

## **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 19 January 2011 at 6.30 pm

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

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

Also Present: Nicola Jackson, Audit Manager, Audit Commission  
Katherine Bennett, Audit Team Leader, PricewaterhouseCoopers

Apologies for absence: Councillor Tim Emptage

Officers: Martin Henry, Chief Finance Officer / Section 151 Officer  
Chris Dickens, Chief Internal Auditor  
Karen Curtin, Head of Finance  
Claire Taylor, Corporate Strategy and Performance Manager  
Natasha Clark, Senior Democratic and Scrutiny Officer

#### **47 Declarations of Interest**

There were no declarations of interest.

#### **48 Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

#### **49 Urgent Business**

There was no urgent business.

#### **50 Minutes**

The Minutes of the meeting held on 13 December 2010 were agreed as a correct record and signed by the Chairman.

51 **Update on International Financial reporting Standards (IFRS) and the 2010/11 Year-end Closedown**

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

The Head of Finance advised the Committee that the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued its guidance notes for the Code of Practice on Local Authority Accounting (The Code) which would be used to confirm the detail of the accounting processes and transactions which need to be undertaken for the 2010/11 Statement of Accounts.

The Committee was advised that the IFRS Steering Group had met on 19 January 2011 to review progress and further meetings were scheduled in March and April. The Steering Group would subsequently submit a brief report to the June meeting of the Accounts, Audit and Risk Committee alongside the Statement of Accounts 2010/11.

The Committee considered the first draft of the closedown timetable 2010/11 and commented that it was very comprehensive and were confident that the process would run smoothly.

**Resolved**

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

52 **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 2010/11 for the period from December 2010 to January 2011. The Committee was advised that 61% of the plan had been completed and the remainder would be completed by the end of the financial year.

The Audit Team Leader reported that since the Committee's September meeting four final reports had been issued and draft reports had been issued and/or fieldwork commenced in five areas.

In response to Members' questions regarding the final report on debtors, the Chief Internal Auditor and Head of Finance agreed to supply Members with further information on the debtors whose debt was over one year old and how it was intended this would be rectified. Members noted that the internal audit team had given moderate assurance in this area as they had been confident in the systems the council had in place.

The Head of Finance advised the Committee that with regard to the moderate assurance opinion on creditors, the high risk identified related to inconsistency

in raising purchase orders before invoices were paid. The Chief Internal Auditor reported that whilst he was confident a good system was in place, including training for users, it was not being used efficiently and individuals were not following the processes. Members were advised that in response to this matter, a policy was being developed. The Committee requested Officers bring this policy to the Committee's March meeting and requested the Finance Scrutiny Working Group add the issue to the performance matrix they consider quarterly.

### **Resolved**

- (1) That the Internal Audit progress report be approved.
- (2) That Officers be requested to bring the policy on purchase order procedures and an update on this issue to the March meeting of the Committee.

## 53 **External Audit: Audit Plan 2010/11**

The Committee considered a report of the Head of Finance which set out the work that the Audit Commission would undertake in order to form an opinion on the financial statements for 2010/11 taking into account risk which satisfies their responsibilities under the Audit Commission's Code of Audit Practice.

The Audit Manager reported on the changes in the approach the External Auditor would apply when auditing the council's 2010/11 financial statements and the new arrangements in place for auditing the council's value for money arrangements in light of the Government's decision to abolish the scored assessment (Use of Resources).

The Audit Manager reported on the Audit Commission fee for the Council. She explained that the Commission Board would meet in February to set the work programme and fees and would report this to the March meeting of the Committee.

### **Resolved**

- (1) That the contents of the report be noted.

## 54 **Verbal Updates**

### **a) Corporate Risk Register**

The Head of Finance advised the Committee that shared management arrangements with South Northamptonshire Council had been added to the corporate risk register which would be reviewed regularly by the Committee.

### **b) Accounts, Audit and Risk Committee Work Programme 2011/12**

The Head of Finance reported that she had met with the Chairman of the Accounts, Audit and Risk Committee to discuss the Committee's Work Programme for 2011/12 and would bring a draft to the March meeting for Members to consider.

The meeting ended at 7.30 pm

Chairman:

Date: