

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 26 June 2013 at 6.30 pm

Present: Councillor Trevor Stevens (Chairman)
Councillor Mike Kerford-Byrnes (Vice-Chairman)

Councillor Andrew Beere
Councillor Ray Jelf
Councillor Nicholas Mawer
Councillor Lawrie Stratford
Councillor Rose Stratford
Councillor Barry Wood

Guests: Councillor Ken Atack, Lead Member for Financial Management
Michael Yates, Ernst and Young, External Audit
Chris Bastion, Ernst and Young, External Audit

Officers: Karen Curtin, Head of Finance and Procurement
Nicola Jackson, Corporate Finance Manager
Chris Dickens, Chief Internal Auditor, PricewaterhouseCoopers
Jeff Brawley, Investigations Manager
Natasha Clark, Team Leader, Democratic and Elections
Lesley Farrell, Assistant Democratic and Elections Officer

3 Declarations of Interest

There were no declarations of interest.

4 Petitions and Requests to Address the Meeting

There were no petitions or requests at the meeting.

5 Minutes

The Minutes of the meetings of the Committee held on 27 March 2013 and 15 May 2013 were agreed as correct records and signed by the Chairman.

6 Urgent Business

There was no urgent business.

7 Joint Whistle Blowing Policy

The Committee considered a report by the Head of Finance and Procurement on the Council's Joint Whistle Blowing Policy.

On introducing the report, the Investigation Manager explained that the Whistle Blowing policy had been updated to incorporate The Enterprise and Regulatory Reform Act (ERRA) which came into force on 25 June 2013.

Resolved

- (1) That the amended Joint Whistle Blowing Policy be approved.

8 Review of Anti-Fraud Work 2012 - 13

The Committee considered a report of the Head of Finance and Procurement which provided an overview of the work of the Investigations Team in 2012-13.

Resolved

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

9 Annual Governance Statement Approval

The Committee considered a report of the Head of Finance and Procurement which sought approval of the Annual Governance Statement 2012–13.

A further version of the Statement was circulated which included some minor amendments to the section on training and development.

The Committee was advised that the Governance Group and two members of the Committee had reviewed the draft statement. The final draft would be signed by the Chief Executive and Leader of the Council.

Resolved

- (1) That the Annual Governance Statement 2012/13 'subject to audit' be approved.

10 Statement of Accounts Approval

The Committee considered a report of the Head of Finance and Procurement which sought agreement of the Statement of Accounts 2012–13.

The Head of Finance and Procurement reported that the informal review meeting on 26 June 2013 had recommended minor updates to the report which would be incorporated in the final version.

The Committee thanked the Head of Finance and Procurement and the finance team for their hard work in producing the accounts and the helpful and informative informal briefing session.

Resolved

- (1) That the report be noted.
- (2) That the outcomes from the informal review undertaken on 26 June 2013 be noted.
- (3) That it be agreed that the “subject to audit” Statement of Accounts approval sign off be delegated to the Chief Financial Officer for signing on or before the statutory deadline of 30 June 2013.

11 **Internal Audit Annual Report**

The Committee considered the Internal Audit Annual Report 2012/13 submitted by the Chief Internal Auditor. The report presented the Chief Internal Auditor’s annual opinion on the adequacy and effectiveness of the Council’s system of internal control, as required by the Accounts and Audit Regulations.

The Committee was advised that 22 internal audit reviews had been completed which had resulted in the identification of 0 critical, 2 high, 18 medium and 30 low risk findings to improve weaknesses in the design of controls and / or operating effectiveness.

The two high risk issues had been noted: in relation to non purchase orders, which had also been raised in 2010-11 and 2011-12 and a recent case of a major planning application being granted permission without appropriate authority.

The Head of Finance and Procurement assured the Committee that measures had been implemented to address the purchase order issue. The Council has written to all suppliers explaining that we require purchase orders. From 1 June the creditors team would not process invoices for payment without a purchase order. Training and guidance had also been provided for staff. A further update would be presented to the September meeting of the Committee.

In relation to the recent case of a major planning application being granted permission without appropriate authority, the Head of Finance and Procurement reported that the matter had been investigated and a new permission authorised correctly by the Planning Committee was issued. The committee was assured that there were no other such cases of this kind and measures had been put in place to ensure that such an incident does not happen again.

Resolved

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

12 **External Audit Progress Update**

Chris Bastion, Ernst & Young, the Council's external auditor gave a verbal update on the external Audit.

The External Auditor had no major issues to report with the only concern, the lack of Purchase Orders which was being addressed.

13 **Audit Committee Annual Report**

The Corporate Finance Manager presented the report of Head of Finance and Procurement which sought approval of the annual report of the Account, Audit and Risk Committee for 2012/13.

There were no financial issues arising from this report.

Resolved

- (1) That the Account, Audit and Risk committee annual report be submitted to the next Full Council meeting on 22 July 2013 for consideration.

14 **Internal Audit Plan and Risk Assessment 2013/14**

The committee considered a report by the Chief Internal Auditor which sought consideration of the Internal Audit Risk Assessment and Plan 2013/14 the New Public Sector Internal Audit Standards and the Internal Audit Charter.

The Committee was advised that the Internal Audit Risk Assessment and Plan 2013/14 set out Internal Audit's planned programme of work for the year. Due to the internal audit budget of 142 days, the frequency internal audits were scheduled had been flexed, which meant all auditable units could now be audited over a three year cycle. In addition, there would be 20 days of reviews deferred from the 2012/13 plan.

The Committee would continue to receive progress reports at their meetings which would provide an opportunity for adjustments to the programme of work as Members felt appropriate,

The Committee was advised that the Public Sector Internal Audit Standards (PSIAS) had come into effect on 1 April 2013. There was

The cost of the external assessment would have to be borne by CDC but there could be opportunities to work with other councils which would help reduce costs. A report enable consideration of the best approach would be submitted to the September meeting of the Committee.

Resolved

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

15 **Work Programme**

The Committee considered its Work Programme 2013-14.

In response to Members' comments, the Head of Finance and Procurement agreed to liaise with the Democratic Services team to arrange suitable training for the Committee, which could also be extended to all Members.

Resolved

- (1) That the work programme 2013-14 be noted.

The meeting ended at 8.05 pm

Chairman:

Date: