

## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Virtual meeting, on 29 July 2020 at 6.30 pm

- Present: Councillor Mike Kerford-Byrnes (Chairman)  
Councillor Hugo Brown (Vice-Chairman)
- Councillor Hannah Banfield  
Councillor Nathan Bignell  
Councillor Conrad Copeland  
Councillor Nicholas Mawer  
Councillor Tom Wallis
- Substitute Members: Councillor Barry Richards  
Mark Watkins, Head of Internal Audit – CW Audit Services  
Maria Grindley, Associate Partner, Ernst & Young (external audit)  
Sue Gill, Ernst & Young (external audit)
- Also Present: Councillor Barry Wood, Leader of the Council
- Apologies for absence: Councillor Sean Woodcock
- Officers: Lorna Baxter, Director of Finance & Section 151 Officer  
Michael Furness, Assistant Director Finance  
Dominic Oakeshott, Assistant Director (Interim) - Finance  
Louise Tustian, Head of Insight and Corporate Programmes  
Sarah Cox, Chief Internal Auditor  
David Spilsbury, Systems Support and Development Officer  
Celia Prado-Teeling, Performance Team Leader  
Shaista Moughal, Strategic Business Partner  
Sharon Hickson, Democratic and Elections Officer  
Natasha Clark, Governance and Elections Manager

1

### **Welcome**

The Chairman welcomed Members, officers and external guests to the first virtual meeting of the Committee, in particular welcoming Councillor Copeland, the Assistant Director Finance, Chief Internal Auditor and Performance Team Leader to their first meeting of the Committee.

The Chairman reminded Members of the virtual meeting etiquette.

2        **Declarations of Interest**

There were no declarations of interest.

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

There were no petitions or requests to address the meeting.

4        **Minutes**

The Minutes of the meeting of the Committee held on 22 January 2020 were confirmed as a correct record, to be signed by the Chairman in due course.

5        **Chairman's Announcements**

The Chairman made two announcements:

1.        The Housing Benefit Subsidy Report originally on the March meeting agenda would now be presented at the September meeting of the committee.
2.        An additional informal committee meeting would be arranged for August to discuss the Accounts in more detail.

6        **Urgent Business**

There were no items of urgent business.

7        **Monthly Performance, Risk and Finance Monitoring Report - Quarter 4 / March 2020**

The Assistant Director of Finance and Head of Insight and Corporate Programmes, presented a report which summarised the Council's Performance, Risk and Finance monitoring position as at the end of each month.

In presenting the report the Head of Insight and Corporate Programmes explained how the Risk Management Strategy linked in and worked alongside the Business Plan. The Head of Insight and Corporate Programmes highlighted score changes in the Leadership Risk Register including : L10, Safeguarding the vulnerable, which had increased from 8 to 12 due to the impact of the Covid-19 pandemic but had now returned back to a score of 8; L17, Separation, had increased and L20, Covid19 Business Continuity, had decreased in June from 20 to 16.

The Applications and Web Team Manager gave a short presentation on Cyber Security. The Committee was advised of the steps IT had taken to ensure increased home working was as secure as possible, including a two factor authentication used to login remotely. The Committee was advised, that a Cyber Security Officer had recently been appointed. This was a new joint post in the IT Team working across both Cherwell District Council and Oxfordshire County Council and would enable each authority to be more proactive in Cyber security.

The Applications and Web Team Manager informed the members that an Internal Audit was carried out on Cyber Security earlier in the year and no high risks were identified. An action plan had been developed to respond to the recommendations from the audit.

### **Resolved**

- (1) That the monthly Performance, Risk and Finance Monitoring Report be noted.

## **8 Internal Audit Annual Report and Opinion 2019/20**

The Director of Finance submitted the Internal Audit Annual Report, which provided the Head of Internal Audit's opinion and summarised the activities of Internal Audit for the period 1 April 2019 to 31 March 2020.

In presenting the report the Head of Internal Audit – CW Audit Services confirmed that his overall opinion was that significant assurance could be given that there was a generally sound system of internal control, designed to meet the organisation's objectives and that controls were generally being applied consistently.

The Head of Internal Audit – CW Audit Services advised the Committee that reported that due to the significant impact on workload within CSN Resources due to the Covid-19 Pandemic they were unable to complete an audit of the systems in this area and this work would therefore be undertaken in 2020/21. The Chairman advised the Committee that this is the last meeting that CW Audit would be attending as the council's internal auditor. Members thanked CW Audit for the internal audit work they had carried out.

### **Resolved**

- (1) That the Head of Internal Audit's Annual Report and opinion (annex to the Minutes as set out in the Minute Book ), be noted

## **9 Internal Audit Strategy and Plan 2020/21**

The Director of Finance submitted a report which presented the Internal Audit Strategy and Plan for 2020/21.

The Chairman welcomed the Chief Internal Auditor to her first meeting of the Committee, who explained that from 1 April 2020 the Internal Audit team had commenced a joint working approach providing the internal audit services across both Cherwell District Council and Oxfordshire County Council

In presenting the report, the Chief Internal Auditor informed Members that the audit planning process for 2020/21 had been completed and a draft annual plan produced and presented to the senior leadership team. Due to the Covid-19 pandemic and additional workloads in areas such as Small Business Grants, the plan had been reviewed and the workplan for quarter 1 re-prioritised.

**Resolved**

(1) That, having given due consideration the Internal Audit Strategy and Plan for 2020/21 be noted.

10 **Internal Audit Charter 2020/21**

The Director of Finance submitted a report which presented the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2020/21.

The Chief Internal Auditor advised of a typographical error in the Internal Audit Charter under the heading Authority. The text "All employees are requested to assist" should read "All employees are required to assist".

**Resolved**

(1) That, having given due consideration the Internal Audit Charter (annex to the Minutes as set out in the Minute Book), be approved.

(2) That the Quality Assurance and Improvement Programme be noted.

11 **Counter Fraud Progress Update**

The Director of Finance submitted a report which provided an update of the activity being undertaken to prevent and counter fraud across the Council's services, along with seeking approval of three related and updated policy statements.

The Senior Investigation Officer reported that the Whistle Blowing Policy, Money Laundering Policy and Anti-Fraud and Corruption Policy had been revised and the policies were aligned with the Oxfordshire County Council policies.

**Resolved**

(1) That the progress of the work of the Corporate Fraud team be noted.

(2) That the future work plans and arrangements during 2020/21 and beyond be noted

- (3) That, having given due consideration the updated Whistle Blowing Policy, Money Laundering Policy and Anti-Fraud and Corruption Policy (annexes to the Minutes as set out in the Minute Book), be approved.

12

### **Accounts and External Audit Update including Audit Fees 2019/20 (Verbal Update\_**

The Associate Partner - Ernst & Young gave a verbal update on the accounts and external audit work, advising the committee that due to the Covid-19 Pandemic the plan presented to the Committee in March 2020 had been revised.

The Associate Partner - Ernst & Young informed the Committee that the audit of the accounts had not been completed and new dates had been agreed.

The Director of Finance reported on the revised timeline for the accounts explaining that the Finance Team would prepare the accounts for the external auditor by the end August 2020. The audit completion date would now be 30 November 2020.

The Director of Finance explained that whilst the deadline for the preparation of the accounts was the end of August, the Finance Team would prepare them by the end of July to allow internal, including Member , review.

In response to Members' questions to the delay and potential costs incurred around the revision of the timeline, the Director of Finance and the Associate Partner - Ernst & Young explained that the accounts were close to being completed on time but due to the significant amount of additional work in relation to Covid-19, it had been agreed to set a revised audit completion date.

The Associate Partner - Ernst & Young informed the Committee that additional abortive costs would be incurred in relation to the work and time Ernst & Young had spent working on the Accounts audit which had now been rescheduled. A full breakdown of these fees would be produced.

Committee members commented that it was unfortunate the way the matter had been handled and that additional costs had been incurred.

### **Resolved**

- (1) That the verbal update be noted.

13

### **2019/20 Treasury Management Annual Report**

The Director of Finance submitted a report which provided an update on treasury management performance and compliance with treasury management policy during 2019/20 as required by the Treasury Management Code of Practice.

In response to Members' questions regarding non-treasury investments and if the risk levels would be changed due to the Covid-19 pandemic, the Director of Finance and Assistant Director Finance explained that it was not expected that the risk levels would change.

**Resolved**

- (1) That the contents of the report in line with the Treasury Management Strategy be noted.

14 **Work Programme**

As reported under the Chairman's announcements, the Housing Benefit Subsidy would be submitted to the September meeting and an informal briefing would be arranged in August as a workshop on the Accounts for committee members.

**Resolved**

- (1) That, subject to the addition of Housing Benefit Subsidy report being added to the September agenda and an informal briefing on the Statement of Accounts in August, the work programme be noted.

15 **Assistant Director Finance (Interim)**

The Chairman advised the Committee that this was the last meeting the Assistant Director Finance (interim), Dominic Oakeshott, would be attending as a permanent appointment to the post had been made. On behalf of the Committee, the Chairman thanked the Assistant Director Finance (Interim) for his hard work and support to the Committee and wished him well in the future.

The Chairman of the Budget Planning Committee, Councillor Mawer, echoed the comments and thanked the Assistant Director of Finance (Interim) for his hard work and support for the Budget Planning Committee and wished him well for the future.

The meeting ended at 7.45 pm

Chairman:

Date: