

## 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 4 December 2013 at 6.30 pm

Present: Councillor Trevor Stevens (Chairman)  
Councillor Mike Kerford-Byrnes (Vice-Chairman)

Councillor Andrew Beere  
Councillor Ray Jelf  
Councillor Nicholas Mawer  
Councillor Lawrie Stratford  
Councillor Barry Wood

Also Present: Councillor Ken Atack, Lead Member for Financial Management

Guests: Cecilie Booth, Capita Asset Services, Treasury Advisor  
Alastair Rankine, Ernst & Young, External Audit  
Ed Cooke, PriceWaterhouseCooper, Internal Audit

Apologies for absence: Councillor Rose Stratford

Officers: Tim Madden, Interim Head of Finance and Procurement  
Nicola Jackson, Corporate Finance Manager  
Karen Muir, Technical & Project Accountant  
Natasha Clark, Team Leader, Democratic and Elections  
Sharon Hickson, Assistant Democratic and Elections Officer

#### 30 **Declarations of Interest**

There were no Declarations of Interest.

#### 31 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

#### 32 **Urgent Business**

There was no urgent business.

33 **Minutes**

The Minutes of the meeting of the Committee held on 18 September 2013 were agreed as a correct record and signed by the Chairman.

34 **Chairman's Announcements**

The Chairman announced that, in light of the training session held before the meeting, he had asked officers to amend the work programme and submit the Purchase Orders Update and IT Access reports to the January meeting of the Committee instead of this meeting.

35 **Q2 Treasury Management Report and Draft Treasury Management Strategy 2014/15**

The Committee considered a report of the Interim Head of Finance and Procurement on the Council's treasury management performance and compliance with the treasury management policy for 2013/14, and the review of the draft of the Treasury Management Strategy for 2014/15.

In introducing the report, the Corporate Finance Manager advised the Committee that as at the end of September the Council had £11.8m invested with fund manager Investec and £57m managed in-house. At this point in the year, the council was projecting to be on target for its investment performance.

The Committee noted that the Investec rate of return was very low and interest received was minimal. In response to Members' queries regarding the feasibility of moving all investment in-house, the Technical and Project Accountant explained that the Council would need to review its Investment Strategy to ensure that it was relevant for the additional amounts of money that would be available to invest. The Committee was advised that a number of the investments held by Investec had maturity dates and it was recommended the investments be retained until maturity to accrue the best interest possible.

The Treasury advisor explained that in the current economic climate, whilst other fund managers may have better rates than Investec, none would match the current In-House rate. She suggested Members may wish to give consideration to bringing external investments in-house upon maturity and re-investigate fund managers when the market improved.

The Committee agreed it was important to review the Investment Strategy and requested officers to bring a report setting out options and recommendations to the Committee's January meeting.

**Resolved**

- (1) That the contents of the Quarter 2 (Q2) Treasury Report be noted.

- (2) That the draft Treasury Management Strategy 2014/15 be noted.
- (3) That Officers be requested to submit an updated Treasury Management Strategy 2014/15 to the January meeting, addressing the issues raised by members.

36 **Exclusion of Press and Public**

**Resolved**

That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of that Act.

37 **Q2 Treasury Management Report and Draft Treasury Management Strategy 2014/15 - Exempt Appendices 1, 2 and 3**

The Committee considered the exempt annexes to the report of the Interim Head of Finance and Procurement on the Council's Quarter 2 Treasury Management Report.

**Resolved**

- (1) That the exempt appendices be noted.

38 **Readmittance of the Public and Press**

Resolved

That the public and press be readmitted.

39 **External Audit - Annual Audit Letter**

The Committee considered a report of the Interim Head of Finance and Procurement which sought consideration of the Ernst and Young LLP Annual Audit Letter summarising their external audit work for 2012-13.

In introducing the report, the External Auditors reported that the issues raised were the same as those raised in the results phase.

The External Auditors reassured members of the adequate provisions in place to pick up any areas of concern, the Governance statement with individual officers responsible for different areas should provide warning of any potential issues.

The External Auditor reported that the Housing Benefit grant had received certification in November with minimal adjustments. A certification report would be submitted to the Committee's January meeting together with the Audit Plan and fees which were currently being finalised.

The audit fees previously quoted in September meeting will be presented by letter at the January 2014 meeting.

**Resolved**

- (1) That the contents of the Annual Audit Letter be noted.
- (2) That the Ernst Young local government audit committee briefing be noted

40 **Internal Audit Progress Report**

The Committee considered a report of the Interim Head of Finance and Procurement which sought consideration of Internal Audit report which summarised their internal audit work to date.

In presenting the report the Internal Auditor reported the change in the number of planned contingency days available was due to movement of days to other areas the committee were assured that the remaining days were adequate.

**Resolved**

- (1) That the report be noted

41 **Anti Fraud and Corruption plus Whistle Blowing Update**

The Interim Head of Finance and Procurement provided a verbal update on anti-fraud and corruption plus whistle blowing. The Committee was advised that investigations into Fraud were on going and fines being recorded and that there had been no occurrence of Whistle Blowing within the authority since 1 October 2013.

42 **Committee Work Programme 2013/14**

The Committee considered its Work Programme 2013-14.

**Resolved**

- (1) That the work programme 2013-14 be noted

The meeting ended at 7.50 pm

Chairman:

Date: