



# **Rutland County Council**

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Oakham

Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Tuesday, 25<sup>th</sup> April 2017 at 7.00 pm

**PRESENT:** Mrs D MacDuff (Chair)  
Miss G Waller  
Mr M E Baines  
Mr N Begy  
Mr M Oxley

**APOLOGIES:** Mr G Conde

**ABSENT:** Mr J Lammie

**OFFICERS** Mrs D Mogg – Director for Resources  
**PRESENT:** Mr S Della Rocca - Assistant Director Finance  
Ms K Dexter – Service Manager Children's Social Care  
Mrs K Epps - Internal Audit Manager  
Miss R Ashley-Caunt - Head of Internal Audit  
Ms N Brown – Acting Manager Corporate Support

**IN ATTENDANCE:** Mr M Norman – KPMG  
Mr T Mathias - Leader and Portfolio Holder for Finance and Places (Highways, Transport and Market Towns)

## **771 MINUTES**

The minutes of the Audit and Risk Committee held on 31 January 2017 were confirmed and signed by the Chairman, subject to removing the reference to Mr Walter's apologies as he was no longer a member of the Committee at the time the meeting took place due to his appointment to Cabinet.

## **772 MATTERS ARISING**

Minute number 548 – Dr T O'Neill had agreed to provide an update on the fostering Audit Action Plan. Mrs K Dexter, Service Manager Children's Social Care was in attendance at the meeting and provided the following update:

- A new recruitment strategy for foster carers had been launched which had already resulted in an increase in enquiries. Part of the review for recruitment

was to ensure that regular personal development plans and training and induction programmes were provided to foster carers to ensure they get appropriate support. The aim was to create more room for foster placements within the County.

- Induction and supervision records and all foster carers notes were now uploaded onto Liquid Logic (Social Care Record Management System).
- Forms for foster carers supervision had been simplified and a new method of Group Supervision was being trialled in order to ensure that the complexities of looking after children in our care were addressed. Reviews would now be done every four weeks and the aim was for this to increase to fortnightly.
- Work had begun on the sorting, scanning and electronic storage of paper records in one central point, it was hoped that this work would be completed within the next month.

During discussion of this update the following points were noted:

- i. Miss Dexter had only been in post for 10 weeks, but had made significant progress with the action plan;
- ii. There was a need to review online learning for foster carers to ensure they had appropriate access and also to ensure that the E-Learning was appropriate for the role;
- iii. Using electronic recording had improved the way that information was recorded, reducing the use of jargon and acronyms.

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The Chairman thanked Miss Dexter for providing the update  
Miss Dexter left the meeting and did not return

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Minutes Number 548 b) – An update on the discussion between the Portfolio holder for Transport and the Director for Places (Environment, Planning and Transport) regarding drivers engagement in CSE training was requested from the Director.

## **773 DECLARATIONS OF INTEREST**

There were no declarations of interest in respect of items on the agenda.

## **774 PETITIONS, DEPUTATIONS AND QUESTIONS**

No petitions, deputations or questions had been received from members of the public.

## **775 COMMITTEE TERMS OF REFERENCE**

Report No.96/2017 was received from the Director for Resources, the purpose of which was to present an updated Terms of Reference for the Committee for comment prior to the Annual Council meeting in May 2017.

During discussion the following points were noted:

- i. An amendment would be made under “Regulatory Framework” heading to reflect that the role of the committee was to “Advise and monitor council policies on “Whistle Blowing” and the “Anti-fraud and corruption strategy” and the Councils complaints process”; and

- ii. The policies mentioned in point i) above had recently been revised, but a report would be produced to update the committee on activity in these areas. The annual complaints report should come to this committee in future, rather than the Resources Scrutiny Panel as had been the practice previously.

## **RESOLVED**

The Committee **REVIEWED** and **ENDORSED** the proposed Terms of Reference at Appendix A to Report No. 96/2017 subject to the amendment noted above.

### **776 EXTERNAL AUDIT UPDATE**

Report No. 89/2017 was received from the Director for Resources, the purpose of which was to update the committee on external audit matters for 2016/17.

