

Committee: **Accounts, Audit and Risk Committee**

Date: **Wednesday 22 June 2011**

Time: **6.30 pm**

Venue **Bodicote House, Bodicote, Banbury, OX15 4AA**

Membership

Councillor Tony Ilott (Chairman)
Councillor Andrew Beere
Councillor Mike Kerford-Byrnes
Councillor Rose Stratford

Councillor Trevor Stevens (Vice-Chairman)
Councillor Colin Clarke
Councillor Lawrie Stratford
Councillor Barry Wood

AGENDA

- 1. Apologies for Absence and Notification of Substitute Members**
- 2. Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

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

The Chairman to report on any requests to submit petitions or to address the meeting.

- 4. Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

- 5. Minutes**

** To follow (agenda publication date before Accounts, Audit and Risk Committee meeting on 15 June 2011) **

To confirm as a correct record the Minutes of the meeting of the Committee held on 15 June 2011.

6. Financial Statements 2010/11

**** Report to follow.** The Accounts, Audit and Risk Committee will scrutinise the 2010/11 Financial Statements at their 15 June 2011 meeting. Following this review, an update will be provided to Committee Members. ******

Report of Head of Finance

Summary

The Accounts and Audit Regulations 2011 state that whilst the statement of accounts must be approved no later than 30 June immediately following the end of a year, the draft statement of accounts can now be approved by the responsible financial officer rather than Accounts, Audit and Risk Committee. The responsible financial officer at Cherwell District Council is the section 151 officer (Head of Finance) Karen Curtin.

The responsible financial officer will need to certify for audit that the draft statement of accounts present a true and fair view of the financial position of the council.

Regulation 8 does retain the requirement for a committee to consider and ultimately approve the statement of accounts post audit by 30 September in the year immediately following the end of the year which the statement of accounts relates.

Whilst there is no statutory requirement for the Accounts, Audit and Risk Committee to approve the draft statement of accounts by 30 June, the Head of Finance recognises that it would be good practice to provide the Committee with the opportunity to scrutinise the statements. This will take place on 15 June 2011 and a report that sets out the key financials from the statement of accounts. Details of the questions asked by members will be circulated on Friday 17 June 2011.

The transition to International Financial Reporting Standards (IFRS) has made the accounts more detailed and this has been recognised. This change will allow audit committee to fully understand the financial position of the council during June and approve the final audited statement of accounts in September.

Recommendation

The Accounts, Audit and Risk Committee is recommended to:

- (1) Note progress on the 2010/11 Financial statements.

7. Annual Governance Statement 2010/11 (Pages 1 - 24)

Report of Head of Finance

Summary

The purpose of this report is to seek approval for the Annual Governance Statement 2010/11 (latest draft attached), subject to any amendments the Accounts, Audit and Risk Committee may wish to make.

Recommendation

The Accounts, Audit and Risk Committee is recommended:

- (1) To resolve to consider and approve the Annual Governance Statement "Subject to Audit" 2010/11 (attached as Appendix 1).

8. Treasury Management Annual Report (Pages 25 - 42)

Report of Head of Finance

Summary

To receive information on treasury management performance and compliance with treasury management policy during 2010/11 as required by the Treasury Management Code of Practice.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To consider, amend or endorse this report for consideration at the next appropriate full Council meeting.
- (2) To give delegated authority to the Head of Finance in consultation with the Chairman of Account, Audit and Risk Committee to make any amendments required as a result of finalising the 2010/11 financial statements.

9. Annual Audit Fee and External Audit Progress Report (Pages 43 - 54)

Report of Head of Finance

Summary

This reports sets out the audit and inspection work that the Audit Commission proposes to undertake for the 2011/12 financial year at Cherwell District Council and the fee associated with this work. The report also provides a progress report on the work of external audit.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To note the contents of the annual audit fee letter (Appendix 1).
- (2) To approve the extension of the Engagement Lead – Maria Grindley for a period of 2 further years.
- (3) To note the contents of the progress report (Appendix 2).

10. Internal Audit Annual Report 2010/11 (Pages 55 - 70)

Report of Chief Internal Auditor

Summary

This report provides the Committee with the Internal Audit Annual Report for 2010/11.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To consider and approve this report.

11. Internal Audit Progress Report (Pages 71 - 110)

Report of Chief Internal Auditor

Summary

This report provides the Committee with an update of the work of Internal Audit since the last meeting and presents the Internal Audit Report 2010/11 Firewall Review.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To consider and approve this report.

12. Accounts, Audit and Risk Committee Annual Report 2010/11 (Pages 111 - 122)

Report of Head of Finance

Summary

The purpose of this report is to review and approve the annual report of the Accounts, Audit and Risk committee for 2010/11 and recommend that it be presented to full Council.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To consider, amend or endorse this report for consideration at the next appropriate Full Council meeting.

13. Risk Management (Pages 123 - 154)

Report of Corporate Strategy and Performance Manager

Summary

To update the Committee on the management of Strategic, Corporate and Partnership Risks during the last quarter of 2010/11 and highlight any emerging issues for consideration.

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To review the quarter 4 Strategic, Corporate and Partnership Risk Register. (Appendix 1).
- (2) To review the proposed reporting timetable to the Executive and the Accounts Audit and Risk Committee 2011/2012 (paragraphs 1.8 and 1.9 of the report).
- (3) To note the outcomes of the risk management internal audit review (Appendix 2).

14. Exclusion of the Press and Public

The following item contains exempt information as defined in the following paragraphs of Part 1, Schedule 12A of the Local Government Act 1972.

3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of that Act.”

15. Treasury Management Annual Report - Exempt Appendices 1a and 1b (Pages 155 - 170)

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or (01295) 221589 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item. The definition of personal and prejudicial interests is set out in the constitution. The Democratic Support Officer will have a copy available for inspection at all meetings.

Personal Interest: Members must declare the interest but may stay in the room, debate and vote on the issue.

Prejudicial Interest: Member must withdraw from the meeting room and should inform the Chairman accordingly.

With the exception of the some very specific circumstances, a Member with a personal interest also has a prejudicial interest if it is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Natasha Clark, Legal and Democratic Services natasha.clark@cherwell-dc.gov.uk (01295) 221589

Sue Smith
Chief Executive

Published on Tuesday 14 June 2011