

## **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 17 September 2014 at 6.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)

Councillor Ray Jelf  
Councillor Nicholas Mawer  
Councillor Barry Richards  
Councillor Lawrie Stratford  
Councillor Barry Wood

Also Present: Councillor Ken Atack, Lead Member for Financial Management  
Mick West, Director, Ernst Young, External Auditor  
Alastair Rankine, Manager, Ernst Young, External Auditor  
Chris Baston, Ernst Young, External Auditor

Apologies for absence: Councillor Dan Sames  
Councillor Douglas Williamson

Officers: Martin Henry, Director of Resources / Section 151 Officer  
Nicola Jackson, Corporate Finance Manager  
Chris Dickens, Chief Internal Auditor  
Louise Tustian<sup>2</sup>, Acting Corporate Performance and Insight Manager  
Natasha Clark, Team Leader, Democratic and Elections  
Sharon Hickson, Assistant Democratic and Elections Officer

#### **20 Declarations of Interest**

There were no declarations of interest

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

There were no petitions or requests to address the meeting.

#### **22 Urgent Business**

There was no urgent business.

23 **Minutes**

The Minutes of the meeting of the Committee held on 25 June 2014 were agreed as a correct record and signed by the Chairman.

24 **Chairman's Announcements**

There were no Chairman's announcements.

25 **Statement of Accounts 2013/14**

The Committee considered a report of the Director of Resources which sought agreement of the audited Statement of Accounts 2013/14.

In introducing the report, the Corporate Finance Officer explained the changes that had been made from the preliminary "subject to audit" version circulated and considered by the Committee in June 2014. The Corporate Finance Officer summarised the most significant amendments: Castle Quay lease classification, Pioneer Square revaluation, increase in provisions that reduces General Fund balances and income classification within the Collection Fund.

In response to Members' questions, the Director of Resources confirmed that the amendments had no impact on Council Tax or the financial position of the authority, they were simply the movement of figures from one heading to another in order to ensure the accounts were presented in line with the presentation required this year. The council's external auditors had reviewed the financial statements and would be reporting their opinion at the next agenda item.

**Resolved**

- (1) That the amendments to the draft 2013/14 financial statement be approved.
- (2) That subject to reviewing the contents of the Audit Results Report, the 2013/14 financial statements be approved.
- (3) That authority be delegated to the Director of Resources, in consultation with the Chairman, to finalise the 2013/14 financial statements prior to signing by the Chief Financial Officer and Chairman.

26 **External Audit: Audit Results Report 2013-14**

The Committee considered a report of the Director of Resources which presented the External Auditors Results Report 2013-14.

In presenting the report, the External Auditor reported that the financial statement audit had been carried out. There were no issues to report from the

risk areas listed in the Audit Plan: risk of management override and implementation of new payroll system.

The Committee was advised that the External Auditor anticipated issuing an unqualified auditor's report in respect of the Council's financial statements.

The External Auditor had concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and expected to present an unqualified value for money conclusion for these arrangements.

As part of the Value for Money review, the External Auditor had paid particular interest to the Bicester Regeneration and Graven Hill projects with no issues to report.

The Committee was advised that in terms of financial resilience, the External Auditor had highlighted a funding gap in the medium term financial planning, underlining that no detailed plans had yet been made to address this and consideration needed to be given imminently.

Members thanked the auditors for their work.

### **Resolved**

- (1) That the matters raised in the External Audit Results Report, prior to approval of 2013/14 financial statements be noted.
- (2) That the adjustments to the financial statements be noted.
- (3) That the letter of representation on behalf of the Council be approved and duly signed by the Chairman and Chief Financial Officer/Director of Resources.

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### **First Quarter Risk Review**

The Committee considered a report of the Head of Transformation and Acting Performance and Insight Manager on the management of Strategic, Corporate and Partnership Risks during the first quarter of 2014/15 and highlighted any emerging issues for consideration.

In introducing the report, the Acting Performance and Insight Manager highlighted new additions to the risk register: Graven Hill, Horton Hospital, Build! and the Waste Framework Directive.

### **Resolved**

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

28 **Internal Audit - Progress Report 2014-15**

The Committee considered a report of the Director of Resources which presented the Internal Audit Annual progress report 2014/15.

In introducing the report, the Chief Internal Auditor advised the committee that discussions had been held with management on the 2014/15 audit plan and individual review scopes would be completed in due course. The 2014/15 plan remained on course to be delivered by 31 March 2015.

The Committee was advised that three additional pieces of work had been delivered against the 2014/15 plan. The Internal Auditor was also undertaking a follow up review from the 2013/14 plan, as requested by Members, and the findings would be reported to the Committee's December meeting.

**Resolved**

- (1) That the report be noted.

29 **Q1 Treasury Management Report**

The Committee considered a report of the Director of Resources on the Council's treasury management performance and compliance with the treasury management policy for 2014-15 for Quarter 1 as required by the Treasury Management Code of Practice.

**Resolved**

- (1) That the report be noted.

30 **Anti-Fraud and Corruption plus Whistle Blowing Update**

The Committee considered the verbal update from the Director of Resources on Anti-Fraud and Corruption plus Whistle Blowing.

The Director of Resources reported that there had been one issue of suspected money laundering. The matter had been referred to the National Crime Agency, who had confirmed the money could be accepted.

The Committee was advised that the Internal Auditor had been requested to review the process followed and the outcome would be reported to a future meeting.

**Resolved**

- (1) That the verbal update be received.

31 **Review of Work Programme**

The Committee considered its work programme 2014/15.

**Resolved**

- (1) That subject to the addition of Housing Benefits Report to December, the work programme 2014/15 be noted.
- (2) That it be noted that training on treasury management would be held prior to the December meeting and training on risk management would be held prior to the January meeting.

The meeting ended at 7.55 pm

Chairman:

Date: