



# Rutland County Council

Catmose Oakham Rutland LE15 6HP.

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Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held in the Council Chamber, Catmose on Tuesday, 23rd July, 2019 at 7.00 pm

**PRESENT:** Miss G Waller (Chair) Mrs R Powell  
Mr E Baines Mr I Razzell  
Mr A Brown JP Mr N Woodley  
Ms K Payne

## **OFFICERS**

**PRESENT:** Ms R Ashley-Caunt Head of Internal Audit  
Mr S Della Rocca Strategic Director for Resources  
Mrs S Doherty Interim Governance Manager  
Mr A Merry Finance Manager - Technical

## **IN**

**ATTENDANCE:** Mr G Brown Deputy Leader and Portfolio Holder  
Mr J Gregory External Auditor, Grant Thornton Plc

## **143 APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

## **144 DECLARATIONS OF INTEREST**

Councillor Razzell declared a personal interest as the Chairman of West Rangers.

Councillor A Brown JP declared a personal interest as a trustee of the Rutland Agricultural Society.

## **145 APPOINTMENT OF VICE-CHAIRMAN OF COMMITTEE**

Councillor K Payne was nominated for the position of Vice-Chairman of the committee. There were no further nominees.

## **Resolved**

That Councillor K Payne be appointed Vice-Chairman of the Audit and Risk Committee

## **146 TERMS OF REFERENCE**

### **Resolved**

That the Terms of Reference be noted.

## **147 MINUTES**

### **Resolved**

That the minutes of the meeting held on 26 March 2019 be confirmed as a correct record.

## **148 MATTERS ARISING**

### Minute no 737v

The Chair sought an update from the Portfolio holder on the overdue bond for the Waste Management Contract. It was confirmed that specialist legal advice was being sought. The Chair requested that the committee be kept updated on progress.

## **149 PETITIONS, DEPUTATIONS AND QUESTIONS**

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

## **150 QUESTIONS FROM MEMBERS**

No questions from members had been received.

## **151 NOTICES OF MOTION**

There were no notices of motion from members under procedure rule 97.

## **152 STATEMENT OF ACCOUNTS 2018/19**

The Strategic Director for Resources presented report no 106/2019. The Statement of Accounts also included the Annual Governance Statement which had been previously circulated to the committee in draft form and then amended in discussion with the Chair.

Discussion was held over the financial assumptions on pensions and it was noted that there was a typographical error in relation to significant governance issues on page 99 of the report (109 in the agenda pack) which the Director would correct for the final publication.

The Committee noted the changes from the draft Statement of Accounts relating to the Pensions matter.

## **Resolved**

That the Statement of Accounts and Annual Governance Statement for 2018/19 be approved.

### **153 EXTERNAL AUDITORS REPORT (ISA 260 REPORT)**

The External Auditor, John Gregory, presented report no 107/2019 to the committee. He reported that, whilst he could sign off his Accounts opinion and the Value for Money conclusions, unfortunately, due to a number of objections in relation to the St George's Barracks matter he could not formally conclude the Audit. In response to a question Mr Gregory confirmed that the matter would be concluded within the 9 month recommended deadline.

The Strategic Director for Resources also drew members attention to Appendix 2 of the report which was the management representation letter which would require sign off by himself and the Chair.

## **Resolved**

1. That the External Auditors Report be received.
2. That the letter of representation at appendix 2 of the report be approved for signing by the Chair and the s151 Officer.

### **154 INTERNAL AUDIT ANNUAL REPORT 2018/19**

The Head of Internal Audit presented her annual report no 108/2019 to members. Overall she reported a satisfactory assurance for the year and that there had been no significant areas of weakness affecting her opinion. She had also attached the current year's audit plan for information, as this was a new committee, so that they could see what her team were working on presently.

Members queried the overall audit opinion and in particular why only a 'satisfactory' opinion was given as many audits had received a 'substantial' level of assurance. The Head of Internal Audit explained that a balanced view was taken considering the significance of areas audited and the implementation of recommendations.

Members also discussed the status of outstanding recommendations. The Head of Internal Audit explained that more detailed information was given in the quarterly reports. It was agreed that these be referred to in future annual reports to aid understanding.

The Chair reported that she had requested that a report on Procurement Cards be brought to the next Committee as an example of a non "limited" report to aid members understanding.

## **Resolved**

1. That the Annual Internal Audit Report and Assurance Opinion for 2018/19 be approved.
2. That the Internal Audit Plan for 2019/20 be noted.

Mr J Gregory, External Auditor left the meeting at 8:10pm.

## **155 EXCLUSION OF THE PUBLIC AND PRESS**

Report no 109/2019 contained a confidential appendix by virtue of paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972. As there were no members of the public present it was determined not to move into confidential session unless members wished to discuss information specifically in the appendix.

## **156 ANNUAL FRAUD REPORT 2018/19**

Members considered report number 109/2019 from the Strategic Director of Resources. At paragraph 4.1 of the report it was noted that there was a typographical error to be corrected to read "The Council's Fraud Risk Register currently contains over 40 risks...".

## **Resolved**

That the content of the Annual Fraud Report be endorsed.

## **157 STRATEGIC RISK REGISTER**

Members considered report number 110/2019 from the Strategic Director for Resources. The Strategic Director clarified that this risk register related to the Councils corporate priorities and that the responsibility of this Committee was to look at the overall arrangements for risk management rather than the detail of individual risks. The detail would be a matter for the Scrutiny Committees.

Members discussed the presentation of the document and sought clarity on the length of time the risks had been present on the register. It was requested that the Director consider a method of ranking the risks so that the highest risks were presented first within the document.

In response to a query the Strategic Director confirmed that the risk register was reviewed regularly by Senior Management Team and that individual departments had more detail on their own risk registers. He further clarified that the purpose of the register was to record the significant risks to the Council and the associated control measures. Where controls were not deemed adequate there would be additional actions listed until they became effective control measures. Some risks would be perpetual as they could still

occur despite the control measures in place and they should be retained on the register for awareness purposes.

**Resolved**

1. That the content of the Risk Register and the actions underway to address the risks be noted.
2. That the Strategic Director consider the points raised by the Committee.

**158 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE**

The Strategic Director for Resources reported that there had been no requests to use covert surveillance.

**159 COMMITTEE TRAINING**

The Chair informed members that there had been a practice of doing training sessions half an hour prior to every other meeting of the committee. It had been suggested that this now be done prior to every meeting for this year as the committee had all new members and this would enable them, to get up to speed more quickly.

Prior to the start of the next meeting the Head of Internal Audit would give a presentation detailing what her work entails. At the following meeting the Council's insurer had offered to do a free presentation on Risk Management.

The Chair sought further ideas from members.

**Resolved**

That member training be held prior to every meeting of the Audit and Risk Committee for the 2019/20 municipal year, the Strategic Director of Resources to organise the schedule of presentations.

**160 ANY OTHER URGENT BUSINESS**

There were no other urgent items to consider.

The Chair reminded members of the change of date for the next meeting to 1 October 2019.

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The Chair closed the meeting at 8.50 pm.

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