

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 24 June 2015 at 6.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)
Councillor Rose Stratford (Vice-Chairman)
Councillor Ray Jelf
Councillor Nicholas Mawer
Councillor Barry Richards
Councillor Lawrie Stratford
Councillor Barry Wood

Also Present: Mark SurrIDGE, Ernst Young, External Audit
Ed Cook, PwC, Internal Audit

Apologies for absence: Councillor Colin Clarke

Officers: Paul Sutton, Head of Finance and Procurement
Louise Tustian, Acting Corporate Performance and Insight Manager
James Doble, Democratic and Elections Manager

3 Declarations of Interest

There were no declarations of interest.

4 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

5 Urgent Business

There was no urgent business.

6 Minutes

The minutes of the meetings of the Committee held on 26 March 2015 and 19 May 2015 were agreed as a correct record and signed by the Chairman.

7 **Chairman's Announcements**

The Chairman reminded Councillors that filming and broadcasting of the meeting was permitted, subject to the efficient running of the meeting not being affected.

8 **External Audit Progress Report**

Mark Surrige, Ernst Young, the council's external auditor, introduced the Audit Fee Letter 2015-16 and gave a verbal update on progress to date for 2014-15. It was noted that the audit fee would be 25% lower following a national procurement exercise.

In the course of discussion it was noted that whilst the total figure quoted in the letter was correct, the individual figures did not add up to the total.

Resolved

- (1) That the Audit Fee Letter and the progress update from Ernst Young be noted.

9 **Internal Audit Progress Report and Annual Plan**

Ed Cook, PwC, the council's internal auditor, introduced the Internal Audit Annual Report. It was noted that whilst the council was ranked as 'improvement required', this was the second highest category, with the highest being 'adequate'.

Resolved

- (1) That the Internal Audit Annual Report be noted.

10 **Corporate Risk Register Annual Report**

The Acting Corporate Performance and Insight Manager, submitted a report to update the Committee on the management of Strategic, Corporate and Partnership Risks during the fourth and final quarter of 2014/15 and to report the progress made on the 2015/16 Risk & Opportunities Management Strategy review, Risk Training programme and Internal Audit review.

The Committee noted that there had been a decrease in the residual risk with regard to Joint Working (three-way) and the Dry Recycling Contract, however both issues were likely to change and risk would be reassessed as required.

In the course of discussion it was queried whether Bicester Gateway had been identified as a risk duty to the potential impact on Pioneer Square in terms of lost trade and revenue. The Acting Corporate Performance Manager agreed to clarify this with the Commercial Director (Bicester).

Resolved

- (1) That the quarter 4 Strategic, Corporate and Partnership Risk Register be noted.
- (2) That it be noted that there had been changes to three of the risk scores, one of which was Cherwell District Council (CDC) specific, the other two were joint risks across both councils.
- (3) That it be noted that three risks have been closed since the last meeting; two of which are CDC specific, one is a joint risk across both CDC and South Northamptonshire Council.
- (4) That it be noted that one new joint strategic risk had been added to the register since the last meeting.
- (5) That the progress made on the 2015/16 Risk and Opportunities Management Strategy review, the 2015/16 Risk Training Programme and the 2014/15 Risk Audit be noted.

11

Q4 Treasury Management Report

The Head of Finance and Procurement submitted a report providing information on treasury management performance and compliance with treasury management policy for 2014-15 for Quarter 4 ending 31 March 2015 as required by the Treasury Management Code of Practice, in considering the report members noted the exempt appendix.

In the course of discussion members expressed concern regarding the amount of capital slippage where no spend had occurred. It was agreed that it would be appropriate to refer the retrospective issue of capital slippage in 2014/15 to the Overview and Scrutiny for them to investigate why this had not occurred and if there were issues with either the management of services or problems with business planning where staff time for capital schemes should be allocated.

It was also agreed that there should be a referral to the Budget Planning Committee to enable them to consider procedures to monitor capital spend in year and so that measures can be taken at the budget planning stage so that in future only those schemes where there are resources to deliver the scheme are approved.

Resolved

- (1) That the contents of the Quarter 4 (Q4) Treasury Report be noted.
- (2) That a referral be made to the Overview and Scrutiny Committee requesting the Committee investigate the retrospective issue of capital slippage where no spend had occurred and if there were issues with either the management of services or problems with business planning where staff time for capital schemes should be allocated

- (3) That a referral be made to the Budget Planning Committee to request they consider procedures to monitor capital spend in year so that measures could be taken at the budget planning stage so that in future only those schemes where there were resources to deliver the scheme were approved.

12 **Statement of Accounts Review**

The Head of Finance and Procurement submitted a report for members to consider and endorse the pre-audit Statement of Accounts for 2014-15.

Resolved

- (1) That the carry forward of budget underspends from 2014-2015 to 2015-2016 (annex to the minutes as set out in the minute book) be approved.
- (2) That the balances on capital schemes which have slipped in 2014-2015 to be carried forward into the 2015-2016 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 outcomes from the informal review undertaken on 25 June immediately prior to the formal meeting at 5.00pm be noted.

13 **Annual Governance Statement 2014-15**

The Head of Finance and Procurement submitted the Annual Governance Statement to the meeting. In the course of discussion members agreed that reference to the Budget Planning Committee should be included within the description of the governance framework.

Resolved

- (1) That the Annual Governance Statement 2014-15 be endorsed with reference to the Budget Planning Committee should be included within the description of the governance framework.

The meeting ended at 7.29 pm

Chairman:

Date: