

Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held in at Bodicote House, Bodicote, Banbury, OX15 4AA, on 17 December 2008 at 6.30 pm

Present: Councillor Ken Atack (Chairman)

Councillor Timothy Hallchurch MBE
Councillor John Donaldson
Councillor Alastair Milne Home
Councillor George Parish
Councillor Devena Rae
Councillor Trevor Stevens
Councillor Lawrie Stratford
Councillor Rose Stratford

Officers: Julie Evans, Strategic Director - Customer Service & Resources
Phil O'Dell, Interim Head of Finance and Section 151 Officer
Steve Newman, Head of Exchequer
Karen Curtin, Chief Accountant
Chris Dickens, Interim Chief Internal Auditor
Rosemary Watts, Risk Management & Insurance Officer
Alexa Coates, Senior Democratic and Scrutiny Officer

35 Declarations of Interest

There were no declarations of interest.

36 Petitions and Requests to Address the Meeting

There were none.

37 Urgent Business

There was no urgent business.

38 Minutes

The Minutes of the meeting held on 27 October were approved as a correct record and signed by the Chairman.

39 External Audit Report

The Committee considered a report of the Strategic Director Customer Service and Resources which sought approval of the Final Accounts Report 2007/08 and the Use of Resources Report 2007/08. The Audit Commission commented that the accounts showed a significant improvement on previous years. The Use of Resources Report 2007/08 showed that the authority had improved performance in every KLOE and that the Council had consolidated its performance in a number of areas.

The Committee were praised for their work around challenging the accounts of the Council and were advised to take that work forward in to next year and maintain their timetable of challenge and questioning.

The members discussed a number of key issues from the Final Accounts report including: the cheque payment run, car parking cash receipts and the reassessment of the classification of Woodgreen Leisure Centre.

Resolved

That the Final Accounts Report 2007/08 and the Use of Resources Report 2007/08 be accepted.

40 **Internal Audit Summary Report**

The Committee considered a report of the Interim Chief Internal Auditor which summarised the progress made against the internal audit plan for 2008/09. The Committee were advised that 45% of the plan had been completed and that the remainder would be completed by the end of the financial year.

The Interim Chief Internal Auditor expressed his thanks to the Finance Team for their support and co-operation in completing the audit plan.

Resolved

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

41 **Review of Strategic Risks**

The Committee considered a report of the Strategic Director Customer Service and Resources and the Head of Exchequer which provided an update on the management of the Council's strategic risks (cycle 2) in accordance with the approved rolling cycle of reporting. Strategic Risk No. FO1.0398, 'Failure to adapt to the economic issues and pressures in the District' was brought forward from Cycle 3 for consideration by the Committee in light of the current economic situation.

The report set out the results of the quarterly review/scoring exercise which showed that there were 2 strategic risks with a red gross risk score, 4 with amber gross risk scores and all 6 strategic risks had an amber net risk score.

The Committee considered reports of the Strategic Director Planning, Housing and Economy on Strategic Risk No. FO1.0398, 'Failure to adapt to the economic issues and pressures in the District', and Strategic Director Environment and Community on Strategic Risk No.s FO1.0355, 'Failure to demonstrate continuous improvement and to meet public expectations for a cleaner District' and FO1.0350 'Failure to deliver fair and equitable access to services to everyone.'

Of particular concern to the members was the impact of the drop in interest rates on the Council's investments and Officers advised that Council was determined to reduce the reliance on investment income and that significant progress had been made towards achieving a balanced budget.

Resolved

- (1) That the reports relating to the management of strategic risks in Cycle 2 and FO1.0398 from Cycle 3 be approved.

- (2) That Strategic Risk No. FO1.0398 'Failure to adapt to the economic issues and pressures in the District be considered again at the March meeting of the Committee.

42 **Risk Management Strategy**

The Committee considered a report of the Strategic Director Customer Service and Resources and the Head of Exchequer which sought endorsement of the updated Risk Management Strategy for the Council for 2009/10. The updated Risk Management Strategy reflected current practices and the advances the Council had made in seeking to further embed risk and opportunity management.

Members of the Committee requested regular reporting on amendments to the risk register, Officers undertook to investigate the report capability of the risk register system to determine if such a report was possible.

Resolved

To that the updated Risk Management Strategy be endorsed and recommended to the Executive for adoption.

43 **The Council's Risk Management Working Group (RMWG)**

The Committee considered a report of the Strategic Director Customer Service and Resources and the Head of Exchequer which updated members on the progress of the Risk Management Working Group.

Resolved

That the report relating to the embedding work of Risk Management Working Group be noted.

44 **Verbal Updates**

The Committee received the following verbal updates:

(a) Internal Audit Tender Process and Closedown Planning Update

The Strategic Director Customer Service and Resources and the Chief Accountant reported that a mini closedown of accounts was planned for December and that the main closedown timetable would be brought to the March meeting of the Committee. The Committee were also advised on the timetable for the internal audit tender process.

(b) Account Audit and Risk Committee member Training

The Chairman reported that a training session for members of the Committee on International Financial Reporting Standards had been arranged for 21 January starting at 5.30pm.

The meeting ended at 8.10 pm

Chairman:

Date: