



# Rutland County Council

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Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held via Zoom on Tuesday, 20th July, 2021 at 7.00 pm

<b>PRESENT:</b>	Mrs R Powell (Chair) Mr G Brown Mr A Lowe	Mr P Ainsley (as substitute) Mrs S Harvey (as substitute) Ms A MacCartney
<b>ABSENT:</b>	Mr E Baines	Mr I Razzell
<b>OFFICERS PRESENT:</b>	Mr Saverio Della Rocca Miss Sue Bingham Rachel Ashley-Caunt Joanna Morley Tom Delaney	Strategic Director for Resources Business Support Manager and Data Protection Officer Head of Welland Internal Audit Consortium Governance Manager Governance Officer
<b>IN ATTENDANCE:</b>	Mrs K Payne	Portfolio Holder

## 1 APOLOGIES

Apologies for absence were received from Councillor E Baines who was substituted by Councillor S Harvey, and from Councillor I Razzell who was substituted by Councillor P Ainsley.

## 2 MINUTES

The minutes of the meeting held on 20 April 2021 were agreed and confirmed as a true record of the proceedings.

## 3 DECLARATIONS OF INTEREST

Councillor S Harvey declared a non-pecuniary interest in item 12 – Strategic Risk Register as a member of the Ofsted Improvement Board which was referred to in the Risk Register.

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

No petitions, deputations or questions had been received.

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

No questions with notice from Members had been received.

#### **6 NOTICES OF MOTION**

No motions from Members had been received.

#### **7 TERMS OF REFERENCE**

The Chair introduced the Committee's Terms of Reference and Members were invited to make comments or raise any issues. It was noted that the Terms of Reference referenced a role for the Committee in overseeing the Council's Constitution and officers confirmed that in practice this role was undertaken by the Constitutional Review Working Group (CRWG). The Chair also felt there were opportunities to streamline some aspects of the Terms of Reference.

#### **RESOLVED:**

That the Terms of Reference for the Audit and Risk Committee be **NOTED** and that the Chair will ask the Constitutional Review Working Group whether references to overseeing the Constitution can be updated.

#### **8 ACCOUNTS UPDATE**

The Committee received a verbal update from Mr Della Rocca, Strategic Director for Resources and Section 151 Officer on the Annual Statement of Accounts. It was confirmed that the Council had been able to publish the Statement of Accounts by the end of June deadline, which had been amended from the usual end of May deadline due to the impact of the COVID-19 Pandemic. It was noted that although the accounts were open to public inspection via appointment there had been no requests as of yet to do so.

It was explained that although the accounts would be brought to the committee for formal approval at a later date, the Chair would be meeting with the Finance Manager to review the accounts and other Members were able to view the accounts online and contact officers at any time.

#### **9 EXTERNAL AUDITORS' QUESTIONS UPDATE**

The Committee received a report from Mr Della Rocca, Strategic Director for Resources and Section 151 Officer on behalf of the external Auditors, Grant Thornton, in order to report to the Committee their response to an objection to the Council's 2018/2019 Accounts. It was noted there had been no further correspondence from the member of the public who had raised the objection.

In response to questions, it was clarified that the external auditors response had cost the Council £5,024. Mr Della Rocca explained that all objections must be responded to and there would inevitably be a cost for the external auditors' time. Furthermore, the Council was unable to object to these costs as they were justified by the external auditors to their appointing body, Public Sector Audit Appointments prior to submission to the Council. Additionally, the need for the appointing body to approve the fees was also a factor in the significant delay on responding to the objection.

#### **RESOLVED:**

That the Committee **NOTE** the External Auditors' note on the questions relating to the accounts.

## **10 INFORMATION GOVERNANCE ANNUAL REPORT**

Mr Della Rocca, Strategic Director for Resources and Section 151 Officer presented the report with the assistance of Sue Bingham, Business Support Manager and Data Protection Officer. The report provided an overview of the Council's activity in respect of how it had discharged its responsibilities in matters relating to Information Governance, including information regarding Compliments, Comments and Complaints over the last financial year from 1 April 2020 to 31 March 2021. It was highlighted that the report covered a wider range of topics than the previous year and it was hoped Members would find the report a useful insight into the time and work the Council undertook in delivering some of its statutory objectives in addition to those set in the Council's Strategic Aims.

Several concerns were raised by Members regarding the seemingly low level of complaints and whether certain services avoided the recording of complaints in favour of classifying contact as a service request. It was explained that although the Council Offices had been closed in this year due to the COVID-19 Pandemic most complaints were normally received by email rather than in person before the pandemic. Regarding the classification of complaints it was explained that even where a service request was being dealt with customers would still have the opportunity to subsequently raise a complaint if they so wished. It was highlighted there would always need to be input from service areas to help diagnose contacts as complaints or service requests rather than classify all contacts as complaints, and in many cases service areas would also need to be involved in order to deliver the best outcomes for customers.

