

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 21 September 2016 at 6.30 pm

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

Councillor Sean Gaul
Councillor Barry Richards
Councillor Tom Wallis
Councillor Sean Woodcock

Substitute Members: Councillor Nicholas Mawer (In place of Councillor Hugo Brown)

Also Present: Councillor Barry Wood, Leader of the Council
Ed Cooke, Internal Audit, PwC
Neil Harris, Director Ernst Young (External Audit)
Steve Bladen, Manager Ernest Young, (External Audit)

Apologies for absence: Councillor Hugo Brown

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
Edward Bailey, Corporate Performance Manager
Natasha Clark, Interim Democratic and Elections Manager
Aaron Hetherington, Democratic and Elections Officer

20 **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.

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

There were no petitions or requests to address the meeting.

22 **Urgent Business**

There were no items of urgent business.

23 **Minutes**

The Minutes of the meeting of the Committee held on 30 June 2016 were agreed as correct records and signed by the Chairman.

24 **Chairman's Announcements**

The Chairman referred to the informal briefing that had been arranged by the External Auditor and expressed his disappointment at the low number of attendees. He stressed the importance of the Committee having knowledgeable members and hoped that there would be continuity in membership going forward.

The Chairman explained that further training would be arranged for the Committee and encouraged members to attend.

25 **Internal Audit - Progress Report 2016/17**

The Chief Finance Officer submitted a report which presented to receive PwC's (the council's internal auditor) progress report summarising their internal audit work to date.

Resolved

(1) That the 2016/17 Internal Audit progress report be noted.

26 **External Audit: Audit Results Report 2015/16**

The Chief Finance Officer submitted a report to allow Members to consider the Ernst and Young LLP Results Report. The report included comments on the external audit of the 2015/16 Statement of Accounts.

In introducing the report, the Director, Ernst Young, thanked officers for their cooperation throughout the process and commented that he was pleased with the audit, which was substantially completed. It was expected that an "unqualified opinion" would be issued on the council's accounts.

The Chief Finance Officer advised the Committee that there had been a minor adjustment to the Cherwell District Council accounts as a result of a change to the Graven Hill accounts.

In the course of the discussion, Members agreed that Executive be recommended to consider whether the Council's financial interest in the

Graven Hill companies was adequately protected through their current arrangements for accounting and audit.

With to regards to the overpayment of NNDR to the Government, the Director, Ernst Young, confirmed that this had been fully disclosed in the accounts and treated as an in year adjustment.

Resolved

- (1) That having been considered, the matters raised in the report be noted before approving the 2015/16 financial statements (subsequent agenda item).
- (2) That the adjustments to the financial statements set out in Ernst Young's report (annex to the Minutes as set out in the Minute Book) be noted.
- (3) That the letter of representation on behalf of the Council be approved.
- (4) That Executive be recommended to consider whether the Council's financial interest in the Graven Hill companies is adequately protected through their current arrangements for accounting and audit.

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Statement of Accounts 2015/16

The Chief Finance Officer submitted a report to obtain official sign-off by the Chief Financial Officer and the Chairman of Accounts, Audit and Risk Committee on the audited Statement of Accounts 2015/16.

In introducing the report, the Chief Finance Officer circulated an updated version of Section 13 (Group Accounts) of the accounts and referred to the consequential changes needed as a result of the changes in the Graven Hill accounts.

Resolved

- (1) That the carry forward of revenue budget underspends from 2015/16 to 2016/17 be approved.
- (2) That the updated balance on capital schemes which have slipped in 2015/16 to be carried forward into the 2016/17 capital programme be approved.
- (3) That the amendments to the 2015/16 draft financial statements and the resultant statement of accounts be approved and authority be delegated to the Chief Finance Officer in consultation with the Chairman of Accounts, Audit and Risk Committee to finalise any necessary non-material amendments to the statement of accounts and the letter of representations prior to publication.

28 **Changes to the Arrangements for Appointment of External Auditors**

The Chief Finance Officer submitted a report which summarised the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.

Resolved

- (1) That Full Council be recommended to agree the recommendation of the Accounts, Audit and Risk Committee to support the Local Government Association (LGA) in setting up a national Sector Led Body by indicating intention to “opt-in”,

29 **Corporate Fraud Team Update**

The Chief Finance Officer submitted a report to provide members of the Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including a progress report for quarter one of 2016-2017 and feedback from recent Corporate Fraud awareness presentations.

Resolved

- (1) That the report be noted.
- (2) That the plans for a further fraud awareness session for elected members be endorsed.

30 **First Quarter Risk Review 2016-17 and revised Shared Risk & Opportunities Management Strategy**

The Director - Strategy and Commissioning submitted a report which updated the Committee on the management of Strategic, Corporate and Partnership risks during the first quarter of 2016/17, to present the revised Risk & Opportunities Management Strategy and to report recommendations from the 2015/16 Risk Audit.

Resolved

- (1) That having reviewed the full Strategic, Corporate and Partnership Risk Register for 2016/17, no issues be identified for further consideration or referral to Executive.
- (2) That the risk exceptions highlighted and proposed actions be noted.
- (3) That the impact of the EU referendum vote result and implications on existing or newly identified emerging risks be noted.
- (4) That the recommendations and actions arising from the 2015/16 Risk Audit be noted.

- (5) That the revised Risk and Opportunities Management Strategy for 2016/17 be agreed.

31 **Quarter 1 Treasury Management Report**

The Chief Finance Officer submitted a report to receive information on treasury management performance and compliance with treasury management policy for 2016/17 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the Quarter 1 Treasury Management report be noted.

32 **Work Programme**

The Committee considered its work programme for 2016/17

Resolved

- (1) That the work programme be noted.

33 **Exclusion of the Press and Public**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

34 **Quarter 1 Treasury Management Report - Exempt Appendix**

Resolved

- (1) That the exempt appendix be noted.

35 **Finance Improvement Plan - Update**

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

Resolved

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

The meeting ended at 8.40 pm

Chairman:

Date: