

**AUDIT COMMITTEE**  
**18th December, 2013**

Present:- Councillor Sangster (in the Chair); Councillors Gilding and Sharman.

Apologies for absence:- Apologies were received from Councillors Kaye and Sims.

**P18. MINUTES OF THE PREVIOUS MEETING**

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 30<sup>th</sup> October, 2013.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**P19. CORPORATE RISK REGISTER**

Consideration was given to a report presented by Colin Earl, Director of Internal Audit and Asset Management, which provided details of the Council's current Corporate Risk Register. The summary set out the risks associated with the Council's most significant priorities and projects and actions being taken to mitigate these risks.

The Council's key current risks continued to relate to the financial pressures faced by the Council and the implications of the coalition Government's Welfare Reforms. The report summarised the management actions that were being taken to mitigate these and other risks in the register.

The risk score on the priority relating to achieving economic growth remained high in recognition of the continuing weak economic conditions.

The risk register summary also showed risks in descending inherent risk order, to emphasize the most significant risks faced by the Authority. The top risks requiring close monitoring were:-

- Managing Government budget reductions - unable to maintain key services due to budgetary limits.
- Welfare Reforms.
- Delivering effective Children's Services within budget.
- Digital Region.
- Economic Growth.

An initial assessment had also been made of the Council's liabilities relating to aged insurance claims was made by the Municipal Mutual Insurance Company administrators in early 2013. This indicated a potential liability for the Council of up to £1.32m, which had been provided

for in the Council's budget. Current indications were that there may be a further small increase in the liability during 2013/14.

The former risk relating to the implementation of the Localism Act had now been removed as the Council had successfully responded to relevant requirements. Any specific future risks would be included as separate items as appropriate.

Discussion ensued on the impact of welfare reform on Rotherham and on reputational risk and an update was provided on the current position with Digital Region and the progress being made to secure appropriate banking arrangements for the Council.

The Committee also noted the benchmarking activity being undertaken by KPMG, which would provide comparisons of risk by various Local Authorities. This information would be available in 2014.

Resolved:- (1) That the Corporate Risk Register summary attached at Appendix A be noted.

(2) That the current assessment of the Council's top corporate risks be noted.

(3) That any further risks or opportunities that it was felt should be added to the risk register be identified.

**P20. ANNUAL REVIEW - INSURANCE AND RISK MANAGEMENT PERFORMANCE**

Further to Minute No. 34 of the meeting of the Audit Committee held on 19<sup>th</sup> December, 2012, consideration was given to a report presented by Colin Earl, Director of Internal Audit and Asset Management, which set out details of the numbers and cost of insurance claims made against the Council.

It was noted that the Council continued to have a very good and improving record in most areas. Proactive Risk Management measures were helping to reduce the number of claims made against the Council and effective monitoring and inspection systems were enabling the Council to successfully defend many claims that were received.

The report highlighted areas where risk management action was helping to achieve the greatest savings in support of the Council's Medium Term Financial Strategy.

Reference was made to the summary of claims received by the Council over the past ten years, relating to the five main areas of insurance risk

On average, the Council had paid £1.42m per year on insurance claims over the last ten years. The need to continue to invest in reducing the costs of accidents via improved management systems, work environment and training could not be overstated.

The Committee welcomed this report and the work taking place to improve performance.

Resolved:- That the generally very good performance in relation to the management of risk and minimisation of insurance claims costs be noted.

**P21. ASSESSMENT OF CURRENT LOCAL GOVERNMENT RISKS - KPMG AUDIT COMMITTEE INSTITUTE**

Consideration was given to a report, presented by Colin Earl, Director of Internal Audit and Asset Management, stating that, during November 2013, the Chairman and the Vice-Chairman of the Audit Committee attended a KPMG Audit Committee Institute event on current local government issues. The event was designed to indicate to Audit Committee Members some of the key current issues that they may need to be aware of in fulfilling their responsibilities.

Reference was made to the key issues raised at the event and provided assurance to the Audit Committee about the arrangements in place at this Council in the areas highlighted by KPMG. This assurance showed that the Council had substantially got in place appropriate arrangements in the areas that were covered:-

- Transparency of Financial Reporting.
- Learning the Lessons from Public Interest Reports.
- Welfare Reforms.
- Fraud Risk.
- Public Health.
- Financial Management and Prospects: "A Brilliant Authority".

The Committee noted that there were no significant risks associated with Public Health integration.

Resolved:- (1) That publication of the "Audit Committee Institute Local Government Programme" be noted.

(2) That the Council's position in the key areas covered and the future proposed actions be noted.

**P22. DATE AND TIME OF THE NEXT MEETING**

Resolved:- That the next meeting take place on Wednesday, 22<sup>nd</sup> January, 2014 at 4.00 p.m.