Council and that some of the items within the report were not unique to Thurrock. Accounting for schools was discussed and it was noted that this had the potential to be a risk; however the accounting assessment would have to be made on a school by school basis.

It was enquired by the Committee as the fee set relied on a timetabled deadline, were Officers confident that the Audit would be completed on time. The Head of Corporate Finance gave Members the assurance, that he was

confident that the team would meet the deadlines required however there were still improvements to make.

**RESOLVED:**

**That the report be noted.**

**The meeting finished at 8.55 pm**

Approved as a true and correct record

**CHAIR**

**DATE**

**Any queries regarding these Minutes, please contact  
Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)**