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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 30 June 2016 at 6.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)
Councillor Ian Corkin (Vice-Chairman)

Councillor Hugo Brown
Councillor Sean Gaul
Councillor Nigel Randall
Councillor Barry Richards
Councillor Tom Wallis
Councillor Sean Woodcock

Also Present: Councillor Barry Wood, Leader of the Council
Councillor Ken Atack, Lead Member for Financial Management
Stephen Bladen, Manager, Ernst Young (external audit)

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer
Edward Bailey, Corporate Performance Manager
Denise Taylor, Corporate Accountant
James Doble, Interim Assistant Director Transformational Governance

3 **Declarations of Interest**

Members made the following general declarations of interest:

Councillor Ian Corkin, declaration, as a board member of Graven Hill Village Development Company.

Councillor Nigel Randall, declaration, as a shadow board member for Cherwell Community Build

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

There were no petitions or requests to address the meeting.

5 **Urgent Business**

There were no items of urgent business.

6 **Minutes**

The minutes of the meetings of the Committee held on 23 March 2016 and 17 May 2016 were agreed as correct records and signed by the Chairman.

7 **Chairman's Announcements**

There were no Chairman's announcements.

8 **External Audit: Progress Update 2015/16**

The Chief Finance Officer submitted Ernst Young's report briefing on Value for Money audit – Code of Audit Practice 2015 and Council Annual fee letter 2016/17.

Resolved

- (1) That the briefing on Value for Money audit – Code of Audit Practice 2015 and Council Annual fee letter 2016/17 from Ernst Young be noted.

9 **External Audit Letter to the Committee**

The Chief Finance Officer submitted a report to inform members of the response to the Ernst Young letter to the Chairman of this Committee.

Resolved

- (1) That the response to external audit's request for management assurances from Those Charged With Governance be approved.

10 **Internal Audit - Annual Report for 2015/16, Progress Report 2016/17 and Internal Audit Charter**

The Chief Finance Officer submitted PwC's annual report for 2015/16 and progress report summarising their internal audit work for 2015/16 and for 2016/17 to date and the Internal Audit Charter.

Resolved

- (1) That the 2015/16 Internal Audit annual report, progress report and Internal Audit Charter be noted.

11 **Corporate Fraud Team Update**

The Chief Finance Officer submitted a report to provide members of Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including an end of year report for 2015-2016 and a new business plan for 2016-2017. The report also asked members to endorse the joint

Whistleblowing and Anti-Fraud and Anti-Corruption Policies which have been reviewed and to endorse the new Fraud Response Plan Policy.

In the course of discussion members thanked officers for the amended policy wording and requested that future reports should also include the number of properties rebilled as a result of investigations.

Resolved

- (1) That the contents of the report including the end of year report and the new business plan for 2016-2017 be noted.
- (2) That the changes to the joint Whistleblowing and Anti-Fraud and Anti-Corruption Policies and the new Fraud Response Plan Policy be endorsed.

12 **Fourth Quarter Risk Review 2015/16 and 2016/17 Shared Risk & Opportunities Management Strategy**

The Director - Strategy and Commissioning submitted a report to update the Committee on the management of Strategic, Corporate and Partnership risks during the fourth and final quarter of 2015/16, to present the 2016/17 Risk & Opportunities Management Strategy review and to provide an update on the Risk Training programme.

Resolved

- (1) That the quarter four Strategic, Corporate and Partnership Risk Register and the revised Risk and Opportunities Management Strategy for 2016/17 be noted.

13 **Q4 Treasury Management Report**

The Chief Finance Officer submitted a report on treasury management performance and compliance with treasury management policy for 2015/16 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the contents of the final Quarter Treasury Management Report be noted.
- (2) That the update of the Icelandic redemption be noted.

14 **Annual Governance Statement 2015/16**

The Chief Finance Officer submitted the Annual Governance Statement, which would be considered at the same time as the Statement of Accounts for 2015/16.

Resolved

- (1) That the Annual Governance Statement 2015/16 be noted and endorsed.

15

Statement of Accounts 2015/16

The Chief Finance Officer submitted a report to consider and endorse the pre-audit Statement of Accounts for 2015-16.

In the course of discussion it was confirmed that the capital programme would be submitted to a future meeting of the Committee for consideration.

Resolved

- (1) That the carry forward of budget underspends from 2015/16 to 2016/17 (annex to the Minutes as set out in the Minute Book) be approved.
- (2) That the balances on capital schemes which had slipped in 2015/16 to be carried forward into the 2016/17 capital programme (annex to the Minutes as set out in the Minute Book) be approved.
- (3) That the Statement of Accounts be noted.
- (4) That the verbal update on the outcomes from the informal review of the Statement of Accounts undertaken on 30 June immediately prior to the formal meeting at 5.00pm be noted.

16

Review of Committee Work Programme

The Committee considered its work programme for 2016/17.

Resolved

- (1) That the work programme be noted.

17

Exclusion of Press and Public

Resolved

That the press and public be excluded as exempt information as defined in the paragraph 3 of Part 1, Schedule 12A of Local Government Act 1972 is likely to be made known.

18

Q4 Treasury Management Report - Exempt Appendix 1 and 2

Resolved

- (1) That the exempt appendices be noted.

19 **Finance Improvement Plan - Update**

The Chief Finance Officer submitted an exempt report which presented an update to the Finance Improvement Plan, which was an outcome of the KPMG Review of NNDR Overpayment report adopted by this Committee on 20 January 2016.

Resolved

- (1) That the progress made thus far in delivering the Finance Improvement Plan and the remaining actions be endorsed.

The meeting ended at 8.41 pm

Chairman:

Date:

CHERWELL DISTRICT COUNCIL

BUDGET CARRY FORWARD REQUESTS from 2015/16 to 2016/17

BUDGET CARRY FORWARD REQUESTS	Head of Service	£000
Underspend from salary savings and court costs recovered to create a reserve to provide necessary one off staffing and ICT resource to enable the shared legal team to achieve re-accreditation to Lexcel and enable professional fee earners to have the necessary administrative support to maximise their chargeable, commercial, activity for internal & external clients.	Kevin Lane	25
Member training at Cherwell is now being planned on a four year basis as it is being combined with SNC based on their election cycle. In order to manage this it is proposed to set up a member training reserve, particularly as CDC has all out elections in 2016 and this extra money will be needed for a full refresh	Kevin Lane	11
Business Case Safer Communities to projects	Ian Davies	60
Single Homelessness funding to meet further project costs in 16/17	Chris Stratford	147
External Credit Union funding to meet further costs in 16/17	Chris Stratford	40
		283

