



# Rutland County Council

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Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held in the Catmose on Tuesday, 4th February, 2020 at 7.00 pm

**PRESENT:** Miss G Waller Mrs K Payne  
Mr A Brown Mrs R Powell  
Mr I Razzell Mr N Woodley  
Mr P Ainsley

**ABSENT:** Mr E Baines

**OFFICERS PRESENT:** Ms R Ashley-Caunt Head of Internal Audit  
Mr S Della Rocca Strategic Director for Resources  
Mrs E Powley Governance Manager  
Ms S Bingham Business Support Manager  
Mr A Merry Finance Manager

**IN ATTENDANCE:** Mr G Brown Deputy Leader and Portfolio Holder for Planning Environment, Property and Finance  
Mr Gregory External Auditor, Grant Thornton PLC

## 347 APOLOGIES

Apologies were received from Councillor Baines who was substituted by Councillor Ainsley.

## 348 MINUTES

With the inclusion of Councillor A Brown's apology for the previous meeting, the minutes of the meeting held on the 5<sup>th</sup> November 2019 were agreed and signed by the Chair.

## 349 MATTERS ARISING

There were none.

## 350 DECLARATIONS OF INTEREST

There were none

### **351 PETITIONS, DEPUTATIONS AND QUESTIONS**

There were none.

### **352 QUESTIONS WITH NOTICE FROM MEMBERS**

There were none

### **353 NOTICES OF MOTION**

There were none

### **354 EXTERNAL AUDIT PLANNING 2019/20**

The External Auditor (Grant Thornton) elaborated on the report and explained that the significant risks identified were the management override of controls, Valuation of land and buildings and Valuation of net pension fund liability. These were standard risks for all local authorities rather than ones specific to Rutland.

It was reported that the materiality of the audit had not changed this year and that the risk assessment undertaken of the Council's arrangements to secure value for money had not identified any significant risks.

Members were informed that there would be an increase in the planned audit fees for 2019/20. It was noted that the increase was not a risk premium but enabled the external auditors to undertake additional work in order to meet the requirements of their regulators.

In response to questions asked, the External Auditor confirmed that the 2019 Audit had not been closed, but it was anticipated that this would be completed within a number of weeks.

The Committee requested that they be informed when the 2019 Audit had been closed and the certificate granted.

#### **RESOLVED:**

That the audit plan from the external auditors, Grant Thornton UK LLP, be noted.

### **355 INTERNAL AUDIT UPDATE**

The Head of Internal Audit elaborated on her report and explained that she considered it a very positive report and further progress had been made since publication of the report.

In response to questions asked, the Head of Internal Audit explained that with regards to IR35, this report had been issued in August 2019. Actions had been recommended to address the areas of weakness but the audit outcome would remain the same until another full audit was performed in a future year.

Members were informed that there had been some delays with the procurement cards recommendation notably some registration difficulties with HMRC which prevented the Council implementing making tax digital but that these had been resolved and progress made on addressing the recommendation.

**RESOLVED:**

That Members noted the Internal Audit update report.

**356 INTERNAL AUDIT PLANNING 2020/21**

The Head of Internal Audit submitted her report and noted that members were being advised on the progress being made on developing the Internal Audit Plan for 2020/21. Members were being invited to highlight any areas where they may want assurance from the Internal Audit team.

In response to questions raised by the Committee it was noted that there were different monitoring mechanisms for S106 and CIL monies and therefore they were being audited separately.

Members were informed that Appendix A provided a long list of initial areas identified during audit planning, but that it would need to be prioritised. Members discussed the need for additional assurance over controls operating to prevent and detect fraud or misuse of direct payments as it was explained that this was an increased area of concern with regards to fraud.

**RESOLVED:**

- 1) That the initial areas highlighted for potential coverage in the Internal Audit Plan 2020/21 be noted.
- 2) That delegation to the Strategic Director of Resources, in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2020/21 Internal Audit plan ahead of formal approval by committee in April 2020 be approved.

**357 STRATEGIC RISK REGISTER**

The Director of Resources elaborated on the report and explained that the risk register had been reviewed following the production of the new Corporate Plan.

The Committee had previously requested a summary of Directorate risks and it was explained that this would be done in the near future.

Members raised questions about the possibility of linking the risks with specific areas of the corporate plan and whether a 'deep dive' could be carried out on specific risks.

The Director of Resources explained that all identified risks were discussed by the Senior Management Team with each directorate identifying and addressing risks in their service area.

In response to questions asked, it was explained that the Director of Places had been taking advice on the potential risk of coronavirus and engaging with Public Health England as exposure to the virus could affect members of staff working in social care and home visits as well as numerous schools. It was noted that as information was received, staff would be updated to ensure that necessary precautions were being taken.

It was noted that there were a number of inaccurate 'due for completion' and 'review dates' and an updated version would be circulated to members; additional information would be included in future risk registers providing a brief explanation where targets have been missed.

**RESOLVED:**

That the contents of the Risk Register and the actions underway to address the risks, be noted.

**358 WHISTLEBLOWING POLICY**

The Director of Resources submitted a report which asked the Committee to give consideration of the Whistleblowing Policy which had been reviewed in accordance with the date set by Cabinet.

The Committee questioned whether there could be a reduction in the current response time (to concerns being raised) of ten working days. It was agreed that an acknowledgement to a complaint would be delivered in 48 hours.

It was explained that concerns raised through the Whistleblowing process can be dealt with by the Head of Internal Audit as an independent person. The Committee suggested that an alternative email address be given so that those contacting the Council were clear that the Head of Internal Audit is independent.

**RESOLVED:**

That the Whistleblowing Policy (with minor typographical corrections) be recommended for approval by Cabinet.

**359 ANY OTHER URGENT BUSINESS**

There were no items of urgent business.

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**The Chairman declared the meeting closed at 8.29pm**

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