



# 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 Monday, 19 April 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  
Mr T King

**Officers present:** Mr M Baish Director of Corporate Services  
Mr R Gaughran Head of Audit Consortium  
Miss G George Senior Governance Officer, Peterborough City Council

**Apologies:** None

## **1032. MINUTES OF THE PREVIOUS MEETING**

### **RESOLVED**

That the minutes of the Audit & Risk Committee held on 26 January 2009 be confirmed.

## **1033. DECLARATIONS OF INTEREST**

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

## **1034. PETITIONS, DEPUTATIONS AND QUESTIONS**

No petitions, deputations or questions had been received.

## **1035. ANNUAL AUDIT PLAN 2010/11**

Report No 92/2010 from the Head of Consortium was received. The report provided an opportunity for the Committee to approve the Annual Audit Plan produced by the Council's Chief Internal Auditor. It explained the reasoning behind the move from a four-year rolling strategic plan to a one-year risk based audit plan and the consequences of that change. It also informed the Committee of progress in identifying and delivering an appropriate level of assurance about the Council's IT risks.

During consideration the Committee noted the following points:

- The Plan outlined a significant change in the way the Internal Audit Function was planned and managed.
- The areas with the greatest risks had been focussed on and a number of factors had been taken into consideration when identifying those areas. These factors included budget, staff and the volume of transactions.
- A standard audit day in hours was 7.24 at a cost of £210. This was highlighted as being cost effective.
- The number of days required to undertake the 2010/11 planned audits of the County's schools and colleges would be 30. This would be 3 days per school or college.
- On the Corporate Finance side, year on year, internal audit controls would develop alongside the new computer system. Benefits would also be visible during the next audit period from new account procedures.
- There were a number of high risk schemes in the capital programme which would take time to deliver, going forward the provision of guidance stating the benefits to the Council for completion of these schemes would be welcomed. There had been a higher demand for work than could be delivered and there was currently a backlog of work that was to be cleared over the forthcoming years.

## **RESOLVED**

1. To approve the Annual Audit Plan as set out in Appendix B.
2. To note progress in developing appropriate assurance for the Council's IT risks.

### **1036. UPDATE – INTRODUCTION OF CRB CHECKS FOR SOCIAL TRANSPORT CONTRACTS**

Report No 93/2010 from the Head of Consortium was received. The report provided the Committee with an update on the progress in introducing CRB checks for drivers and escorts delivering Social Transport Service. This update had been requested by the Committee at its meeting held in January 2010.

During consideration the Committee noted the following points:

- A letter advising that the standard form of contract was to be revised with the effect of placing an obligation on the contractor to bear the cost of CRB checks on all drivers and escorts serving the Council had been sent. So far, there had been no responses from any of the contractors.
- Identity badges would be provided for all drivers and escorts working for the Council and interim measures would be put in place to issue badges to all those drivers and escorts for whom evidence of CRB checks was provided by their employers. If an identity badge was not issued, then the driver would be unable to drive. All contractors would be advised of this and it would be a contractual obligation.
- Prior to the revision of the standard form of contract, all current contractors would be advised of the importance of obtaining CRB checks on their staff. There would however be no obligation on contractors to do so, but in the future the requirement would be embedded within the revised contract.
- The new contract condition with regards to CRB checks would have effect from the date of the next renewal of contract. A review of all of the current contracts would be undertaken as part of the Medium Term Financial Plan.

This would offset the potential of CRB checks not being in place for all contractors before 2015.

- Implementation of CRB checks would be encouraged at the earliest opportunity prior to the embedding of the requirement within the revised contract.
- It was a legal requirement for a licensed taxi driver to be CRB checked, however the CRB's were non transferable from authority to authority.

## **RESOLVED**

1. To note the report on the introduction of CRB checks for drivers and escorts delivering the Social Transport Service.
2. To receive an update on the progress in six months time.

## **1037. ANY OTHER URGENT BUSINESS**

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

### **1. Certificate of Claims and Returns – Annual Report**

In 2008/09 there had been six certified claims and returns above £500,000, the findings of which were outlined in the annual report.

### **2. Finalised Internal Audit Reports 2009/10**

The Committee received the finalised Internal Audit Reports 2009/10. The reports included Promoting Value for Money and Information and Data Security Management.

### **3. Promoting Value for Money**

During discussion the Committee noted the following points:

- Promoting value for money had been highlighted as key and arrangements to achieve value for money should form an integral part of a local authority's performance management framework. Overall it was highlighted that Rutland's value for money judgement was good.
- The comments made on benchmarking, in order to demonstrate that value was being achieved, were identified as being valid. Further benchmarking exercises should be undertaken, however, it was recognized that while some services easily allowed benchmarking, the ones with variable outputs were harder to do, for example "Safeguarding".
- Overall, many local authorities were performing well at the current time especially over customer facing services. Financial systems tended to be variable and due to the new system implemented at Rutland, performance was likely to be lower. However, this would be offset by higher performance around other areas such as Council Tax. The collection of Council Tax and business rates had not been affected by the recession and overall the collection figures were up on the previous year.

#### **4. ICT Services**

During discussion the Committee noted the following points:

- Work had been undertaken by both KPMG and NTA. NTA had undertaken an exercise in order to identify whether the Council could be hacked. Risks and vulnerabilities had been determined but overall the risk levels were mostly low.
- With regards to information data security management, KPMG had been using specialist auditors to perform an assessment on the organisational policies. The expectation of KPMG was that, going forward, the ICT systems would move away from an organisational level to more technically complex areas.
- Concerns had been expressed regarding the internal controls around finance and the Committee was informed that members of staff had different levels of access and controls. With regards to the transfer of funds, these were reserved for the Head of Strategic Finance and above.
- The Council had no plans to implement the 27001 standard and resource constraints were partly to blame for this.

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#### **EXCLUSION OF PUBLIC AND PRESS**

It was

#### **RESOLVED**

That the public and press be excluded from the meeting during discussion of the following business in accordance with Procedure Rule 239 (Exclusion of Access by the Public and Press).

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#### **5. Risk Register**

The Risk Register was discussed.

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The Chairman closed the meeting at 8.10pm

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Chairman