

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 25 July 2018 at 7.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)

Councillor Hannah Banfield
Councillor Nicholas Mawer
Councillor Tom Wallis
Councillor Sean Woodcock

Substitute Members: Councillor Richard Mould (In place of Councillor Hugo Brown)
Councillor Barry Wood (In place of Councillor Ian Corkin)

Also Present: Councillor Tony Ilott, Lead Member for Financial Management and Governance
Neil Young, Engagement Partner, Ernst Young, External Audit
Anand Parsaud, CW Audit Services, Internal Audit

Apologies for absence: Councillor Sean Gaul
Councillor Hugo Brown
Councillor Ian Corkin

Officers: Adele Taylor, Interim Executive Director: Finance and Governance
Kelly Watson, Assistant Director: Finance and Procurement
Hedd Vaughan Evans, Assistant Director Performance and Transformation
Louise Tustian, Team Leader, Insight Team
Natasha Clark, Governance and Elections Manager

16 Declarations of Interest

There were no declarations of interest.

17 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

18 Urgent Business

There were no items of urgent business.

19 **Minutes**

The Minutes of the meeting of the Committee held on 30 May 2018 were agreed as a correct record and signed by the Chairman.

20 **Chairman's Announcements**

The Chairman advised the Committee that, following discussions with officers, there would be an additional meeting of the Committee on Wednesday 12 September. Training on internal audit would be from 6.30pm to 7.30pm with the Committee meeting starting at 7.30pm.

21 **Internal Audit Update 2018/19**

The Executive Director, Finance & Governance submitted a report which provided an update of CW Audit Services 2018/19, the council's internal auditor.

In presenting the report the Head of Audit, CW Audit explained that no reports this financial year were yet finalised but work was on track and they were happy with the progress made to date and did not foresee any problems in achieving the plan by the end of the year

With regards tracking recommendations arising from audit reviews, the Head of Audit, CW Audit, advised the Committee all agreed recommendations were uploaded to CW Audit's online tracking system once reports were finalised. Training was currently being given to council officers with responsibility for taking action to implement recommendations to enable them to update the system with details of progress made in implementing recommendations.

Future reports submitted to the Committee would include more detail on outstanding level 1 and 2 recommendations (Level 1 being the highest level of risk attached to a recommendation) and those over six months.

Resolved

- (1) That the contents of the 2018/19 internal audit update report from CW Audit Services be noted.

22 **Statement of Accounts 2017/18**

The Executive Director for Finance & Governance submitted a report to provide a progress update on the Statement of Accounts 2017/18 and external audit of the Accounts.

In introducing the report the Executive Director for Finance and Governance advised Members that the draft statement of accounts that had been

considered by the Committee at their 30 May 2018 meeting had been submitted to External Audit with some minor presentational changes.

Neil Harris, Engagement Partner, Ernst & Young, the council's External Audit addressed the Committee to advise on the current position with regards its audit of the council's Statement of Accounts 2017/18. The Committee was advised that in May External Audit had identified the areas it would focus its audit on.

The Engagement Partner explained that the issues that had led to the delays in the sign off of the 2016/17 Statement of Accounts had been resolved. However, the External Auditor had resourcing issues and would be unable to complete its audit of the accounts by the end of July. A project plan was in place for the audit to be concluded by the end of August to enable submission to the Committee's meeting on 12 September 2018. The Engagement Partner assured the Committee that the project plan was robust and much of the work on complexities within the accounts had already been undertaken. There were some Value for Money queries that had been raised to which officers were providing answers.

In response to Members' queries regarding the sign off delay, the External Auditor confirmed that in light of the new earlier deadline for the sign off of accounts, the PSA would be reporting numbers rather than the names of local authorities that had not met the 31 July deadline but that would be completed by the end of September 2018. The External Auditor also provided assurance that the July deadline for sign off for the 2018/19 Statement of Account would be achieved, explaining that specific plans for the sign off would be submitted to the November 2018 and January 2019 meetings of the Committee.

The Executive Director for Finance and Governance advised the Committee that the current position had been discussed in detail with External Audit. Finance Officers had also agreed that there would be more discussion on work in-year as part of the preparatory work for the accounts so any aspects that may impact on the audit of the Statement of Accounts would already have been discussed with the External Auditor.

The Committee thanked the Finance team for the work they had undertaken on the accounts and ensuring they were submitted on time whilst expressing disappointment at the delay to the sign off of the accounts by the External Auditor. Members were assured that processes were in place to ensure that there would be no delay in the sign off of the 2018/19 Statement of Accounts.

Resolved

- (1) That progress on the completion of the 2017/18 Accounts and on the external audit of the Statement of Accounts be noted.

23 Monthly Performance, Risk and Finance Monitoring Report - May 2018

The Assistant Director: Performance and Transformation and Assistant Director: Finance and Governance submitted a report which summarised the

Council's Performance, Risk and Finance monitoring position as at the end of each month.

In introducing the report the Assistant Director, Performance and Transformation, explained the leadership risk register to the Committee informing members that this was a live document and reviewed on a monthly basis. The report would be submitted to each meeting of Executive.

Resolved

- (1) That the monthly Performance, Risk and Finance Monitoring Report be noted.
- (2) That having given due consideration, the Leadership Risk Register be noted and no issues be identified for further consideration.

24 **2017/18 Treasury Management Annual Report**

The Executive Director of Finance and Governance (Interim) submitted a report which presented information on treasury management performance and compliance with treasury management policy during 2017/18 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the contents of the report, in line with the Treasury Management Strategy, be noted.

25 **2018/19 Work Programme**

The Assistant Director: Finance and Procurement referred to the announcement made by the Chairman earlier in the meeting regarding the additional meeting of the Committee on 12 September and that training by the council's internal auditor would take place prior to the meeting.

The Assistant Director: Finance and Procurement advised that it was anticipated that there would be training on treasury management prior to the November meeting of the Committee.

Resolved

- (1) That, having given due consideration, subject to the addition of a meeting on 12 September 2018, the work programme for 2018/19 be approved.

The meeting ended at 8.45 pm

Accounts, Audit and Risk Committee - 25 July 2018

Chairman:

Date: