



# 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, LE15 6HP on Tuesday, 21st March, 2023 at 7.00 pm

<b>PRESENT:</b>	Councillor A Walters Councillor R Payne	Councillor P Ainsley
<b>ABSENT:</b>	Councillor E Baines Councillor W Cross	Councillor A MacCartney Councillor D Blanksby
<b>OFFICERS PRESENT:</b>	Rachel Ashley-Caunt Andrew Merry Kirsty Nutton  David Ebbage Paul Harvey	Chief Internal Auditor Head of Finance Strategic Director for Resources S151 Officer Governance Officer Grant Thornton
<b>IN ATTENDANCE:</b>	Councillor K Payne	

## 1 WELCOME AND APOLOGIES

Apologies were received from Councillors A MacCartney, E Baines and J Fox. Councillor P Ainsley attended the meeting as the representative for Councillor J Fox.

## 2 RECORD OF MEETING

Consideration was given to the minutes of the meetings held on 6 December 2022.

It was moved by Councillor A Walters and seconded that the minutes of the 6 December meeting be approved.

## RESOLVED

- a) That the minutes of the meetings held on 6 December 2022 be **APPROVED**.

## 3 DECLARATIONS OF INTEREST

There were no declarations of interest.

## 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 notices of motion had been received.

## **7 STATEMENT OF ACCOUNTS**

Report No.59/2023 was introduced by Kirsty Nutton, Section 151 Officer and Andrew Merry, Head of Finance. The report updated the committee on the latest position on the statutory Statement of Accounts (SoA) 2021/22, and an explanation as to why the Council had been unable to meet Regulation 10(2) of The Accounts and Audit Regulations 2015 which states that an authority should have published their audited accounts by November 2022.

It was highlighted to members the two issues that were affecting most councils nationally were Infrastructure Asset Valuations and Pension Fund Liabilities.

The Council continued to work with the external auditors to explore all options to address the outstanding issues. The Pension Liability issue also involved the Pension Fund Actuaries (Hymans), the information required to resolve the issue was not easily available and would be a complex process to undertake as this had never been required before.

It was confirmed to Members that once this information was obtained, and working alongside external audit, a more definitive timeline and agreed actions would be created on when the accounts would be presented to Committee.

Andrew Merry highlighted to Members that the difference on the Council's accounts could be between 5-10% of our Pension Fund Liability which would equate to between c£2m-c£4m, above the Council's materiality allowance advised by external audit. This issue was not yet resolved, and it was difficult to provide a definitive timeline on this due to third party bodies being involved also ie Leicestershire County Council Pension Fund.

Members asked for a potential timeline for when the accounts could be presented to the Committee. Once officers received the appropriate answers around the issues, the report would be ready to go but as it was a national issue, it would be highly unlikely to receive the accounts before the election.

The Chair, following discussions with other Members asked that consideration was given to the membership of the committee post-election, to ensure the committee at that time had the confidence and knowledge to sign off the accounts, and was comprised of appropriate willing members.

## **RESOLVED**

That the Committee:

- a) **NOTED** the progress update on the 2021/22 Audited Accounts.

## 8 INTERNAL AUDIT UPDATE

Report No.55/2023 was introduced by Rachel Ashley-Caunt, Chief Internal Auditor.

The report updated the Committee on the progress made in delivering the 2022/23 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting. At the time of the report, 100% of the audit plan was either complete or in progress and further reports had been finalised in relation to the Housing Benefits System, Performance Management, safer recruitment in schools and children missing from care. All of those received an opinion of satisfactory assurance or above.

The only area of delay on the Audit Plan was in relation to the Highways Maintenance Contract, as there had been delays with receiving the relevant information, it was highlighted that it may not be finalised by the end of March.

It was highlighted that within the Implementation of Audit Recommendations, there had been 6 marked actions as closed since the last meeting. Currently 14 actions which were overdue but only one fell into the high priority category and over 3 months overdue. More details on them were in Appendix D to the report.

Any actions that had not been finalised at the time of this report would be fed back to Members as part of Annual Internal Audit Report.

Members congratulated officers on the comprehensive report and were happy to see the number of green ratings within the assurance and findings.

### RESOLVED

That the Committee:

- a) **NOTED** the Internal Audit update report.

## 9 INTERNAL AUDIT PLAN 23-24

Report No.56/2023 was introduced by Rachel Ashley-Caunt, Chief Internal Auditor.

The report provided the Committee with a proposed plan of Internal Audit work for the 2023/24 financial year, and the Internal Audit Charter, for formal review and approval.

The Internal Audit Plan set out the assignments that would be delivered by the Internal Audit team during the financial year. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Plan was risk based and developed with input from senior management and the Audit & Risk Committee.

To ensure that the Internal Audit activities were consistently focused upon the Council's key risks, the plan would remain subject to ongoing review by the Chief Internal Auditor throughout the year and would be subject to regular consultation with senior management.

No significant changes had been proposed to the way that the audit service would be delivered to but one amendment was highlighted to Members on the assurance

ratings. The existing mid-range assurance was currently satisfactory, this would now be a moderate assurance. The definitions to those assurances had also been updated to be made clearer and to align it with the Risk Management Framework.

The only other amendment was to the organisational impact opinions. Previously the levels were major, moderate and minor. It was proposed to change them to High, Medium and Low. This would also align them with the Risk Management Framework.

Members welcomed the change in terminology and that an audit would take place on the commissioning of leisure services after recent events within Oakham.

It was moved by Councillor A Walters and seconded that the recommendations be approved. Upon being put to the vote, the motion was unanimously carried.

## **RESOLVED**

That the Committee:

- a) **APPROVED** the proposed audit plan allocations for 2023/24.
- b) **APPROVED** the Internal Audit Charter and Strategy.
- c) **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.

## **10 ANY OTHER URGENT BUSINESS**

There were no items of urgent business.

## **11 DATE OF NEXT MEETING**

Tuesday, 27<sup>th</sup> June 2023

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**The Chair declared the meeting closed at 7.40pm.**

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