In response to subsequent question on the recording of service requests, it was highlighted by Mr Della Rocca and the Portfolio Holder Councillor K Payne that there was currently no central point through which all communication went and could be measured. However, the upcoming online service MyAccount would be part of the Council's streamlining of services and would allow the recording and monitoring of service requests, however this was subject to customers predominantly using MyAccount and many service areas being available.

It was also confirmed that the six complaints upheld against the Council referenced in the report had not incurred financial costs as the recourses had primarily consisted of apologies for administrative errors or communication failures. It was suggested that future versions of the report could include additional revenue where it had needed to be spent in undertaking the work set out in the report.

### **RESOLVED:**

That the Committee **Note** the information contained in the report.

## **11 ANNUAL GOVERNANCE STATEMENT**

The Committee received a report from Mr Della Rocca, Strategic Director for Resources and Section 151 Officer which presented an early draft of the Council's Annual Governance Statement for Members to consider and advise of any issues ahead of the Statement being presented for final approval later in the year. Members were invited to either raise any issues at the meeting or contact officers in writing within the next month.

A Member raised whether there should be ongoing reference to emergencies based on the current Statement's references to the COVID-19 Pandemic response. It was explained that all emergencies and their responses were all unique and therefore the Statement would always need to be adjusted to account for this.

It was observed that there was a large amount of narrative that could make the overall Statement seem repetitive. It was observed by another Member that the many changes in the decision-making processes due to the COVID-19 Pandemic could account for much of the additional narrative and it was important these changes were documented in the Statement.

**RESOLVED:**

That the Committee considers the draft Annual Governance Statement fairly represents the governance framework in place at the Council, subject to the Strategic Director for Resources addressing the issues and comments raised by Members at and outside the meeting.

## **12 STRATEGIC RISK REGISTER**

The Committee received a report from Mr Della Rocca, Strategic Director for Resources and Section 151 Officer which presented the Strategic Risk Register to the Committee and provided assurances that strategic risks were being managed. It was highlighted that these risks were always changing and since publication of the agenda there had been changes regarding business continuity due to the number of workers required to self-isolate which was echoed by Members as an area of concern when taken alongside general staff turnover.

In response to a question about differences between the Strategic Risk Register and operational risk registers used by services, Mr Della Rocca agreed to raise the issue but explained that the pandemic had halted plans to deliver greater coordination and the pandemic had also had a large impact on some service areas to maintain their individual risk registers. It was agreed that the risk management framework, including expectations around risk registers at directorate level, be considered at a future meeting.

In response to a question regarding the adequacy of control measures on risk 73, the risk of being unable to recruit to key services or maintain resilience, it was explained that this risk was also addressed by control measures under risk 3, on delivering key services should a significant business disruption occur. Furthermore, this risk was a moving issue and services approached it in different ways such as by considering new delivery models which would remove the risk.

It was also clarified that Risk 74 relating to financial stability should be coloured in line with the other risks and this would be amended in a future register.

**RESOLVED:**

That the Committee **NOTE** the content of the Risk Register and the actions underway to address the risks.

## **13 INTERNAL AUDIT UPDATE REPORT**

Rachel Ashley-Caunt, Head of Internal Audit, presented the report which updated Members on the progress made in delivering the 2021/22 Annual Audit Plan agreed at the end of the previous financial year, and outcomes from audit assignments completed since the last Committee meeting.

In response to a question on general differences in the actions and timelines between the various audits, it was explained that this was down to the efficiency of the individual service areas when working with the Internal Audit team.

In response to questions regarding the large delay in audits relating to Highways which pre-dated the beginning of the COVID-19 Pandemic, it was explained that staff turnover and the complexity of the contracts had made agreeing audit actions and timelines complicated but the Strategic Director of Places had recently become the agreed lead officer for these audits to help drive the required improvements.

It was suggested the Strategic Director should attend a future meeting to account for any further delays and that the Chair would raise the Committee's concerns with the Council's Senior Management Team for a response.

**RESOLVED:**

That the Committee **NOTE** the Internal Update report.

**14 INTERNAL AUDIT ANNUAL REPORT 2020/21**

Rachel Ashley-Caunt, Head of Internal Audit, presented the report which provided the Committee with the Head of Internal Audit's Assurance Opinion for 2020/21 and the Annual Report detailing the basis for this opinion for review and approval.

It was clarified that all audit actions were taken into account when making the overall opinion and any audits remaining open would impact on this, and that Audit reports were shared with Members and available online outside of Committee meetings.

**RESOLVED:**

That the Annual Internal Audit Report be **APPROVED**.

**15 ANY OTHER URGENT BUSINESS**

There was no other urgent business for consideration.

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**The Chairman declared the meeting closed at 8.44 pm.**

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