

## **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, Oxon OX15 4AA, on 17 January 2024 at 6.30 pm

#### Present:

Councillor Simon Holland (Vice-Chairman, in the Chair)

Councillor Besmira Brasha

Councillor Andrew Crichton

Councillor Donna Ford

Councillor Simon Lytton

Harry Lawson, Independent Person (non-voting)

Sarah Thompson, Independent Person (non-voting)

#### Substitute Members:

Councillor Barry Wood (In place of Councillor Lynn Pratt)

#### Apologies for absence:

Councillor Lynn Pratt

Councillor Harry Knight

Councillor Ian Middleton

#### Also Present:

Councillor Adam Nell, Portfolio Holder for Finance

#### Also Present Virtually:

Alison Kennett, External Audit

Maria Grindley, External Audit

Katherine Kitashima, Audit Manager (internal Audit)

#### Officers:

Michael Furness, Assistant Director Finance & S151 Officer

Joanne Kaye, Head of Finance and Deputy Section 151 Officer

Emma Faulkner, Principal Officer - Scrutiny and Democratic Lead

David Rogers, Democratic and Elections Officer

#### Officers Attending Virtually:

Sarah Cox, Chief Internal Auditor

Celia Prado-Teeling, Performance Team Leader

46 **Declarations of Interest**

There were no declarations of interest.

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

There were no petitions or requests to address the meeting.

48 **Minutes**

The Minutes of the meeting of the Committee held on 15 November 2023 were agreed as a correct record and signed by the Chairman.

49 **Chairman's Announcements**

There were no Chairman's announcements.

50 **Internal Audit Progress Report 2023/24**

The Committee considered a report from the Assistant Director – Finance which provided an update on Internal Audit progress since September 2023.

Three audits had been finalised since the last update, relating to Climate, Revenues and Benefits IT Applications and Business Continuity.

The implementation status of previously agreed management actions continued to be positive across the organisation, with good rates of implementation and evidence that other actions were being actively progressed.

The Portfolio Holder for Finance Councillor Adam Nell congratulated Internal Audit on their progress, and thanked Councillors Pratt and Ford who had been interviewed during the completed audits.

In response to a question from Independent Person Harry Lawson regarding future Internal Audit arrangements at the conclusion of the existing contract, the Assistant Director – Finance advised that discussions were ongoing and he was confident a new provider and contract would be in place for 1 May 2024.

**Resolved**

(1) That the Internal Audit Progress Report 2023/24 report be noted.

51 **External Audit Update**

The Committee considered a report from external auditors Ernst & Young (EY) that presented Draft Audit Results for 2021/22.

In presenting the report, Maria Grindley of EY explained that the Executive Summary gave details on the current status of the audit, including prior year adjustments. As this was a progress report there was still the opportunity for Members to ask questions on any aspects of the work to date.

With regards to value for money it was reported that there were no risks of weakness or matters to report by exception.

In addition to the adjustments referred to in the 'audit differences' section, Alison Kennet advised that following receipt of the 2022 pensions evaluation, a balance sheet adjustment of £5.3 Million was required against pension liability.

In response to a question from Independent Person Harry Lawson regarding the delay in auditing accounts from previous financial years, Maria Grindley explained that the matter affected all local authorities and was being considered by the Minister. Legislation was expected to address the issue and outline what action would be taken to catch up.

### **Resolved**

- (1) That the Draft Audit Results Report for 2021/22 report be noted.
- (2) That authority be granted to the Assistant Director of Finance, in consultation with the Chair of the Committee (or Deputy Chair in their absence), can make any further changes to the draft letters of representation agreed with the auditors that may arise during completion of the audit.

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### **Treasury Management Report - Q3 2023/24 (December 2023)**

The Committee considered a report from the Assistant Director of Finance that detailed treasury management performance and compliance with the treasury management policy for 2023-24, as required by the Treasury Management Code of Practice.

All treasury management activities undertaken to date during the 2023-24 financial year complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy, and all of the Treasury Management Prudential Indicators had been met during the reporting period.

In response to questions from the Committee regarding non-treasury investments to subsidiaries and the status of dividends and repayments to the council, Councillor Nell advised that the Graven Hill Company had recently paid £9M as a result of sale of land at the development site. Detailed loan agreements were in place with the company, and the council would also shortly be receiving the first dividend payment in line with those agreements.

The Committee thanked officers for the hard work undertaken in relation to Treasury Management.

**Resolved**

(1) That the Treasury Management Report - Q3 2023/24 (December 2023) report be noted.

53 **Capital, Investment and Treasury Management Strategies 2024-25**

The Committee considered a report from the Assistant Director of Finance that detailed draft Capital & Investment Strategy, and Treasury Management Strategy for 2024-25.

The Capital and Investment Strategy was introduced in 2019-20, and must satisfy the requirements of government legislation and CIPFA guidance.

It was proposed by Councillor Barry Wood and seconded by Councillor Donna Ford that the draft Capital & Investment Strategy, and Treasury Management Strategy for 2024-25 be recommended to Executive for approval.

**Resolved**

(1) That the draft strategies for 2024-25 be recommended to Executive for approval.

54 **Work Programme**

The Committee considered the indicative work programme for the remainder of 2023-24.

**Resolved**

(1) That the work programme be noted.

55 **Urgent Business**

There were no items of urgent business.

The meeting ended at 7.19 pm

Chairman:

Date: