

Committee: Accounts, Audit and Risk Committee
Date: Thursday 18 June 2009
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

| | | |
|---|--|----------------------------------|
| Councillor John Donaldson (Chairman) | Councillor Trevor Stevens (Vice-Chairman) | |
| Councillor Ken Attack | Councillor Devena Rae | Councillor Rose Stratford |
| Councillor Simon Holland | Councillor Lawrie Stratford | Councillor Barry Wood |

Substitutes Any member from the relevant political group

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

4. Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. Minutes (Pages 1 - 6)

To confirm as a correct record the Minutes of the meeting of the Committee held on 15 April 2009 and 20 May 2009.

6. Review of Statutory Accounts

This is an opportunity for the Committee to scrutinise the 2008/09 Statutory Accounts in advance of the Committee's 24 June 2009 meeting.

The Statutory Accounts will be distributed to Committee Members by the Finance Team after they have been audited by internal audit.

Information about this Agenda

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221587 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item. The definition of personal and prejudicial interests is set out in Part 5 Section A of the constitution. The Democratic Support Officer will have a copy available for inspection at all meetings.

Personal Interest: Members must declare the interest but may stay in the room, debate and vote on the issue.

Prejudicial Interest: Member must withdraw from the meeting room and should inform the Chairman accordingly.

With the exception of the some very specific circumstances, a Member with a personal interest also has a prejudicial interest if it is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Queries Regarding this Agenda

Please contact Natasha Clark, Legal and Democratic Services natasha.clark@cherwell-dc.gov.uk (01295 221589)

Mary Harpley
Chief Executive

Published on Wednesday 10 June 2009

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Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 15 April 2009 at 6.30 pm

Present: Councillor Ken Atack (Chairman)

Councillor Timothy Hallchurch MBE (Vice-Chairman)

Councillor John Donaldson

Councillor Simon Holland

Councillor Alastair Milne Home

Councillor George Parish

Councillor Devena Rae

Councillor Trevor Stevens

Apologies for absence: Councillor Lawrie Stratford
Councillor Rose Stratford

Officers: Julie Evans, Strategic Director - Customer Service & Resources
Steve Newman, Head of Exchequer
Karen Curtin, Chief Accountant
Jessica Lacey, Technical Accountant
Natasha Clark, Trainee Democratic and Scrutiny Officer
Katherine Bennett, Audit Team Leader, PricewaterhouseCoopers
Maria Grindley, Appointed Auditor, Audit Commission
Nicola Jackson, Audit Manager, Audit Commission
Annar Datardina, Team Leader, Audit Commission

55 **Declarations of Interest**

There were no declarations of interest.

56 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

57 **Urgent Business**

There was no urgent business.

58 **Minutes**

The minutes of the meeting held on 9 March 2009 were agreed as a correct record and signed by the Chairman.

Communications

The Committee received the following communications:

a) Amendments to the Constitution

The Chairman informed the Committee that amendments to the Constitution would be presented to Full Council on 20 April 2009. The amendments included some changes to the duties of the Accounts, Audit and Risk Committee. The Chairman asked members of the Committee to review the amendments for discussion at a future meeting.

b) Report of the Audit Commission: 'Risk and Return'

The Strategic Director Customer Service and Resources informed the Committee that the Audit Commission had published a report entitled 'Risk and Return - English local authorities and Icelandic banks.'

The Strategic Director Customer Service and Resources advised the Committee that the Executive had already decided to review the Council's treasury policy and investment strategy. PricewaterhouseCoopers had been commissioned to undertake an independent review. PricewaterhouseCoopers representatives would attend the Accounts, Audit and Risk Committee and Overview and Scrutiny to ensure their input to the report which would be presented to the Executive in June.

Accountancy Progress Report

The Committee considered a report of the Chief Accountant on the progress of the work of the Financial Information Team in relation to the production of the 2008/2009 Statement of Accounts and to advise the Committee on how officers intend to manage the adoption of International Financial Reporting Standards (IFRS) and the likely effect on Cherwell's financial reporting.

Closure of 2008/2009 Accounts and Production of the Statement of Accounts

The Chief Accountant informed the Committee that a Closedown Project Team had been established. The Project Team was making good progress completing the tasks on the closedown timetable and managing key risk areas.

The Chief Accountant presented the draft statement of accounting policies that would form part of the Statement of Accounts and the changes in accounting practise that would affect the production of the accounts in 2008/2009.

The Committee discussed the closedown timetable and commended Officers on the improvements in the closedown process.

International Financial Reporting Standards

The Chief Accountant informed the Committee that Officers had been selected for the Project Team and Steering Group. Internal Audit would be

represented on both the Project Team and the Steering Group. The first meetings were due to be held in May.

Resolved

- 1) That the contents of the Accountancy Progress Report and the officers' proposed actions to deal with Closedown 2008/09 and the implementation of International Financial Reporting Standards
- 2) That the work that had been undertaken to ensure compliance with the relevant statutory and regulatory requirements for the production and publishing of the Statement of Accounts be noted and the Statement of Accounting Policies to be adopted as a basis for the 2008/09 Statement of Accounts be approved

61 **Internal Audit Progress Report 2008/09**

The Committee considered a report of the Chief Internal Auditor which summarised the progress made against the internal audit plan for 2008/09 for the period from March to April 2009. The Committee were advised that 90% of the plan had been completed and that the internal audit annual report would be presented the Committee's meeting in June.

Katherine Bennet (Audit Team Leader, PricewaterhouseCoopers) reported that since the Accounts, Audit and Risk Committee meeting of 9 March 2009 four final reports had been issued and eleven reports were in draft format. Officers advised the Committee that action plans for all reports had been issued and were frequently reviewed. Direction of travel reports would be issued as part of future internal audit progress reports.

The Committee were advised that the internal audit plan for 2009/10 was currently being produced by the internal audit team and would be presented to the Committee at the meeting in June 2009.

The Head of Exchequer updated the Committee on the activity of the Benefits Investigation Team. The Team had a high success rate for sanctions and prosecutions and exceeded the national target for investigation preparedness.

Resolved

That the progress of the internal audit plan 2008/09 be noted.

62 **Annual Audit and Inspection Letter March 2009**

The Committee considered a report of the Strategic Director Customer Service and Resources on the Annual Audit and Inspection Letter, March 2009.

Maria Grindley (Appointed Auditor, Audit Commission) presented the Annual Audit and Inspection Letter to the Committee. Ms. Grindley highlighted the key improvements the Council had made that had contributed to the 'excellent'

rating in the Comprehensive Performance Assessment in November 2008. Ms. Grindley informed the Committee that four areas for further improvement had been identified, which were being addressed by the Council.

The Committee discussed the letter and agreed that the messages in it were very useful and positive.

Ms. Grindley advised the Committee that there would be no inspection activity in 2009. The use of resources assessment would be completed by November 2009.

Resolved

- 1) That the contents of the Annual Audit and Inspection letter be noted
- 2) That the Audit Commission team be thanked for their support this year
- 3) That the Chief Executive and Head of Improvement provide updates on progress in relation to agreed areas for action

63 **Data Quality Report**

The Committee considered a report of the Strategic Director Customer Service and Resources on the Data Quality Audit 2007-2008 report.

Nicola Jackson (Audit Manager, Audit Commission) presented the Council's Data Quality Audit 2007-2008. The Committee were advised that some areas covered by the report would be incorporated in the new use of resources assessment. The report contained seven recommendations, which were being addressed by an action plan.

Members of the Committee requested that a data quality update report. Officers agreed to provide update reports on a six-monthly basis.

Resolved

- 1) That the Data Quality Audit 2007-2008 report be accepted

64 **Verbal Updates**

The Committee received the following verbal updates:

- a) **Accounts, Audit and Risk Committee Effectiveness**
The Chairman informed the Committee that the Senior Management Team was currently reviewing risks. The Committee discussed the draft register that had been circulated at the meeting of 9 March 2009. Officers advised the Committee that a report relating to the Council's risks would be presented to the Committee's June meeting.

b) Annual Review of Internal Audit Effectiveness

The Strategic Director Customer Service and Resources informed the Committee of the importance and reliance external auditors place upon the annual review of internal audit effectiveness.

The Strategic Director Customer Service and Resources advised the Committee that external auditors would be undertaking the internal audit review this year to guarantee assurance that internal audit can be relied upon. The report would be presented to the Committee.

c) Review of Cherwell District Council's Significant Partnerships

The Strategic Director Customer Service and Resources presented the 'Working in Partnership – Annual Report' that had been presented to and accepted by the Executive on 16 March 2009.

The Strategic Director advised the Committee that the new Use of Resources assessment required partnership analysis. The 'Working in Partnership – Annual Report' would be the basis for this analysis and be presented to the external auditors as part of the evidence for the assessment.

Officers informed the Committee that the internal audit team was currently drafting a partnership audit report which would be presented to the Committee's June meeting. The Committee were advised that internal audit would include an ongoing partnership report as part of the risk register.

The meeting ended at 8.15 pm

Chairman:

Date:

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Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 20 May 2009 at 7.20 pm

Present: Councillor John Donaldson (Chairman)
Councillor Trevor Stevens (Vice-Chairman)
Councillor Ken Atack
Councillor Simon Holland
Councillor Devena Rae
Councillor Lawrie Stratford
Councillor Rose Stratford
Councillor Barry Wood

1 **Appointment of Chairman**

Resolved that Councillor John Donaldson be elected Chairman of the Accounts, Audit and Risk Committee for the 2009/10 Council year.

2 **Appointment of Vice-Chairman**

Resolved that Councillor Trevor Stevens be elected Vice-Chairman of the Accounts, Audit and Risk Committee for the 2009/10 Council year.

The meeting ended at 7.30 pm

Chairman:

Date: