

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 13 December 2010 at 6.30 pm

Present: Councillor John Donaldson (Chairman)
Councillor Trevor Stevens (Vice-Chairman)

Councillor Ken Attack
Councillor Tim Emptage
Councillor Nicholas Mawer
Councillor Lawrie Stratford
Councillor Rose Stratford
Councillor Barry Wood

Also Present: Maria Grindley, District Auditor, Audit Commission
Nicola Jackson, Audit Manager, Audit Commission

Officers: Mary Harpley, Chief Executive and Head of Paid Service
Martin Henry, Chief Finance Officer / Section 151 Officer
Karen Curtin, Head of Finance
Chris Dickens, Chief Internal Auditor
Jeff Brawley, Benefits Investigation Manager
Rosemary Watts, Risk Management & Insurance Officer
Jessica Lacey, Technical Accountant
Natasha Clark, Senior Democratic and Scrutiny Officer

36 Declarations of Interest

There were no declarations of interest.

37 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

38 Urgent Business

There was no urgent business.

39 Minutes

The Minutes of the meeting held on 22 September 2010 were agreed as a correct record and signed by the Chairman.

40 **Annual Audit Letter 2009/10**

The Committee considered a report of the Head of Finance which informed Members of the Annual Audit Letter as prepared by the Audit Commission and summarised the findings from the 2009/10 audit of the financial statements and an assessment of the arrangements to achieve value for money in the Council's use of resources.

The District Auditor explained that the opinion of the financial statements related to the Statement of Accounts, approved by the Committee in September, and the annual governance report issued. She reported that the Council received an unqualified opinion on the statements and value for money conclusion.

Resolved

- (1) That the contents of the Annual Audit Letter be noted.

41 **Fraud Update**

The Benefits Investigation Manager gave a presentation updating Members on the work of the Benefit's Investigation Team and provided an overview of legislative changes in the area in 2010 and Government proposals for the coming years.

The Committee was advised that the Internal Audit team had undertaken corporate fraud audit review and had given a medium level of assurance and identified no high risks. The Benefits Investigation Manager reported on the Benefits Investigation Teams performance to 30 November 2010 and explained that the Team worked closely with the Corporate Debt Recovery Team which sought to recover the debt that had been identified and recommended for recovery by the Benefits Investigation team.

The Committee commended the work of the Benefits Investigation and Corporate Debt Recovery Teams and commented that seeing such systems in place provided assurance to Members.

42 **Internal Audit Progress Report**

The Committee considered a report of the Chief Internal Auditor which summarised the progress made against the internal audit plan for 20010/11 for the period from September to December 2010. The Committee was advised that 53% of the plan had been completed and the remainder would be completed by the end of the financial year.

The Chief Internal Auditor reported that since the Committee's September meeting one final report had been issued and draft reports had been issued and/or fieldwork had commenced in eight areas.

The Committee was advised that preliminary discussions for the 2011/12 internal audit plan were underway and a draft plan would be submitted to the Committee in due course.

The Chief Internal Auditor reported on the amendments to the Internal Audit Charter which had been made to address the requirements of the Audit Commission Triennial Review.

In response to Members' questions regarding the shared senior management arrangements with South Northamptonshire Council, the Chief Internal Auditor explained that his team had worked with officers during the development of the business case and were satisfied with the final version. He advised the Committee that the 2011/12 internal audit plan would include areas relating to shared working.

Resolved

- (1) That the Internal Audit progress report be approved.

43 **Update on International Financial Reporting Standards (IFRS)**

The Committee considered a report of the Head of Finance which provided a brief update to Councillors on the Councils progress towards International Financial Reporting Standards (IFRS) and completing the 2010/11 Statement of Accounts under these new standards.

Resolved

- (1) That the contents of this report and the officers' proposed actions to deal with the implementation of IFRS be noted.

44 **Risk Management Principles and Core Risks**

The Committee considered a joint report of the Corporate Strategy and Performance Manager and the Risk Management & Insurance Officer which sought endorsement of the underlying principles of risk and opportunity management, updated the Committee on the management of Strategic, Corporate and Partnership Risks (Core Risks) and sought endorsement of the proposed reporting timetable for 2011/2012.

Resolved

- (1) That the underlying principles for risk management be endorsed.
- (2) That the Strategic, Corporate and Partnership (Core) Risk Register be endorsed.
- (3) That the proposed reporting timetable to the Executive and the Accounts Audit & Risk Committee for 2011/2012 be endorsed.

45

Risk Management Strategy 2011/12

The Committee considered a joint report of the Corporate Strategy and Performance Manager & the Risk Management and Insurance Officer which presented the Risk Management Strategy for 2011/12 for consideration and comment by the Accounts, Audit & Risk Committee in advance of its consideration by the Council's Executive in 2011.

Members commented that partnership risks were more significant in light of the decision to enter shared senior management arrangements with South Northamptonshire Council and that the Risk Management Strategy and Register should be amended to reflect this.

Resolved

- (1) That the Risk Management Strategy 2011/12 be endorsed.
- (2) That it be noted that the views of the Accounts, Audit & Risk Committee will be reported to the Executive when they consider this item.

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Work Programme Updates

1. Chartered Institute of Public Finance and Accountancy (CIPFA) Training - Effective Audit Committee

The Chairman reported that he had attended the CIPFA Effective Audit Committee training course on 17 November 2010 which had been very interesting and useful. The focus of the days discussion had been budget cuts and how authorities were addressing these.

2. The Head of Finance updated Members on the Accounts, Audit and Risk Committee work programme and proposed that the January meeting focus on risk which was duly agreed by Members.

The meeting ended at 8.00 pm

Chairman:

Date: