



# 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, 19 June 2012.

**PRESENT:** Mr J M Lammie (in the Chair)  
Mrs C J Cartwright (substitute for Mr J R Munton)  
Mr D C Hollis  
Mr D L Richardson

**In attendance:** Mr J T Dale People (Adults & Health Scrutiny Panel) Chairman  
Mr T C King Portfolio Holder for Finance & Asset Management  
Mr M Norman Audit Manager, Audit Commission  
Mr M Pocock Portfolio Holder for Resources

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

**Apologies:** Mr M R Woodcock and Mr J R Munton

## 92. ELECTION OF A CHAIRMAN

Mrs Mogg introduced the meeting and noted that in the absence of Mr Woodcock (chairman) members were required to elect a Chair for the meeting. It was proposed and seconded that Mr Lammie take the Chair.

### RESOLVED

That Mr Lammie take the Chair in the absence of Mr Woodcock for this meeting of the Audit & Risk Committee.

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Prior to the formal commencement of the meeting, a minute's silence was observed in memory of Mr Aman Mehra, Strategic Director for Places, who passed away at the weekend.

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## 93. MINUTES OF THE PREVIOUS MEETING

### RESOLVED

That the minutes of the Audit & Risk Committee held on 8 May 2012 be confirmed.

## 94. DECLARATIONS OF INTEREST

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

## 95. PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received.

## 96. ANNUAL INTERNAL AUDIT REPORT

Report No. 113/2012 was received from, and introduced by, the Head of Welland Internal Audit Consortium who explained that summary of the audit work undertaken was included in the report.

During consideration the Committee noted the following points:

- The review of payroll and employee benefits system was the only area highlighted as a possible cause for concern. This one area resulted in the overall result for Fundamental Financial Systems being slightly lower than it should be.
- The Strategic Director for Resources circulated two documents for members consideration as background. Payroll & Employee Benefits 2011-12 Executive Summary (Exempt) and Security of Financial Data Executive Summary (Exempt).

To allow members to ask any questions in respect of the exempt documents circulated it was proposed to exclude the public and press from the meeting.

### RESOLVED

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

An overview of the documents was provided by the Strategic Director for Resources, which explained the detail behind the action plan.

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The public and press were readmitted to the meeting at this point.

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### RESOLVED

1. That the Annual Report of Internal Audit and the Internal Audit Opinion that it supports be **APPROVED**.
2. That the Level of Assurance contained within the Internal Audit Opinion and the acknowledgement of partial non-compliance with the CIPFA Code of Practice be inserted in the draft of the Annual Governance Statement, previously approved by Committee, be **AGREED**.

## 97. DRAFT STATEMENT OF ACCOUNTS PROGRESS REPORT

Report No. 114/2012 from the Strategic Director for Resources was received and introduced by the Head of Business Support for Resources, Ms Dring, who updated the Committee on the production of the draft Statement of Accounts.

During consideration the Committee noted the following points:

- The Outturn report was to be considered by Cabinet on 17 July 2012 rather than 3 July 2012, as previously reported.
- Concern was noted that, as the Draft Statement was to be signed by the end of June 2012, Scrutiny Panels had not been given time to scrutinise the Outturn Report prior to this sign off. It was explained that the Quarter 4 Financial Management Report and the Outturn Report would be presented to the Cabinet on 17 July 2012 at which point the draft accounts would be approved. The Director clarified that the Statement of Accounts are compiled based on statutory accounting rules and that scrutiny of the outturn by Cabinet and the Scrutiny Panels would not result in the numbers changing. The audited Statement of Accounts would then be presented to the Committee at the September meeting.
- The Statement of Accounts were currently being drafted and, once signed off in draft format, would be circulated to Committee members and made available to all members. There was no requirement to publish them at this stage. The report to be considered at Cabinet on 17 July 2012 would give all members the opportunity to make any comments on the outturn position.
- All financial records would be available to the public for a specified period of time following the finalisation of the accounts. It was noted, however, that members of the public would have access to the set of accounts in draft format, subject to audit, but that some restrictions in respect of supporting documents, e.g. personnel records, would be in place.
- Officers had met the requirements in terms of publishing the dates for the public inspection period but agreed to look at the website of Rutland County Council to ascertain if it would be possible to make this more prominent.

## RESOLVED

1. That the contents of Report No. 114/2012 be **NOTED**.

## 98. STRATEGIC RISK REGISTER

Report No. 115/2012 was received from, and introduced by, the Strategic Director for Resources.

During consideration the Committee noted the following points:

- Members noted that a risk matrix had been added to the report, at Appendix B to Report No. 115/2012, which demonstrated a summary of the risks. Officers apologised that the matrix had been produced in black and white print. This would be rectified at the next meeting.
- In respect to Risk Reference 3 – Organisational Development – it was confirmed that a Leadership Behaviours Framework had been developed over recent months which would be applied to improve staff management. As part of the revised performance management framework, all managers would be assessed against the development and management of their teams. This framework would be launched within the next month.

## **RESOLVED**

1. That the contents of the Risk Register and the actions underway to address the risks be **NOTED**.

## **99. INTERNAL AUDIT – RESOURCES AND COMMITMENTS**

Report No. 117/2012 was received and introduced by the Head of Welland Internal Audit Consortium, Mr Gaughran, which provided early notice to the committee of issues which may impact on the operation of Consortium during 2012/13.

During consideration the Committee noted the following points:

- It was asked if all members would be included in any extra training in respect of the committee as substitutes were occasionally made. Confirmation was given that any training would be offered to all members.
- The strategy document stated that local authorities would be making savings through counter fraud activities. This was not necessarily the case and members were asked to be mindful that this could be a potential issue in the future.

## **RESOLVED**

1. That Report No. 117/2012 be **NOTED**.

## **100. ANY OTHER URGENT BUSINESS**

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

The Chairman closed the meeting at 7.39pm.