



Rutland County Council

Catmose Oakham Rutland LE15 6HP

Telephone 01572 722577 Facsimile 01572 758307 DX 28340 Oakham

Minutes of a meeting of the **AUDIT AND RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, at 7.00pm on Tuesday 20 January 2015.

PRESENT: Mr M E Baines (in the Chair)
Mr J M Lammie
Mr A S Walters
Mr J R Munton

Members in attendance: Mr M Pocock Portfolio Holder for Places (Environment and Transport) and Resources

Officers present: Mr S Della Rocca Assistant Director (Finance)
Ms R Ashley-Caunt Senior Audit Manager
Mr A Merry Technical Accountant
Mr J Idle Head Of Welland Internal Audit Consortium
Mrs K Epps Audit Manager
Miss S Bingham Governance Coordinator and Clerk

Others Present: Mr M Norman KPMG – External Auditors

Apologies: Mr T C King Portfolio Holder for Places (Development) and Finance

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The Chairman requested all attendees of the meeting introduce themselves for the benefit of members of the public.

641 MINUTES OF THE PREVIOUS MEETING

RESOLVED

That the minutes of the Audit and Risk Committee held on 23 September 2014 be confirmed and signed by the Chairman.

642 DECLARATIONS OF INTEREST

There were no Declarations of Interest in respect of items on the agenda.

643 PETITIONS, DEPUTATIONS AND QUESTIONS

No Petitions, Deputations or Questions had been received from members of the public.

644 RIPA QUARTERLY REPORT

Report No. 17/2015 from the Director of Resources was received. The Chairman informed the committee that the no applications have been made for the authorisation of Regulation of Investigatory Powers Act (RIPA) during the period 1st July 2014 to 31st December 2015.

No points were noted or raised.

RESOLVED

The Committee **NOTED** the content of the report

645 FRAUD RISK REPORT

Report No. 04/2015 from the Director of Resources was received. Mr Della Rocca briefed the committee on the more comprehensive draft document.

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The Committee **AGREED** to move into exempt session to discuss the following report.

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During discussion, the following points were noted:

- The report has been changed to be an exempt report. This is due to a miscommunication. The report was taken off the website and the papers distributed now indicated that it is exempt from general publication.
- A traffic light system has been used to rank the level of risk.

During discussion, the following points were raised:

- The committee indicated that while some risks were ranked as amber this does not necessarily mean that the Council can do more to manage the risk down. In some cases, the inherent risk rating cannot be reduced.
- The committee welcomed the report becoming an exempt document as it contains information regarding the council's actions to mitigate fraud occurring.

RESOLVED

The committee **ENDORSED** the Fraud Risk Register and agreed to receive a quarterly update of any changes details of any frauds occurred and actions taken to strengthen arrangements.

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The meeting returned to public session

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646 INTERNAL AUDIT UPDATE

Report No. 20/2025 from the Director of Resources was received. Ms R Ashley-Caunt introduced the report with the purpose to update the Committee on delivery of the 2014/15 Audit Plan.

During discussion, the following points were noted:

- The Council is on track to deliver the target of 90% of the Audit Plan by March 2015.
- Audits have been carried out in the following areas with the following Assurance ratings:
 - Housing Options – Substantial Assurance
 - School Admissions – Substantial Assurance
 - Community Care – Assessments and Charging – Sufficient Assurance
 - Payroll – Sufficient Assurance
 - Contract Management - Sufficient Assurance
 - Home to School Transport – Sufficient Assurance
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 - NDR Fraud - Sufficient Assurance
 - Agresso and Court of Protection/Deputyships both received Limited Assurance opinions and are covered under item 8.
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- The Community Levy audit has been deferred to the next financial year and the five days allocated to this within the Audit Plan have been used to provide support in the development of a Money Laundering Policy.
- Advertisement for the post on Head of Welland Internal Audit will close within the next few days. The Council is leading on recruitment to this post. An appointment will only be made if the right person can be found. The current arrangement with LGSS combined with the recruitment of more senior staff to vacancies has led to increased quality of the service and reporting.

During discussion, the following points were raised:

- The committee welcomed the progress made and thanked the Internal Audit team on the progress that has been made in the past 12 months.

RESOLVED

The Committee **NOTED** the Internal Audit Update Report

The committee agreed to take item 8 – Limited Assurance Update as the next agenda item.

647 LIMITED ASSURANCE UPDATE

Report No. 18/2015 from the Director of Resources was received. Mr Della Rocca introduced the report with the aim to update the committee on the two assignments which have resulted in Limited Assurance ratings since the last Committee meeting.

During discussion, the following points were noted:

- Agresso System: The audit identified a member of staff responsible for resolving problems has been using staff member's individual passwords. This work should have been carried out using a 'super user' status.. The member of staff and their Line Manager no longer work for the Council. Additional checks and balances have been implemented with managers carrying out final checks to ensure procedures are adhered to.
- Client Finances: Deputyships and Court Protection: The number of service users that currently require the council to administer their finances has increased significantly. The audit highlighted the following:
 - The need to better document decisions – this has been resolved
 - Formal procedures to be adopted and implemented – this has been actioned
 - Further checks were required on monies given to third parties to ensure it was being spent appropriately – Spot checks (quarterly) are now carried out to ensure that money allocated to third parties e.g. care homes is being spent in an appropriate way on behalf of the service users.

During discussion, the following points were raised:

- The Committee thanked officers for requesting Audit in these areas and welcomed the changes that have been made.
- The Committee raised concern that Client Finances is carried out by the Revenues and Benefits team who should have a good understanding of record keeping. Mr Della Rocca confirmed that the team does have a good understanding of what is required and has implemented the changes but workload and other pressures had caused delays. The Committee felt that the Audit had been a success as it had led to improvements

RESOLVED

The Committee **NOTED** the Limited Assurance Update report.

648 INTERNAL AUDIT PLANNING

Report No. 19/2015 from the Director of Resources was received. Mr J Idle introduced the report with the aim to provide the committee with details of the intended process for the preparation of the 2015/16 Internal Audit Plan.

During discussion, the following points were noted:

- Internal Audit has drawn on their previous experience within other local authorities when drafting the Internal Audit Planning report.
- The Better Care Fund monitoring would be undertaken in quarter 2. This would allow the Section 75 agreement to be implemented and for the Better Care Fund to have had some time to bed in.

RESOLVED

The Committee **NOTED** the Internal Audit Planning report.

649 ANY OTHER URGENT BUSINESS

Mr Della Rocca informed the committee that following the Audit and Risk Committee meeting in September 2014 the final External Audit Report from KPMG is now available on the Council's website for the committee to view.

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The Chairman closed the meeting at 7.50pm

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Chairman, 7th April 2015