CHERWELL DISTRICT COUNCIL
CAPITAL OUTFURN 2015/16 AND SLIPPAGE TO BE CARRIED TO 2016/17

DESCRIPTION	SERVICE OWNER	Project Approved	APPROVED BUDGET £000	ACTUAL £000	SLIPPAGE £000	VARIANCE £000	Has the project started Y/N	Start Date or Anticipated Start Date (mm/yy)	Anticipated Completion Date (mm/yy)	COMMENTS
Biomass Heating for Bicester Leisure Centre	Sharon Bolton	2012/13	86	2	84	0	Y	Dec-15	Sep-16	Addressing insurance requirement for additional works including an escape hatch and also have additional consultant fees to come in due to issue with Renewable Heating Initiative application. Slip into 16/17
Cooper Sports Hall Roof	Sharon Bolton	2014/15	100	0	100	0	N	Apr-16	Mar-17	Works will be required to align with agreement - expenditure will be slipped to 2016/17 - roof needs replacing urgently but Academy have no funds (53:47 split). Raised as H&S concern
Customer Self-Service Portal and CRM Solution	Natasha Barnes	2014/15	80	0	80	0	N	Nov-15	Mar-17	Slippage to cover Self Service portal etc.
The Hill Youth & Community Centre	Chris Stratford	2015/16	400	0	400	0	N	Oct-16	Jun-17	Work now out for tender.
Bicester Sports Village	Phil Rolls	2015/16	790	0	790	0	N	Nov-15	Aug-16	Work planned September to November 2015, contractor stage payments will be made - target completion in August 16 with retention.
Community Centre Refurbishments	Phil Rolls	2013/14	84	0	84	0	N	TBC	TBC	On hold in case it is needed for the Hill - Expenditure will be in 2016/17 replacement to ensure optimum efficiency to maximise Feed In Tariff payments.
Solar Photovoltaics at Sports Centre	Sharon Bolton	2013/14	80	0	80	0	Y	TBC	TBC	Grant fully paid
Village Hall, Recreation Play Grants	Phil Rolls	2013/14	7	7	0	0	Y	Nov-15	Mar-16	Work is programmed to take place in April 16.
Football Development Plan in Banbury	Phil Rolls	2013/14	20	0	20	0	Y	Nov-15	Aug-16	Anticipating remaining expenditure in 2016/17 due to slow negotiations with NOA (matter escalated to ID)
North Oxfordshire Academy AstroTurf	Sharon Bolton	2014/15	150	0	150	0	Y	Nov-15	Aug-16	with retention.
South West Bicester Sports Village	Phil Rolls	2011/12	1,271	316	955	0	N	Nov-15	Aug-16	Complete Retention paid
Athletics Track Refurbishment - North Oxfordshire	Sharon Bolton	2013/14	7	6	0	(1)	Y	Nov-15	Mar-16	Management contract not agreed - condition works to be slipped into Q1
Stratfield Brake Repair Works	Sharon Bolton	2014/15	22	0	22	0	N	Jan-16	Mar-16	£20k slippage from 14/15 to cover final costs no longer required.
KGSC ATP Replacement	Sharon Bolton	2013/14	20	0	0	(20)	N			Retention payment in 2016/17
Car Park Refurbishments	Natasha Barnes	2013/14	28	23	5	0	Y	Nov-15	Sep-16	Slippage to 2016/17 when Vehicle Parks proposals are agreed
Implementing Vehicle Parks Proposals	Natasha Barnes	2013/14	17	0	17	0	Y	Nov-15	Sep-16	Per SB some funds to also be used for condition survey works at WGLC. Final payments will be made in 2016/17
Sports Centre Modernisation Programme	Sharon Bolton	2011/12	118	32	86	0	Y	Nov-15	Aug-16	
			3,280	386	2,873	(21)				
Energy Efficiency Projects	Ed Potter	2014/15	31	7	24	0	Y	Apr-15	Sep-16	£23.3k to slip in to 2016/17
Glass Bank Recycling Scheme	Ed Potter	2012/13	24	16	8	0	Y	Apr-15	Sep-16	£8k to slip in to 2016/17
Recycling Bank Scheme	Ed Potter	2014/15	21	16	5	0	Y	Apr-15	Jun-16	£5k to slip in to 2016/17
Workshop Brake Rollers	Ed Potter	2015/16	32	36	0	4	Y	Apr-15	Mar-16	Project overspent but saving to be made on EACE005 to compensate
Public Conveniences	Ed Potter	2015/16	25	0	25	0	Y	Apr-15	Jun-16	Project delayed. £15 slippage required
Off Road Parking Facilities	Ed Potter	2011/12	18	0	18	0	Y	Apr-15	Sep-16	Due to delays with EA and Country Park, slippage required into 2016/17.
Urban Centres Improvements	Ed Potter	2011/12	15	15	0	0	Y	Apr-15	Mar-16	Fully committed
Vehicle Replacement Programme	Ed Potter	2015/16	575	555	15	(5)	Y	Apr-15	Mar-17	£5k variance to cancel out CEES004 overspend and £15k to slip to 2016/17
Fleet Management System	Ed Potter	2011/12	1	0	0	(1)	N	-	-	Budget no longer required
Thorpe Lane Depot Hard Standing	Ed Potter		0	0	0	0	N	-	-	Creditor Accrual brought forward from 2014/15 - no longer required
			742	645	95	(2)				
			4,022	1,031	2,968	(23)				
