



Rutland County Council

Catmose Oakham Rutland LE15 6HP.
Telephone 01572 722577 Facsimile 01572 75307 DX28340 Oakham

Minutes of the **AUDIT AND RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Tuesday, 22nd September, 2015 at 7.00 pm

PRESENT: Mrs D MacDuff (Chair)
Mr J Lammie
Mr E Baines
Mr M Oxley (Substitute for Mr Walters)

APOLOGIES: Mr A Walters
Miss G Waller

OFFICERS	Mrs Helen Briggs	Chief Executive
PRESENT:	Mr Saverio Della Rocca	Assistant Director - Finance
	Mrs Debbie Mogg	Director for Resources
	Miss Rachel Ashley-Caunt	Head of Welland Internal Audit Consortium
	Miss Kelly Epps	Audit Manager
	Mr Andrew Merry	Finance Manager
	Mrs Kim Cross	Corporate Support Officer

PRESENT:	Mr Tony Crawley	KPMG
	Mr Mike Norman	KPMG

253 MINUTES

The minutes of the Audit and Risk Committee held on 30 June 2015 were confirmed and signed by the Chairman.

254 DECLARATIONS OF INTEREST

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

255 PETITIONS, DEPUTATIONS AND QUESTIONS

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

The Chair suggested that the agenda items were reordered to facilitate completion of the Committee's business in an orderly fashion. In this regard, item 9 was taken as the first item followed by item 6 then item 5.

256 EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT 2014/15

Report No. 178/2015 was received from the Director for Resources. The representative from KPMG, Mr Crawley, introduced the report the purpose of which was to present the findings and conclusions from the External Auditors work in relation to the Council's 2014/15 financial statements and the 2014/15 conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources (VFM Conclusion).

During discussion, the following points were noted:

- i. There are no material adjustments.
- ii. There is one unadjusted item in Appendix 2 that will need endorsing by the Committee relating to Ashwell Depot. The Ashwell Depot is recorded as an asset held for sale in the accounts but as the potential sale had fallen through the external auditors suggested that the asset should now be categorised as an operational asset. The Assistant Director – Finance had decided not to make an adjustment to the accounts and the external auditor confirmed that this did not affect the opinion he was minded to give. The Committee would be required to agree this approach in signing the letter of representation.
- iii. The auditors noted that a number of elected members had not completed their Related Party transactions forms. The Assistant Director – Finance said there were some repeat offenders but the pending election had had an impact on the number of returns received.
- iv. Representations/observations have been made to the auditors from the public objecting to the accounts, and the auditors need time to consider the observations before awarding the certificate of completion of the audit. There is no timescale for the review however the auditor will provide an update at the next meeting of the committee.
- v. Observations can be made to the auditors until the certificate is issued and they can revisit the opinion and change it if needed.
- vi. The letter of representation was not available in the agenda pack, but was circulated at the meeting. It was a standard letter in that it did not require the Committee to provide assurances about particular issues.

During discussion, the following points were raised:

- i. The Committee welcomed the delay in issuing the certificate as the public were entitled to engage with the process.
- ii. The Chair proposed to issue members' returns in respect of Related Party Transactions, at a Full Council meeting for them to be signed before leaving the meeting. The Assistant Director – Finance supported this proposal.

RESOLVED

1. The Committee received the Annual Governance Report and considered any issues arising; and

2. The Committee **APPROVED** the letter of representation and approved it to be signed by the Chair of Audit and Risk and the S151 Officer (Assistant Director – Finance).

257 ANNUAL GOVERNANCE STATEMENT

Report No. 177/2015 was received from the Director for Resources. The Chair reminded Members that the Committee had seen an earlier version of the AGS (Annual Governance Statement) and that the external auditors had reviewed the revised version and were satisfied that it reflects their understanding of the Council's position.

No further points were raised.

RESOLVED

The Committee **APPROVED** the Annual Governance Statement (AGS) as part of the 2014/15 Statement of Accounts.

258 STATEMENT OF ACCOUNTS 2014/15

Report No. 168/2015 was received from the Assistant Director for Finance the purpose of which was to report the Statutory Statement of Accounts 2014/15 in the form prescribed by regulation to meet the statutory requirement for the Council to approve and publish its annual statement of accounts by 20 September 2015.

During discussion, the following points were noted:

- 1 The Assistant Director – Finance thanked the auditors for recognising that the Council tried to make the accounts as public friendly as possible.
- 2 The Assistant Director – Finance thanked the Finance Manager and the wider Finance team for the work that they had done on the accounts.
- 3 The Statement of Accounts is required to be approved and published by 30th September 2015 and the timescales would be adhered to.

During discussion, the following points were raised:

- i. The Chair confirmed that she had numerous discussions with the Assistant Director – Finance and the Finance Manager to be certain she fully understood the accounts.
- ii. There were no other detailed questions on the accounts.

RESOLVED

The Committee **APPROVED** the Statement of Accounts for 2014/15 including the Annual Governance Statement.

259 STRATEGIC RISK REGISTER

Report No. 176/2015 was received from the Director for Resources the purpose of which was to brief the Committee on the risk register and the actions underway to address the risks.

During discussion, the following points were noted:

- 1 Positive changes have been made regarding recruitment and retention. The Chief Executive confirmed a targeted campaign for recruitment to the People directorate had been developed.
- 2 A brief overview of the recovery plan test exercise that was carried out in October was given and it was explained that it was a desk exercise which has highlighted gaps in the recovery plans. New plans are now in place to cover those gaps and the new recovery plan will be tested across all 3 directorates.

During the discussion, the following points were raised:

- i. The Committee raised concerns over recruitment and retention.
- ii. The Committee asked for the results of future recovery plan tests to be reported back to the Audit and Risk Committee, and to be shared with the Scrutiny Panels.
- iii. Concern was raised that the most up to date risk register and risk matrix were not issued with the agenda but received at the meeting. The Director explained that the risks themselves had not changed but some of the scores had been amended following scrutiny of the registers by the Portfolio Holder and ongoing risk mitigation work.
- iv. The Chair asked that risk actions included timescales as far as possible so that the Committee understood when action must be completed by. The Chair also asked whether Scrutiny Panels would receive the risk register. It was explained that this was a matter for the Panels themselves to determine.

RESOLVED

The Committee **NOTED** the content of this report, and the actions underway to address the risks.

260 INTERNAL AUDIT UPDATE

Report No. 175/2015 was received from the Head of Internal Audit. The Audit Manager introduced the report the purpose of which was to update the Committee on the progress made in delivering the 2015/16 annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting.

During discussion, the following points were noted:

- i. There has been one change to the audit plan since the previous report. The review of Data Retention and Disposal has been deferred to 2016/17 and replaced with a review of the Oakham Enterprise Park, as discussed at the

previous Committee meeting and formally approved by the Chair of the Committee and Assistant Director - Finance.

- ii. The counter fraud 'App' launches in October/November to assist anyone wishing to report fraud, which they suspect is connected to the Council.
- iii. The council is working with colleagues across Leicestershire to develop a data hub which will be hosted by Leicester City Council and will support proactive fraud work.
- iv. The Director for Resources gave an update on the processes in place, following new regulations, to ensure consistency with policies and procedures surrounding the recruitment of interim and agency staff.

During discussion, the following points were raised:

- i. The Portfolio Holder disagreed with some of comments made in the Capital Allocations report but noted that the recommendations were relevant. The Head of Welland Internal Audit Consortium agreed to review the report accordingly.

RESOLVED

The Committee **NOTED** the internal audit report update.

261 REGULATION OF INVESTIGATORY POWERS ACT 2000(RIPA) QUARTERLY REPORT

Report No. 162/2015 was received from the Director for Resources. The Director for Resources introduced the report the purpose of which was to provide an overview of the Regulation of Investigatory Powers Act 2000 (RIPA) and a summary of the Council's use of RIPA during 1 April to 30 June 2015.

During discussion, the following points were noted:

- i. There have been no (zero) uses of RIPA in the last quarter.

No further points were raised.

RESOLVED

The Committee **NOTED** the content of the quarterly report, which covered all RIPA activity during the period 1 April to 30 June 2015.

262 ANY OTHER URGENT BUSINESS

No items were raised.

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The Chairman declared the meeting closed at 8.05 pm.

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