



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, Oakham, Rutland, LE15 6HP on Tuesday, 26th April, 2022 at 7.00 pm

PRESENT: Councillor R Powell (Chair) Councillor G Brown (Vice-Chair)
Councillor N Begy Councillor A MacCartney
Councillor A Walters

APOLOGIES: Councillor E Baines

OFFICERS PRESENT: Saverio Della Rocca Strategic Director of Resources
Rachel Ashley-Caunt Chief Internal Auditor

IN ATTENDANCE: Councillor K Payne Portfolio Holder
Laurelin Griffiths Grant Thornton (External Audit)
Paul Harvey Grant Thornton (External Audit)

1 APOLOGIES

Apologies were received from Councillor E Baines

2 MINUTES

Consideration was given to the minutes of the meeting held on 1 February 2022.

RESOLVED

That the minutes of the meeting held on 1 February 2022 be **APPROVED**.

3 DECLARATIONS OF INTEREST

There were no declaration of interests.

4 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations and questions had been received.

5 QUESTIONS WITH NOTICE FROM MEMBERS

No questions with notice from Members had been received.

6 NOTICES OF MOTION

No notices of motion had been received.

7 EXTERNAL AUDITORS ANNUAL REPORT 2020/21

Laurelin Griffiths and Paul Harvey of Grant Thornton, the Council's External Auditors, presented their report to the Committee. The report reflected the Council's position as of March 2021. The external auditors put forward that VFM arrangements were sound and there was only one improvement recommendation related to the Strategic Risk Register. They recommended each risk was mapped to the relevant corporate objective.

Members queried what benefits would be seen from the recommendation being implemented. The auditors explained that it would help demonstrate how those corporate objectives and council priorities map into the risk register and identify the risks for the Council to deliver the priorities. The auditors stressed that the recommendation was best practice and was not made to address a specific weakness.

Members agreed with the Section 151 officer's comments to not implement the recommendation made by the auditors, as they felt no value would be added to Members scrutiny of the risks.

RESOLVED

That the Committee:

- 1) Received the External Auditors Annual Report and **APPROVED** the responses to recommendations made.

8 EXTERNAL AUDIT PLAN FOR 2021/22

Laurelin Griffiths and Paul Harvey of Grant Thornton, the Council's External Auditors, presented their report to the Committee. The plan set out the approach to the Statement of Accounts Audit and Value for Money conclusion. The key risks pertaining to the accounts were also set out in the report and were explained as standard to local authorities.

The increase of fees for teaching pension grant and housing subsidies was raised by Members. It was explained Grant Thornton had undertaken an exercise nationally to standardise the way they charged for fees on their grant assurance work. Some of the increased fees were due to the outcome of that exercise and with regards to housing benefits in particular, the fee would vary year on year depending on how much work there was to do and the amount of issues raised from the work being carried out.

It was also explained the digital audit experience had come into use last year as a document sharing system. As it progressed, this would be used more going forward to

allow external auditors to do further focused and accurate work to help analyse data more effectively.

RESOLVED

That the Committee:

1. **APPROVED** the proposed external audit plan for 21/22.
2. **CONSIDERED** and made comments in relation to responses to the risk assessment in Appendix B.

9 STRATEGIC RISK REGISTER

Report No. 81/2022 was presented by Saverio Della Rocca, Strategic Director for Resources. He explained that the risk identification exercise for individual Directorate risk registers had been facilitated by Zurich Municipal, the Council's insurers. The most common risk raised across all directorates was around the gap between workload/commitments and available resources required to deliver. This issue has been escalated into Risk 73 and one of the key mitigations would be to revisit resource requirements as part of the financial outturn report.

Members raised a question around the issue of insurance for potential cyber attacks on the Council's network. The Director explained that insurance was not available from our current providers for such an event but some elements of cover would mitigate an element of the risk to the Council.

Members raised concerns on the current cost of living crisis and wanted to know what mechanisms whether fees charged were increased to offset costs. The Strategic Director for Resources explained that most of the Council's fees were set nationally and there were some fees where Council does have discretion of with the biggest being Green Waste. The Council have addressed this with increasing the rate charged but would be looked at on a yearly basis.

Members thanked the Strategic Director for Resources for his work and Members were also satisfied with how the new strategic risk register was presented within the report.

RESOLVED

That the Committee:

1. **NOTED** the content of the Strategic Risk Register (Appendices A and B) and the actions underway to address the risks.

10 INTERNAL AUDIT UPDATE

Rachel Ashley-Caunt, Chief Internal Auditor, presented Report No 82/2022 which updated Members on the progress made in delivering the 2021/22 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting which was all but one assignment to at least draft report stage at the time of when the report was produced. A further 4 audit reports had been finalised since the last committee meeting.

RESOLVED

That Committee:

1. **NOTED** the Internal Audit Update Report.

11 INTERNAL AUDIT PLAN 2022/23

Rachel Ashley-Caunt, Chief Internal Auditor, presented Report No 87/2022 which provided the Committee with a copy of the 2022/23 Audit Plan for approval. The areas that were flagged as areas of priority at the previous committee meeting had been incorporated in the audit plan.

Members queried the timeframes for one of the planned assignments; Special Educational Needs and Disabilities, it was scheduled as an audit for Quarter 3 but Members felt it should be given a higher priority following recent developments and potentially Quarter 3 was too late. Internal Audit agreed to take comments away and communicate with the Director around the issue and whether an amendment in timing would be preferable.

RESOLVED

That Committee:

1. **APPROVED** the proposed audit plan allocations for 2022/23 and the Internal Audit Charter and Strategy.
2. **APPROVED** delegated authority for the Strategic Director of Resources, in consultation with the Chair of the Audit and Risk Committee, to agree amendments to the plan during the financial year, if required.

12 REVIEW OF TRAINING NEEDS

The Chair proposed for a 30-minute training session before each committee going forward from May onwards for the new Committee Members. It was agreed the July meeting would look at the terms of reference and the types of documents the Committee look at and the questions to ask.

It was also agreed that the External Auditors would attend the September meeting before the Committee commences to look at the Annual Governance Statement and the Annual Accounts with some extra explanation to potential areas the Committee would look at.

The Chair informed Members that she attended the East Midlands Audit Chairs Forum on 22nd March 2022

13 ANY OTHER URGENT BUSINESS

There were no items for urgent business.

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The Chair declared the meeting closed at 8.35pm.

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