

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 18 September 2013 at 6.30 pm

Present: Councillor Mike Kerford-Byrnes (Vice-Chairman, in the Chair)

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

Substitute Members: Councillor Ken Atack (In place of Councillor Barry Wood)

Guests: Alastair Rankine, Ernst & Young, External Audit
Maria Grindley, Ernst & Young, External Audit
Chris Bastion, Ernst & Young, External Audit

Apologies for absence: Councillor Trevor Stevens
Councillor Barry Wood

Officers: Martin Henry, Director of Resources / Section 151 Officer
Nicola Jackson, Corporate Finance Manager
Denise Taylor, Corporate Accountant
Chris Dickens, Chief Internal Auditor
Claire Taylor, Corporate Performance Manager
Natasha Clark, Team Leader, Democratic and Elections
Sharon Hickson, Assistant Democratic and Elections Officer

16 Declarations of Interest

There were no Declarations of Interest

17 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

18 Urgent Business

There was no urgent business.

19 **Minutes**

The Minutes of the meeting of the Committee held on 26 June 2013 were agreed as a correct record and signed by the Chairman.

20 **Statement of Accounts 2012/13**

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

In introducing the report, the Corporate Finance Officer explained that 2012/13 was the first year that the accounts had been prepared by a shared finance team. All statutory deadlines had been met and it was anticipated that an unqualified audit opinion would be received.

The Committee was advised that the majority of changes to the “subject to audit” version of the accounts were presentational with the only major change being the change of the asset date to 31 March 2013.

Resolved

- (1) That the amendments to the 2012/13 financial statement be approved.
- (2) That the 2012/13 Financial Statements be approved, and the Statement of Accounts be duly signed by the Chairman and the Director of Resources.
- (3) That it be noted that the 2012/13 Summary Accounts were currently being prepared and, when finalised, would be circulated to Members in due course.

21 **External Audit Results Report**

The Committee considered a report of the Interim Head of Finance and Procurement which sought consideration of the Ernst and Young LLP Results Report which included comments on the audit of the 2012/13 Statement of Accounts.

In introducing the report, the External Auditors reported that the audit had been carried out over a number of areas with no irregularities to report. The external auditors thanked the Finance team for the quality of work and assistance given informing the Committee that the same quality of work had been maintained throughout the successful first joint CDC & SNC year-end process.

The Committee was advised that all outstanding actions had now been completed and once the Letter of Representation had been received, an unqualified audit opinion would be issued. An unqualified value for money

conclusion would be issued as the external auditor was satisfied the arrangements were adequate and the criteria met.

In response to Members' requests for clarification on the External Auditor assessment of the Councils Managing Finances as adequate, the Corporate Finance Manager informed the Committee that recommendations had been given by the External Auditor which would assist the Council in improving the assessment. It was agreed that these recommendations would be brought to the next meeting.

Resolved

- (1) That the matters raised in the External Audit Results Report be noted, prior to approval of 2012/13 financial statements.
- (2) That the adjustments to the financial statements be noted.
- (3) The letter of representation on behalf of the Council be approved.

22

Risk Management - First Quarter Review of Risk

The Committee considered a report by the Corporate Performance Manager which updated the committee on the management of strategic, corporate and partnership risks during the first quarter of 2013/14 and highlighted any emerging issues.

The Corporate Performance Manager circulated a copy of a Risk Heat map and Full Risk log which covered both CDC and South Northamptonshire Council. The Committee was advised that a number of entries on the Heat Map had been assessed as joint risks therefore may not be a true indication of the severity level at each individual authority. It was agreed that future reports to the Committee would only highlight CDC risks and identify change within the risk.

Resolved

- (1) That the quarter 1 Strategic, Corporate and Partnership Risk Register be noted.

23

Q1 Treasury Management Report

The Committee considered a report of the Interim Head of Finance and Procurement on the Council's treasury management performance and compliance with the treasury management policy for the first quarter of 2013 – 14 including an update for position as at 31 August 2013 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the Quarter 1 (Q1) Treasury Report be noted.

- (2) That the 2012/13 Annual Treasury Report which was presented to Council in July 2013 be noted.

24 **Use of Purchase Orders**

The Committee considered a report of the Interim Head of Finance and Procurement on the Council's use of Purchase Orders.

In introducing the report the Corporate Accountant reported that there had been improvement in the use of Purchase Orders but further improvement was still required. A service analysis would highlight sections that were proficient identify those areas where further training was required. The Corporate Accountant reported that the move to "no tolerance" no Purchase Order no payment, would impact on the speed of the payment of invoices.

The committee requested that a further report be submitted to the December meeting.

Resolved

- (1) That the report on the progress the Council is making to improve the use of purchase orders be noted

25 **Internal Audit Progress Report**

The committee considered a report of the Chief Internal Auditor which provided an update of the work of Internal Audit since the last meeting.

The Chief Internal Auditor reported that the profiled work was on track with discussion with the areas in the Council that would be audited underway.

Resolved

- (1) That the report be noted

26 **Review of Work Programme**

The Committee considered its Work Programme 2013-14. The Corporate Finance Manager reported that Purchase Orders & IT access issues would be added to the agenda for the December meeting.

Resolved

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

27 **Exclusion of Public and Press**

Resolved

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.

28 **Q1 Treasury Management Report - Exempt Appendix 1 and 2**

The Committee considered the exempt annexes to the report of the Interim Head of Finance and Procurement on the Council's Quarter 1 Treasury Management Report.

Resolved

(1) That the exempt appendices be noted.

29 **Karen Curtin, former Head of Finance & Procurement**

The Committee noted that Karen Curtin, former Head of Finance and Procurement, had been appointed to the new post of Director (Bicester) at Cherwell District Council.

Members thanked Karen Curtin for her hard work in the finance department and support to the Committee and wished her all the best in her new role.

The meeting ended at 7.55 pm

Chairman:

Date: