



Rutland County Council

Catmose Oakham Rutland LE15 6HP

Telephone 01572 722577 Facsimile 01572 758307 DX 28340 Oakham

Minutes of a meeting of the **AUDIT & RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, at 7.00 pm Tuesday, 28 September 2010.

PRESENT: Mr P D Ind (in the Chair)
Mr K A Bool
Mr J T Dale

In attendance: Mr T C King Portfolio Holder for Development and Finance
Mr N Bellamy District Auditor, Audit Commission
Mr M Norman Audit Manager, Audit Commission

Officers present: Mrs A S Brown Democratic Services Officer
Mr R Gaughran Head of Internal Audit Consortium
Miss D Muddimer Strategic Director for Resources

Apologies: Mr G Plews
Mr N M Wainwright

423. MINUTES OF THE PREVIOUS MEETING

RESOLVED

That the minutes of the Audit & Risk Committee held on 29 June 2010 be confirmed.

424. DECLARATIONS OF INTEREST

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

425. PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received.

426. INTERNAL AUDIT PERFORMANCE REPORT (1 APRIL – 30 JUNE 2010)

Report No 195/2010 from the Head of Consortium was received. The report provided an opportunity for the Committee to request further explanation on any aspect of the Council's performance.

During consideration the Committee noted the following points:

Catmose Campus

- Delays in respect of the Catmose Campus have been due to being unable to secure a meeting with the Principal, Mr Williams, since April this year. It was expected that a meeting would take place in October 2010.

- Failure to meet with the Principal has resulted in the delay to undertake required audits following an gap in assurance processes identified by the Audit Commission. It was now intended that the report on the first of the planned audit exercises would be reported to the March meeting.
- Clarification was received that any audit regarding build costs should be completed with the Capital Projects Team.
- A change in College priorities, following the potential for academy status, has resulted in difficult negotiations in a number of areas, including licensing and leasing of the college itself.

Appraisal and Development

- The draft report for the Appraisal and Development audit was being finalised and it was anticipated that there would be an acceptable assurance rating.

2009/10 Audit Reports

- The number of unsatisfactory assurance ratings for financial systems in the last financial year and were as a result of the implementation of a new financial system.
- Copies of the 2009/2010 audit reports had been sent to Members to use as a benchmark when the 2010/11 audit reports were issued to compare the difference following implementation of those systems.

Members Training – Health & Safety

- The Strategic Director for Resources reassured Members that this would be arranged.

Audit Recommendations

- The figures stated within paragraph 4.1 of Report No. 195/2010 was the position three months previously. Current figures were similar. There was a backlog relating to the implementation of the Agresso System. Implementation of recommendations was subject to direct scrutiny by the Chief Executive and SMB and the current numbers to not give cause for concern.

RESOLVED

1. That consideration had been given to aspects of the Council's performance and further explanation required had been satisfactorily received.

427. ANNUAL GOVERNANCE REPORT 2009/10

Report No 199/2010 from the Strategic Director of Resources was received. The report presented the findings of the Audit Commission. Mr Bellamy, District Auditor for the Audit Commission introduced the report to Members.

During consideration the Committee noted the following points:

- It was advised that the audit was unable to be closed at this time due to concerns raised by a member of the public regarding Value for Money which was being considered prior to presenting the overall conclusion. Although duty bound to consider public concerns, the Audit Manager explained that all concerns are judged on their merit and on the information received in support of the concerns.

- The reason for delay in responding to the Auditors queries was due to the work pressures of the Capital Project Team and a number of other questions received from the same member of the public, all of which are being dealt with.
- Concern was raised that control of some assets may be lost if schools became Academies and it was stressed to officers that clear and agreed governance arrangements were required.
- Work with Officers, in consultation with the Portfolio Holder for Development and Finance, in respect of schools within the County and their intention to move to an academy, was ongoing.
- Officers working proactively to forward plan for all eventualities.

RESOLVED

1. That the contents of the Annual Governance Report had been **NOTED**.
2. That the letter of representation contained within Appendix 1 of Report No. 199/2010 be **APPROVED**.

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Mr Bellamy and Mr Norman were thanked by the Chair for their presentation. They then left the meeting and did not return.

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428. ANNUAL REPORT ON TREASURY MANAGEMENT AND ACTUAL PRUDENTIAL INDICATORS 2009/10

Report No. 188/2010 from the Director of Corporate Services was received. Introducing the report, the Strategic Director for Resources confirmed that this report had previously been heard and approved at Cabinet and was for the Committee to note.

During consideration the Committee noted the following points:

- A mid year report on Treasury Management and Actual Prudential Indicators would be available going forward.
- A full creditors report had not been received, however the loss incurred following the Icelandic bank investment had been provided for within the 2009/10 accounts.
- There was an expectation that 85% would be recovered and an updated position would be available within the mid year report.

RESOLVED

1. That the contents of the Annual Governance Report had been **NOTED**.

429. EXCLUSION OF THE PUBLIC AND PRESS

DECISION

AGREED that the public and press be excluded from the meeting in accordance with the Access to Information provisions of Procedure Rule 239.

430. RISK REGISTER

The Strategic Director for Resources, Miss Muddimer, presented a verbal update and live demonstration of the Risk Section of the TEN system, highlighting the current four high risk areas.

Members questions were satisfactorily answered by Officers.

431. RESTRUCTURING THE WELLAND INTERNAL AUDIT CONSORTIUM

Report No. 196/2010 was received from the Head of Consortium, to update the Committee on the proposed changes within the structure of the Consortium. Two resignations had made it possible to restructure without the risk of redundancy.

RESOLVED

1. That consideration had been given to the report and further explanation required had been satisfactorily received.

432. ANY OTHER URGENT BUSINESS

No items of other business had been received by the person presiding.

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The Chairman closed the meeting at 8.30pm

Chairman