Mr M Norman, KPMG, introduced the report and confirmed that the interim audit had progressed as expected and there were no matters to highlight. Mr Norman drew member's attention to the CIPFA publications noted on page 10 of the report, the decision regarding the deferral of the requirement to include the Highways Network Asset into financial reporting requirements on page 11 of the report and the threat of organised crime to procured services in Local Authorities detailed on page 9 of the report which contained valuable information and advice for members and officers.

During discussion the following points were noted:

- i. There were no specific areas of concerns for Rutland in the report concerning Health and Social Care Integration; concerns highlighted around the Better Care Fund were on a National level.

## **RESOLVED**

The Committee **NOTED** the update from the external auditors, KPMG LLP.

### **777 ACCOUNTS CLOSURE PLANNING 2016/17**

Report No. 87/2017 was received from the Director for Resources, the purpose of which was to inform the Committee of the emerging changes that will have an impact on the production of the Statement of Accounts for 2016/17 and how the council are planning on meeting the new requirements.

The report was introduced by Mr S Della Rocca, Assistant Director (Finance). Mr Della Rocca confirmed that the accounts for 2016/17 were on schedule to be completed by the end of June and would conform to the new requirements in the Code of Practice on Local Authority Accounting which had been introduced to improve presentation. The accounts were likely to achieve the earlier target date for completion this year and so the early closure in 2017/18 would not present any issues.

During discussion the following points were noted:

- i. Mrs MacDuff commended the work of Mr Merry, Finance Manager, and his team in working towards compliance with the shortening accounting reporting timetable.

## RESOLVED

The Committee **NOTED** the report including the following key changes that impact the Statement of Accounts for 2016/17:

- Changes to the Comprehensive Income and Expenditure Statement;
- Early Closure 2017/18; and
- Update on the implementation of the Transport Infrastructure Code.

## 778 ANNUAL GOVERNANCE STATEMENT

Report No. 78/2017 was received from the Director for Resources, the purpose of which was to consider an early draft of the Annual Governance Statement (AGS) in order to meet the statutory requirement for the Council to approve an AGS for inclusion in its published Statement of Accounts (SoA) for 2016/17.

Mr Della Rocca gave a brief introduction in order to confirm that the AGS had been drafted in accordance with CIPFA guidance and that Audit will also review the documents. The report concluded that there were no significant issues highlighted after applying the tests as set out in the report and the committee was requested to provide feedback on the contents and the findings in the report.

During discussion the following points were noted:

- i. The political profile on pages 6 and 7 of the report required updating to reflect the current arrangements;
- ii. Mr Begy highlighted that loss of key contractors was not covered under Business Continuity on page 19 of the report. Mrs Mogg, Director for Resources, would confirm the position regarding loss of key contractors;
- iii. The Conduct Investigations in relation to Oakham Town Council Members were coming towards the end of the process;
- iv. The work of the Joint Safety Committee in terms of responding to and promoting health and safety, would be included in the revised version of the AGS;
- v. Miss Waller requested that the partners of the Rutland Together Local Strategic Partnership be listed;
- vi. The wording at page 17 of the AGS with regard to items taken at Scrutiny meetings should be amended to "Areas considered include:";
- vii. Miss Waller felt that the paragraph regarding the Ofsted inspection on page 21 of the AGS was misleading. The Chair agreed that the current rating should be made explicit in the narrative; and
- viii. It was agreed that a revised AGS would be included in the June meeting, so that a final version of the AGS can be presented to the Committee in September.

## RESOLVED

The Committee **CONSIDERED** whether the Annual Governance Statement fairly represented the governance framework in place at the Council and **ADVISED** on a number of issues it would wish to see addressed or expanded upon as detailed in the notes above.

## 779 INTERNAL AUDIT PLAN 2017/18

Report No. 94/2017 was received from the Head of Internal Audit, the purpose of which was to seek the Committee's approval of the Internal Audit Plan for 2017/18, in line with the Public Sector Internal Audit Standards.

During discussion the following points were noted:

- i. The plan had been drafted in accordance with feedback provided by Members following the meeting in January 2017;
- ii. The recommendation to give authority to the Assistant Director (Finance) to make changes to the plan in consultation with the Chair of the Committee was important to ensure a degree of flexibility was maintained, any changes made would be reported to the Committee;
- iii. An additional recommendation had been added following a request from Cabinet to review the Oakham Library Children's Centre Extension and the request for additional budget. This additional assignment would result in further cost, however Mr Della Rocca confirmed that last year's audit plan had been delivered at a lower cost than had been anticipated and it was his intention to request that Cabinet allow this saving to be carried forward in order for it to be used to commission some additional work in 2017/18 and beyond;
- iv. The scope of the review for the Library/Children's Centre would be formulated with reference to the requirements from Cabinet, as they had requested the review and would focus on the requirement to increase the budget. The terms of reference would be circulated to the Committee and the final report would come back to the next meeting of the Committee where appropriate officers would be available to answer questions; and
- v. The SEN Strategy had still not been approved and so the timeline for this assignment may have to be revised.

### RESOLVED

- 1) The Committee reviewed and **APPROVED** the Internal Audit Plan for 2017/18;
- 2) The Committee **AUTHORISED** the Assistant Director (Finance) to make changes to the Audit Plan 2017/18 in consultation with the Chair of the Audit and Risk Committee; and
- 3) The Committee **APPROVED** the review of the Oakham Library Children's Centre Extension (Requirement for additional budget) to be added to the Audit Plan.

## 780 EXCLUSION OF PRESS AND PUBLIC

That the public and press be excluded from the meeting in accordance with paragraph 7 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to any action or to be taken in connection with the prevention, investigation or prosecution of crime.)

### RESOLVED

The Committee **AGREED** to remain in public session unless detailed discussion was held on the exempt information at which point the meeting would move into exempt session.

## 781 INTERNAL AUDIT UPDATE

Report No. 84/2017 was received from the Director for Resources, the purpose of which was to update Members on the progress made in delivering the 2016/17 Annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting.

Mrs Kelly Epps, Internal Audit Manager, introduced the report and summarised that all audit assignments had been completed for 2016/17, 7 reports remained in draft and would be summarised at the next meeting. Good progress had also been made on implementing audit actions.

During discussion the following points were noted:

- i. Clarification was requested regarding the Liquid Logic (Social Care Case Management System) referenced under the summary for Adult Safeguarding Policies Procedures and Compliance. Mrs Epps confirmed that being new the system was still being developed to allow it to be used in accordance with Rutland processes and procedures and that work was being done to ensure it was used to its full potential;
- ii. Access to the safeguarding data held within a council network folder had now been revoked;
- iii. The Local Taxation report had highlighted that there was no senior officer to review cases where recovery action had been suspended, this had been addressed by implementing more robust checks and balances;
- iv. The system access controls identified in the Local Taxation Report from 2015/16 had been identified as low risk and therefore the outstanding recommendations had been given a lower degree of priority for remedial action; and
- v. Clarification was requested regarding the reference to payment of local overheads in contractual terms. It was confirmed that this related to costs that were over and above direct costs of delivery (materials and labour), such as accommodation or travel expenses.

### RESOLVED

The Committee **NOTED** the Internal Audit Update report.

## 782 EXCLUSION OF PRESS AND PUBLIC

### RESOLVED

The Committee **AGREED** that the public and press be excluded from the meeting in accordance with paragraph 7 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to any action or to be taken in connection with the prevention, investigation or prosecution of crime.)

**783 FRAUD RISK REGISTER**

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Following debate on this item, the Committee **AGREED** to return to public session

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**RESOLVED**

The Committee **NOTED** the report and attached Exempt Fraud Risk Register at Appendix A of Report No. 84/2017.

**784 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**

The Committee **AGREED** that the public and press be excluded from the meeting in accordance with paragraph 7 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to any action or to be taken in connection with the prevention, investigation or prosecution of crime.)

**785 POTENTIAL FRAUD IN SERVICE PROVIDER**

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Following debate the Committee **AGREED** to return to public session.

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**RESOLVED**

The Committee **NOTED** details of the suspected fraud and action being taken

**786 ANY OTHER URGENT BUSINESS**

No items of urgent business had been notified to the person presiding.

The Chair requested Members to put forward suggestions for topics for the training session that would take place 30 minutes before the next meeting of the Committee in September.

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**The Chairman declared the meeting closed at 8.37 pm.**

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