



Rutland County Council

Catmose Oakham Rutland LE15 6HP

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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, 27 September 2011.

PRESENT: Mr M R Woodcock (in the Chair)

Mr D C Hollis

Mr J R Munton

Mr D L Richardson

Mrs C L Vernon

In attendance:	Mr T C King	Portfolio Holder for Finance & Asset Management
	Mr M Norman	Audit Manager, Audit Commission
	Mr N Bellamy	District Auditor, Audit Commission
	Mr M Pocock	Portfolio Holder for Resources
	Mr R J Gale	Elected Member
	MR N M Wainwright	Elected Member

Officers present:	Mr A Daynes	Democratic Services Officer
	Mr R Gaughran	Head of Welland Internal Audit Consortium
	Mrs D Mogg	Strategic Director for Resources
	Ms S Dring	Head of Business Support – Resources
	Mr G Pook	Head of Corporate Governance

Apologies: none

359. DECLARATIONS OF INTEREST

Mrs Vernon declared a personal interest in agenda item 10, Risk Register, due to her employment in educational recruitment.

360. PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received.

361. STATEMENT OF ACCOUNTS 2010/11 / 967. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

The Chairman agreed to consider the Statement of Accounts 2010/11 with the Audit Commission Annual Governance Report (tabled at the meeting).

Report No. 133/2011 from the Strategic Director for Resources was received (with amendments tabled at the meeting) and the committee was requested to approve the Statement of Accounts for 2010/11 that was included as Appendix A to the report. Members were advised that the Statement of Accounts 2010/11 was the first to be produced in line with International Financial Reporting Standards (IFRS) requirements and subsequently the format had changed significantly compared to previous years.

Members were advised that changes to the reporting structure included:

- Staff costs included the provision for holiday entitlement and similar items due but not taken at the year end;
- Capital grants and contributions are recognized in the comprehensive Income and Expenditure Statement immediately rather than being deferred and matched to expenditure; and
- The components of Property, Plant and Equipment fixed assets have to be considered separately, impairments are taken to the Revaluation Reserve and the classification of assets into types has changed.

Key issues included in the report related to the Movement in Reserves Statement, the closing of the Housing Revenue Account (HRA) in March 2011 and Capital Spending updates.

The Audit Manager, Audit Commission advised the committee that decisions were required on the Annual Governance Report as below:

- Not to amend the unadjusted items on page 5 of the report (Appendix 1); and
- Agree the content of the Letter of Representation on page 6 of the report (Appendix 2).

During consideration of the Statement of Accounts and the Annual Governance Report the Committee noted the following points:

- Revised financial reporting standards had required the 2009/10 accounting reports to be revisited, but previous statements of accounts did not need to be resubmitted and reapproved;
- Reserves have increased and perceived shortfalls in funds were due to the new reporting standards and the requirement to display funds differently.

RESOLVED

1. That there be no amendment to the Unadjusted items in the Annual Governance Report.

Mr Richardson requested that this decision be referred to the full Council. Following advice from the Council's Monitoring Officer that it required 2 Members to request that the referral to take place, Mr Gale (in the audience) seconded this request.

The meeting adjourned to allow the Council's Monitoring Officer to determine whether the referral above allowed debate of the decision or a postponement of the decision for Council to determine.

On reconvening, the Council's Monitoring Officer advised Members that their role was to approve the accounts and auditors reports and that any concerns should be referred to Council separately from the decisions taken. Members were referred to Procedure Rule 110(7) of the Constitution regarding the referral of decisions that stated:

“When it is essential that action must be taken within the period normally allowed Members to refer a decision, officers will indicate on the agenda that the Committee or Sub-Committee will be asked to decide that the matter is of

such urgency that no referral should be allowed. The referral procedure can only be removed if more than half of the voting members of the Committee agree. For a Committee of ten voting Members it will need at least six Members to vote in favour of this provision. The person presiding may not use a second or casting vote to vote in favour of removing the right of referral.”

The Monitoring Officer advised further that whilst the agenda had not indicated urgency, it was implicit in the report that there was a deadline which should be met. In those circumstances it would be reasonable for the committee to consider a motion to disallow referral of the item if one was moved.

Responding to Mr Richardson’s query that the accounts would need to be republished for public scrutiny, the Strategic Director for Resources confirmed that the accounts had been restated and only amendments to the auditing reports had been made.

It was moved and seconded that no referral to Council of the decision above should be allowed.

RESOLVED

2. That no referral of the decision at resolution 1 above be allowed on the ground of urgency in accordance with Procedure Rule 110(7)

In accordance with Procedure Rule 79(2), Mr Richardson asked that his vote against this resolution be recorded.

Following consideration of the Letter of Representation, the committee **RESOLVED**:

3. That the Letter of Representation set out in Appendix 2 to the Annual Governance Report - Update be approved and signed by the Section 151 Officer.

In accordance with Procedure Rule 79(2), Mr Richardson asked that his vote against this resolution be recorded.

Following consideration of the Statement of Accounts 2010/11, the committee **RESOLVED**:

4. That the Statement of Accounts 2010/11 be approved.

In accordance with Procedure Rule 79(2), Mr Richardson asked that his vote against this resolution be recorded.

362. INTERNAL AUDIT PERFORMANCE REPORT

Report number 105/2011 from the Head of Welland Internal Audit Consortium was received. The Head of Welland Internal Audit Consortium, Mr Gaughran, introduced the report advising that there had been no negative feedback from elsewhere.

RESOLVED:

1. That there were no aspects of the Consortium’s performance that required further explanation as set out in Appendix A and additional papers attached to report number 105/2011.

363. AUDIT RISK ASSESSMENT PROCESS

Report number 106/2011 from the Head of Welland Internal Audit Consortium was received. The Head of Welland Internal Audit Consortium, Mr Gaughran, introduced the report advising that a revised statement had been submitted following the effects on the figures of staffing restructures.

RESOLVED:

1. That report 106/2011 be noted.

364. AUDIT AND RISK COMMITTEE WORKPLAN 2011/12

Members noted the next meeting would be in January 2012 and not December 2011.

Mrs Vernon thanked officers for previous training provision which proved very useful in understanding the auditing reports.

No further agenda items were requested.

365. ANY OTHER URGENT BUSINESS

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

366. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that the public and press be excluded from the meeting for the next item of business in accordance with the Access to Information provisions of Procedure Rule 239.

367. RISK REGISTER

Report number 134/2011 was received and introduced by the Strategic Director for Resources who provided an update of the current Risk Register.

368. ANY OTHER BUSINESS

The minutes from the meeting held 21 June 2011 were approved subject to noting Mr Gale's attendance.

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The Chairman closed the meeting at 8.50pm

Chairman
14 February 2012