



Rutland County Council

Catmose Oakham Rutland LE15 6HP.
Telephone 01572 722577 Email governance@rutland.gov.uk
DX28340 Oakham

Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held in the Catmose on Tuesday, 30th October, 2018 at 7.00 pm

PRESENT: Miss G Waller Mr J Lammie
Mr I Arnold Ms R Burkitt
Mr G Conde Mrs J Fox
Mr A Lowe

OFFICERS PRESENT: Miss Rachel Ashley-Caunt Head of Internal Audit
Miss Sue Bingham Business Support Manager
Mr Saverio Della Rocca Director for Resources
Mr Steve Ingram Strategic Director for Places
Mrs Natasha Taylor Governance Manager

IN ATTENDANCE: Mr G Brown Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance
Mr P Harvey Grant Thornton

375 APOLOGIES FOR ABSENCE

No apologies were received.

376 MINUTES

The Minutes of the Audit and Risk Committee held on 11 September 2018 were confirmed and signed by the Chairman.

377 MATTERS ARISING

There were no matters arising.

378 DECLARATIONS OF INTEREST

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

379 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received from members of the public.

380 QUESTIONS FROM MEMBERS

There were no questions received from members.

381 NOTICES OF MOTION

There were no notices of motion received from members.

382 SHARED OWNERSHIP

The Chairman, Miss Waller, advised Members of the Committee that she had requested an update from the Places Directorate following an Audit Report in November 2017 on Shared Ownership.

Mr Steve Ingram, Strategic Director for Places, provided a verbal report noting the following points:

- Shared ownership was an acceptable form of affordable housing and was often used in rural areas to provide an option for those unable to access the housing market, subject to certain eligibility criteria.
- Terms of ownership were usually part of the planning permission and in most cases applied in perpetuity. The terms could also be imposed as a condition of the sale of land.
- Shared ownership allows for the occupier to own a percentage of the property, typically between 25% and 80%.
- When the property is sold the occupier got market value for the percentage that they held.
- The sale of shared ownership properties was managed by the Housing Association.
- The report to the Committee in November 2017 recommended that where new S.106 agreements included this element of affordable housing, there would be a requirement that the authority would be notified of potential sales of these types of property.
- Housing Associations may seek variation of the restricted occupancy terms in the planning permission where they were unable to find qualifying people.

During discussion the following points were noted:

- i. Mr Conde noted that it appeared that the stock of shared ownership housing was diminishing locally. Mr Ingram explained that the Policy may have been different historically, but it was now accepted that the terms be imposed in perpetuity. If there were specific examples he could investigate further and provide additional information;
- ii. Miss Waller requested information about the process that had been put in place to prevent Housing Associations from departing from the terms of the shared ownership. For example where one of the terms was to require occupiers with a local connection, how could the authority ensure that attempts had been made to try to attract people from the local community before the house was offered on the open market? Mr Ingram confirmed that new applications were now subject to the requirement to notify the authority of potential sales, issues could also be picked up through Land Charges if issues were raised;

- iii. Where there was an application to amend the terms of occupancy, this would usually require a new planning application;
- iv. Miss Waller clarified that other authorities had systems in place to ensure that the criteria were being complied with and it was important that Rutland had a mechanism for checking the appropriate processes had been followed;
- v. Mr Brown, Portfolio Holder for Planning, Environment, Property and Finance, suggested that it would be appropriate for an audit to be carried out on Housing Association processes to ensure they were following criteria and terms set out in the Covenant. He would discuss this with the relevant department and look to have a report back to the Committee in January if possible.

RESOLVED

The Committee **NOTED** the verbal update and **REQUESTED** a further report be brought back to the January meeting.

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Mr S Ingram left the meeting and did not return.

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383 EXTERNAL AUDITORS PROGRESS UPDATE

Report No. 196/2018 was received from the Director for Resources, the purpose of which was to present a brief progress update provided by the external auditors.

Mr Della Rocca, Director for Resources, welcomed Mr Paul Harvey (Engagement Manager - Grant Thornton) to his first meeting of the RCC Audit and Risk Committee.

During discussion the following points were noted:

- i. Mr Harvey confirmed that the report was an initial progress report and that the Committee would be provided with an update at each meeting. Mr Harvey confirmed that there had been a handover with KPMG and that the relevant dates for future work could be found in the timetable;
- ii. It was confirmed that the first full report in January would be received by the Committee in advance of the Council receiving the 2019/20 Budget in February; and
- iii. Miss Waller asked members to look at the "Challenge Questions" in the report and feedback on areas they would like to cover in future meetings or training sessions.

RESOLVED

The Committee **RECEIVED** the External Auditors Progress Report and Sector Update.

384 INTERNAL AUDIT UPDATE

Report No. 198/2018 was received from the Head of Internal Audit, the purpose of which was to update members on the progress made in delivering the 2018/19 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting.

During discussion the following points were noted:

- i. There was ongoing negotiation with regard to obtaining a bond for the Waste Contract which was currently overdue by 12 months. There would be a risk assessment regarding contract supply failure and the views of internal audit would be included in any recommendations;
- ii. There had been a recent theft from a car parking ticket machine. Car parking will be reviewed by Internal Audit as part of the annual fraud risk work to see if there were any improvements that could be made. The Council was trying to move towards “cashless” systems to avoid the costs and risks associated with holding cash; and
- iii. All issues identified with Waste Services were being addressed.

RESOLVED

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

385 RISK MANAGEMENT POLICY

Report No. 180/2018 was received from the Director for Resources, the purpose of which was to present the current Risk Management Policy for comment following discussions at the last committee.

During discussion the following points were noted:

- i. The risk register was in the process of being updated and would be brought back to the next Committee meeting;
- ii. The sources of risk highlighted at Appendix A were provided as overarching headings and were not a definitive list. Members made further suggestions including political turmoil, changes in financial policy, employment/unemployment and human error.

RESOLVED

The Committee commented on the Policy and provided feedback as noted above.

386 COMPLIMENTS COMMENTS AND COMPLAINTS ANNUAL REPORT

Report No. 147/2018 was received from the Director for Resources, the purpose of which was to provide an overview of the numbers of Compliments, Comments and Complaints received by Council over the last financial year.

Mr Della Rocca noted that it was important that there was a process in place through which people could log their complaints where they encountered problems. The level of complaints received did not cause concern given the number of people that the Council interacted with.

During discussion the following points were noted:

- i. There had been no complaints in the vexatious category;
- ii. Only complaints and compliments from members of the public were recorded, not those from Parish Councils;
- iii. There were a number of queries/issues/requests that are reported by Parish Councils, Councillors or by individuals themselves that are not recorded as

- complaints. There was debate as to whether these should be recorded. Officers to consider this issue further;
- iv. The policy would be reviewed in 2019 to address any issues;
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Mr G Conde left the meeting and did not return.
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 - v. There should be caution with changing the process for recording as it would make comparison with historic data difficult;
 - vi. It was good to see the positive comments, but Members suggested that the report should include both positive and negative comments to make sure it was balanced; and
 - vii. More details on the report from the ombudsman would be useful in future, particularly reasons for complaints upheld.

RESOLVED

Members **NOTED** the content of the Annual Compliments, Comments and Complaints report and provided feedback as above.

387 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE

The Director for Resources confirmed that there was nothing to report at this time.

388 ANY OTHER URGENT BUSINESS

There were no items of urgent business.

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The Chairman declared the meeting closed at 8.40 pm.
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