Standardisation	Jo Pitman		0	0	0	0				
Microsoft Licensing Agreement	Jo Pitman	2015/16	110	71	39	0	N	Apr-17	Mar-18	Funding will be required in 2017/18
Thin Client Extension	Jo Pitman	2011/12	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Core Business System Integration	Jo Pitman	2011/12	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Corporate Bookings System	Jo Pitman	2014/15	8	0	8	0	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
Extended Contract for Website Hosting	Jo Pitman	2012/13	40	4	36	0	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
Visualfiles Upgrade	Jo Pitman	2013/14	32	0	32	0	N	-	-	Awaiting feedback from legal section - project may slip
Server Replacement 1314	Jo Pitman	2013/14	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Financial System Upgrade	Jo Pitman		0	73	0	73	N	-	-	
CDC&SNC Cust Servs Desktop	Jo Pitman	2014/15	0	3	0	3	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
GCSX Secured Area - Wall Garden - PNC Compliance	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
San Storage Renewal (IT hardware)	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Server Replacement Programme (IT hardware)	Jo Pitman	2013/14	0	0	0	0	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
ESXI PROD 2 - capacity forward planning (IT hardwa	Jo Pitman	2013/14	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Lync 2013 (professional fees, equipment, IT hardwa	Jo Pitman	2014/15	0	10	0	10	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
Desktop PC Replacement	Jo Pitman	2013/14	0	3	0	3	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Netback Up Upgrade	Jo Pitman	2014/15	0	0	0	0	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
ISCSI Traffic Separation (IT hardware)	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Modular Development of CSM - Cherwell Helpdesk Sof	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Security Logging Software	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Hyper V Environment (IT hardware)	Jo Pitman	2014/15	0	0	0	0	N	-	-	Delete from capital programme - agreed at BPC on 9 September 2014
Aerial Imagery Update (professional fees)	Jo Pitman		0	0	0	0				
Citrix - Expansion to Support Agile Working	Jo Pitman	2014/15	0	0	0	0	Y	Apr-16	Mar-16	Will be fully spent in 2015/16
Disaster Recovery	Jo Pitman	2015/16	35	0	35	0	Y	Apr-16	Mar-16	see email from NT 18.03.16
Sharepoint - Joint Bid with SNC (split 50:50)	Jo Pitman	2015/16	0	0	0	0	N	Apr-16	Mar-18	Part of L&P harmonisation - profiled 50/50 across 16/17 and 17/18
Planning and Building Control replacement of ICLIP	Jo Pitman	2014/15	77	0	77	0	N	Apr-16	Mar-18	see email from NT 18.03.16
3 way BACS & Payment Systems	Jo Pitman	2011/12	0	0	0	0	N	-	Mar-16	Project will be completed through the new finance system - delete balance
5 Year Rolling HW / SW Replacement Prog	Jo Pitman	2015/16	50	62	0	12	Y	Apr-16	Mar-16	see email from NT 18.03.16
Business Systems Harmonisation Programme	Jo Pitman	2015/16	40	37	0	(3)	Y	Apr-16	Mar-16	Five year rolling programme - £40,000/year
Audio Visual equipment replacement	Jo Pitman		125	125	0	0	Y	-	Oct-15	Project complete - funded from reserves
			517	388	227	98				
HR / Payroll System replacement	Paul Sutton/Jo Pitma	2015/16	38	0	38	0	N	Apr-16	Mar-17	Negotiations underway with current supplier to continue provision until replacement system implemented.
			38	0	38	0				
Elections Polling Booths and Count Tables	James Doble	2014/15	3	3	0	0	Y	-	-	Completed
			3	3	0	0				
			558	391	265	98				
East West Railways		2015/16	290	0	290	0	Y	Apr-15	Mar-16	5 year capital contributions - will be spent in year
Build Programme	Chris Stratford	2012/13	22,741	11,210	11,531	0	Y	Apr-15	Mar-16	Programme on course - NOTE Higham, St Johns, Prototype & Offsite are not technically part of Build! and are not funded from £34m budget
Cherwell Commun Led Prog The Hill Community Centre	Chris Stratford		0	1	0	1	Y			Not officially part of Build!
Cherwell Commun Led Prog The Local Housing Company	Chris Stratford		0	0	0	0	Y			Will transfer to revenue
Cherwell Commun Led Prog Offsite manufacturing pro	Chris Stratford		0	9	0	9	Y			Need details
St John's House, Banbury	Chris Stratford		0	49	0	49	Y			Need details
Higham Way	Chris Stratford		0	12	0	12	Y			Need details
Prototype Project	Chris Stratford		0	4	0	4	Y			Need details
Cherwell Commun Led Prog Cream Pot Cr Croyredy	Chris Stratford		0	81	0	81	Y			Need details
Disabled Access Audit	Linda Barlow	2013/14	0	0	0	0	Y		Sep-15	Completed
23&24 Thorpe Place Roof Lights	Linda Barlow	2013/14	4	0	4	0	Y		Mar-16	Completed - this is a retention sum to be spent this year
Condition Survey Works	Linda Barlow	2013/14	316	140	176	0				Requirement for 16/17 £393K: £217K shortage
Replacement AC to Main Chamber Bodicote	Linda Barlow		0	0	0	0				Completed
Highfield Depot Redev of Office & Welfare Facilities	Ed Potter		0	0	0	0				
Replacement Air Con Banbury Museum	Nicola Riley		0	0	0	0				
Bradley Arcade Roof Repairs	Linda Barlow	2014/15	123	25	98	0	Y	Apr-15	Mar-16	Consultation stage - main works still to start
DPS Access Audit	Linda Barlow	2014/15	0	0	0	0	Y		Sep-15	£40k remedial work still required
Empty Homes and Work-in-default (recoverable) Enfo	Tim Mills	2014/15	100	0	100	0	Y			Expenditure on enforcement action - expenditure is recoverable
18 & 19 Thorpe Place - Replacement Roof Lights	Linda Barlow	2014/15	0	0	0	0	Y		Sep-15	Completed
Upgrade to Uninterrupted Power Supply & Back up Sy	Linda Barlow	2014/15	338	1	337	0	Y	?		Work procured through Solihull Partnership. Work is urgent, so there is a need to complete this year (15/16). On plan for 16/17
Improvements to Amenities to Orchard Way Shops	John Slack	2011/12	25	0	25	0	Y	Dec-15	Jun-16	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q.1 2016/17
Bolton Road Design Works		2015/16	0	20	0	20				
Woodgreen - Condition Survey Works	Linda Barlow	2015/16	30	0	30	0	Y	Apr-15	Mar-16	Flooring work complete - awaiting a decision on whether to replace the flat roof (ONGOING)
Banbury Museum - Emergency Lighting Replacement	Linda Barlow	2015/16	70	71	0	1	Y	Nov-15	Mar-16	Completed
Orchard Way Shopping Arcade - front service area a	John Slack	2015/16	300	0	300	0	Y	Dec-15	Jun-16	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q.1 2016/17
Units 21 & 23 Thorpe Place - Replacement of Roof L	Linda Barlow	2015/16	30	30	0	0	Y	Dec-15	Mar-16	Completed
Bodicote House - Access Control System	Linda Barlow	2015/16	35	8	27	0				Completing 16/17
Environmental Improvements Grimsbury	Andy Preston	2012/13	0	0	0	0	Y			Project completed in 2013
Bicester Cattle Market Car Park Phase 2	John Slack	2011/12	0	0	0	0	N	TBC	TBC	Pedestrianisation scheme slipped for four years
Old Bodicote House	Linda Barlow	2011/12	124	51	73	0	Y			Scheme has now started. to be completed 16/17
Bicester Town Centre Redevelopment	Tim Mills	2011/12	176	77	99	0	Y			Scheme has now started. to be completed 16/17
Highfield Depot Repairs	Linda Barlow		0	3	0	3				
Kidlington High Street Pedestrianisation		2011/12	7	5	2	0				Complete
Disabled Facilities Grants	Tim Mills	2015/16	832	751	81	0	Y	Apr-15	Mar-16	The budget will either be spent or committed as a grant offer - committed grants that are not paid in the year are routinely slipped to the following year
Discretionary Grants for Domestic Properties - Es	Tim Mills	2015/16	411	182	229	0	Y	Apr-15	Mar-16	The budget will either be spent or committed as a grant offer - committed grants that are not paid in the year are routinely slipped to the following year
Banbury Foyer & Banbury Youth Hub			0	0	0	0				
Discretionary House Condition Grants	Tim Mills		0	19	0	19				
Thorpe Lane Depot - CCTV Replacement	Linda Barlow	2015/16	40	0	40	0	N	Apr-16		New project - defer to 2016/17
Bodicote House - CCTV Upgrade	Linda Barlow	2015/16	15	0	15	0	N	Apr-16		New project - defer to 2016/17
			26,007	12,749	13,457	199				
			26,007	12,749	13,457	199				
Bicester Community Building	Karen Curtin	-	6,998	6,240	758	0	Y	2014	01/05/16	final valuation certificate outstanding - issued as at April 19th. £250k spend on 2nd floor outstanding - to be incurred in 16-17
Eco Town - Eco Business Centre	Karen Curtin	-	0	5	0	5	Y	2015	31/03/18	funded from Eco Town Capital pot.
Graven Hill	Karen Curtin	-	23,333	0	23,328	(5)	Y			£12m drawdown for phase 1 MOD land delayed until May 2016
			30,331	6,245	24,086	0				
			60,918	20,416	40,776	274				