



# Rutland County Council

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Minutes of a meeting of the **AUDIT & RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, at 7.00 pm Tuesday, 26 January 2010.

PRESENT: Mr J T Dale (in the Chair)  
Mr K A Bool  
Capt V Dighe  
Mr P D Ind  
Mr N M Wainwright

Also in attendance: Mr R Begy

Officers present: Mr M Baish Director of Corporate Services  
Mr R Gaughran Head of Audit Consortium  
Mr J R Tomlinson Democratic Services Officer

Apologies: None

## 771. MINUTES OF THE PREVIOUS MEETING

### RESOLVED

That the minutes of the Audit & Risk Committee held on 10 September 2009 be confirmed.

## 772. DECLARATIONS OF INTEREST

No declarations of interest were made in respect of the items on the agenda for this meeting.

## 773. PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received.

## 774. PEER REVIEW OF INTERNAL AUDIT

Report No 24/2010 from the Head of Consortium, which provided an opportunity for the Committee to consider the outcome of the peer review of Internal Audit commissioned in 2008 following a recommendation from the Audit Commission, was received.

During consideration, the Committee noted that the Internal Audit Consortium had provided an effective system of internal audit and wished to commend all involved.

### RESOLVED

1. That the contents of the Review of the Effectiveness of the System of Internal Audit Provided by the Welland Internal Audit Consortium be noted.

## **775. IMPACT OF AGRESSO IMPLEMENTATION ON THE INTERNAL CONTROL FRAMEWORK**

Report No 25/2010 from the Head of Consortium, which informed the Committee of the short-term impact that the implementation of the Agresso Financial Management System has had on the Council's internal control framework and the measures taken to mitigate that impact, was received.

During consideration the Committee noted the following points:

- Overall, the implementation of the new system had been a great success from a technical point of view, but there was still work to be done culturally, for example in persuading some users to migrate fully from old paper-based systems.
- There was some backlog with back office systems in certain areas relating to clearance of suspense accounts, reconciliations and VAT coding. This was now being successfully addressed, for example with extra staff support.
- Refresher training and support continued to be available for all users through the Agresso support desk.
- Once all users were using the new ordering system, it would facilitate the development of commitment accounting. The system would also allow reports to be produced more speedily and effectively after the year end, thus providing the Authority with an effective means of meeting tight reporting deadlines.
- Links had been developed with other Authorities who had acquired Agresso which enabled a sharing of systems knowledge and more effective means of resolving any system problems. There were also frequent upgrades from the software suppliers to meet user needs or fix bugs.

### **RESOLVED**

That the impact of Agresso implementation on the internal control framework be noted.

## **776. INTERNAL AUDIT PERFORMANCE REPORT 1<sup>ST</sup> APRIL – 31<sup>ST</sup> DECEMBER 2009**

Report No 26/2010 from the Head of Consortium, which presented the performance of the Consortium in delivering the Council's internal audit service for the period 1<sup>st</sup> April – 31<sup>st</sup> December 2009, was received.

During consideration the Committee noted the following points:

- Working groups had been set up to consider the ongoing development of Customer Services.
- Two external consultancy firms (KPMG and NTA) were reviewing the effectiveness of ICT systems, controls and security. Although the service was relatively expensive, the advice received was valuable and it was hoped to develop sufficient in-house expertise to reduce the level of such consultancy support in the future.
- The ICT work undertaken to date had identified the need to address a number of issues particularly on the risk of internal penetration of Agresso systems. This was attributable to the initial priority being given to minimising the risk from external penetration. It was noted that the report had been drafted in late November 2009 and considerable progress had already been made in resolving the issues identified.
- A Status of Outstanding Audit Recommendations had been drafted to assist with the review of progress. It was agreed that this was a helpful document,

and should become a routine mechanism for reporting to future meetings of the Committee.

- An update would be received at the next meeting on progress in ensuring CRB checks for SEN escorts and bus drivers.

## **RESOLVED**

1. That the Internal Audit Performance Report 1<sup>st</sup> April – 31<sup>st</sup> December 2009 be noted.

## **777. ANY OTHER URGENT BUSINESS**

The following items of urgent business had previously been notified to the person presiding:

1. RAF Cottesmore

This would appear henceforth on the risk register.

2. Big Build

The winter weather had caused some delay to the project and this had put some doubt on the opening date. Penalty clauses would need to be considered but the initial priority was to manage the risk and impact of the school being unable to transfer to the new building on time.

3. Treasury Management

The latest predicted recovery rate from the investment with Heritable Bank had increased from 80% to 85%, thus reducing the potential impact on the Council's finances.

4. Pensions

The next actuarial valuation to be published in Spring 2010 was likely to reveal an increased deficit which would result in increases in employer contributions from April 2011.

5. Post 16 Education

Considerable public debate had developed on this topic, and it would therefore be considered further at a Councillor briefing before the next meeting of the full Council.

6. Accommodation

Accommodation was marked as high on the risk register and would therefore be included on the agenda for the next meeting of the Committee.

7. Annual Accounts

The constitution review would consider the proposal that the review of the full Annual Accounts of the Authority be considered in future by the Audit and Risk Committee, thus removing the need for a special meeting of the full Council. The Committee would then make a recommendation to the full Council at a normal meeting.

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The Chairman closed the meeting at 8.22pm.

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Chairman