



## **Rutland County Council**

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Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held virtually via Zoom on Tuesday, 23rd February, 2021 at 7.00 pm

**PRESENT:**        Mrs K Payne (Chair)                    Mr A Brown  
                     Mrs R Powell                                Mr I Razzell  
                     Ms A MacCartney

### **1        APOLOGIES**

Apologies were received for Councillor Waller. Councillor MacCartney attended on her behalf as a substitute.

### **2        MINUTES**

It was proposed by Councillor Razzell and seconded by Councillor Powell that the minutes be approved. This was unanimously agreed. Councillor MacCartney refrained from voting as she was not in attendance at this meeting.

### **3        DECLARATIONS OF INTEREST**

There were none.

### **4        PETITIONS, DEPUTATIONS AND QUESTIONS**

There were none.

### **5        QUESTIONS WITH NOTICE FROM MEMBERS**

None received.

### **6        NOTICES OF MOTION**

None received.

### **7        INTERNAL AUDIT PROGRESS REPORT**

The Committee received an update on the progress made in delivering the 2020/21 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting. It was noted that, at the time of completion of the report 85% of the audit plan was either in progress or complete. The Committee was asked for any comments on the Internal Audit plan detailed in Appendix A of the agenda report.

The Committee noted from the report that some of the planned assignments had not been able to commence due to officer availability and/or awaiting further developments. The planned audit, for example, on the Covid-19 recovery project had

not been possible or feasible to commence due to the latest national lockdown and the implications arising from this. Internal Audit were maintaining contact with the Council's senior management in order to establish when audit work could commence and if it would add value, without diverting vital resources from front line services. It was proposed that the audit of Asset Management be postponed until 2021/22 on the basis that the Property team were currently occupied with work associated with the vaccination centre. This had been approved by the Chair of the Audit & Risk Committee and the S151 Officer.

Concern was expressed that some of the key actions were overdue by three months in relation to highways management. This was being looked into and monitored carefully. Councillor MacCartney asked about ensuring continuity between changes of staff members. Members were assured that the audit recommendations were advised and that these were inherited by the new post holder. Procedures were in place to ensure that this was the case.

A further question was raised in regards to the highways contract from Councillor Powell in relation to the process ensuring action was taken on the recommendations that were prescribed. Members were advised that evidence was received and monitored. Any action raised as a high risk was revisited to ensure compliance.

Councillor Razzell raised a question regarding competencies. He asked whether job descriptions and SMART targets were set effectively. It was confirmed that, depending on the review, internal audit did review these and roles and responsibilities. These were considered and whether to strengthen. Objectives for officers had been considered where required and training given where needed.

**RESOLVED** unanimously that the report be noted.

## **8 INTERNAL AUDIT PLAN**

The Committee received a report which highlighted the initial areas for potential coverage in the Internal Audit Plan 2021/22 and asked for comment on any areas which Members might wish to prioritise for coverage in the plan. The report also requested that Members approve giving delegated authority to the Strategic Director for Resources in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2021/22 Internal Audit Plan ahead of formal approval by committee in April 2021.

The Committee was advised that COVID had impacted on the work of the internal audit during 2020/21 and this may continue into the coming year. This included new risks, changes to operational issues and demands to provide anti-fraud work or grant assurance. Members would receive the draft Audit Plan at its next meeting. However, the request to give delegated authorisation was to enable work on audit assignments to commence from 1<sup>st</sup> April 2021.

The Committee considered the report, the initial areas identified in appendix A and the recommendations.

The Chair, Councillor Payne opened up discussion. She asked whether, considering there were a number of major contracts coming up, contract management should be added to the Plan. Considerations being, value for money, performance, compliance

and best practice. Councillor MacCartney agreed and suggested that it also include project management.

**RESOLVED unanimously that**

1. The report be noted; and
2. Delegation be approved for the Strategic Director for Resources in consultation with the Chair of the Audit and Risk Committee, to approve an interim 2021/22 Internal Audit Plan ahead of formal approval by committee in April 2021.

**9 EXTERNAL ANNUAL AUDIT LETTER**

The Committee received the report from the external auditors, Grant Thornton who had completed their audit work for 2019/2020. The annual audit letter was attached to the agenda papers which Members were asked to approve.

Comments were raised around project and contract management and the Strategic Director for Resources, advised that audits were carried out on larger contracts but it may be an advantage to look at the smaller ones to identify any risks.

Members were content with the report. It was actioned that Grant Thornton would close down the audit point they still had open from the 18/19 External Audit for St Georges.

**RESOLVED**, unanimously, that the Committee approve the External Auditors Annual Audit Letter subject to Grant Thornton closing down the audit point they still had open from the 18/19 External Audit for St Georges.

**10 RISK REGISTER**

The Committee was presented with the Strategic Risk Register and was asked to note the content and the actions underway to address the risks. Since the last meeting the register had been reviewed and updated.

**RESOLVED** unanimously that the Committee note the content of the Risk Register and the actions underway to address the risks.

**11 COUNTER FRAUD AND CORRUPTION POLICY**

The Committee was presented with a report which updated the counter fraud and corruption policy. It also included an update on the Council's money laundering procedures which was one part of the Council's framework for fighting both fraud and corruption. Members were asked to note the Policy and the procedures for Anti Money Laundering which had been updated. The report sought to demonstrate that the Council continued to have a robust counter-fraud culture and effective counter-fraud arrangements in place and updating of the Policy was a key part of these arrangements.

The Committee considered the report and noted the key points. Members supported the way forward in ensuring a robust counter-fraud culture and effective counter-fraud arrangements being in place.

**RESOLVED** that the Committee

1. Note the updated Counter Fraud and Corruption Policy attached at Appendix A to the agenda report; and
2. Note that the Anti Money Laundering procedures, attached at Appendix B to the agenda report, had been updated.

## **12 STATEMENT OF ACCOUNTS**

The Committee received a verbal update on the statement of accounts. There were no changes of note that differed from 2020.

## **13 REDMOND REVIEW**

The Committee received a verbal update. Members were reminded that Sir Tony Redmond undertook an independent review of the effectiveness of local audit and the transparency of local authority financial reporting. He looked into how local authorities were accountable to service users and taxpayers and how auditors were accountable for the quality of their work; and how easy was it for those same individuals to understand how their local authority had performed and what assurance they could take from external audit work.

The Committee **NOTED** the key recommendations and welcomed those which were of good practice to implement, in particular hearing directly from the external auditor at Council.

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The Chair declared the meeting closed at 8.16 pm.

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