

Cherwell District Council
Accounts, Audit and Risk Committee

28 June 2017

KPMG NNDR Audit Follow-up

Report of the Chief Finance Officer

This report is public

Purpose of report

The purpose of this report is to inform members of the findings of the KPMG follow-up review of their NNDR report.

1.0 Recommendations

The Accounts, Audit and Risk Committee is recommended:

- 1.1 To note the report.

2.0 Introduction

- 2.1 During preparation of Cherwell District Council's 2014/15 Statement of Accounts an overpayment to Central Government of £1.5m relating to National Non-Domestic Rates was identified.
- 2.2 KPMG were asked to report on the circumstances giving rise to the overpayment, they produced a report in January 2016 setting out 16 recommendations. Attached at Appendix 1 is a follow-up report which looks at the implementation of those recommendations.

3.0 Report Details

- 3.1 The follow-up report concludes that the Council has made substantial progress in implementing the recommendations of the January 2016 report. In particular the follow-up reports that stronger arrangements had been established for determining the final NNDR position for the year and for approving the annual accounts.
- 3.2 KPMG recommend that the Council should ensure that the progress continues and that the strengthened arrangements referred to above should be embedded in the year-end processes for 2016/17 and beyond.

3.3 KPMG note that 14 of the 16 recommendations of their original report have been fully addressed and highlight two areas in which the Council has made progress in making improvements but where it needs to continue to focus its attention:

3.3.1 Maintaining a strong Finance Team where there is a need to:

- a. substantively appoint to vacant posts.
- b. develop technical skills within the Finance Team.
- c. ensure that the CIVICA Financials system includes effective and reliable reconciliation, control and reporting arrangements.

3.3.2 Developing an effective Accounts, Audit and Risk Committee where there is currently no:

- a. formal training programme for Committee members.
- b. self review process for the Committee in place.
- c. Annual Report on the Committee's activities to Council.

4.0 Conclusion and Reasons for Recommendations

4.1 The Audit Committee is recommended to note the progress in addressing the findings of the KPMG NNDR report.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

6.1 The committee is asked to note the report, members can ask for additional information as an alternative to noting the report.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Sanjay Sharma, Interim Head of Finance, 01295 221564

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Legal Implications

7.2. There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107
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Risk Implications

7.3 There are no risk implications arising directly from any outcome of this report.

Comments checked by:

Louise Tustian, Team Leader – Strategic Intelligence and Insight, 01295 221605
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Equality and Diversity

7.4 There are no equality and diversity implications from this report.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586
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8.0 Decision Information

Wards Affected

None

Links to Corporate Plan and Policy Framework

None

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	KPMG NNDR Audit Follow-up Report
Background papers	
None	
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