

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, Oxon OX15 4AA, on 25 September 2024 at 6.30 pm

Present:

Councillor Nick Cotter (Chairman)
Councillor David Rogers (Vice-Chairman)
Councillor Ian Middleton
Councillor Alisa Russell
Councillor Dom Vaitkus
Sarah Thompson, Independent Person (no voting rights)

Apologies for absence:

Councillor Besmira Brasha
Councillor Jean Conway
Councillor Nicholas Mawer

Also Present:

Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Regeneration and Property

Officers:

Shiraz Sheikh, Assistant Director Law & Governance and Monitoring Officer
Joanne Kaye, Head of Finance and Deputy Section 151 Officer
Natasha Clark, Governance and Elections Manager
Patrick Davis, Democratic and Elections Officer

31 Declarations of Interest

There were no declarations of interest.

32 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

33 Minutes

The Minutes of the meeting of the Committee held on 17 July 2024 were agreed as a correct record and signed by the Chairman.

34 **Chairman's Announcements**

There were no Chairman's announcements.

35 **Urgent Business**

There were no items of urgent business.

36 **Risk Monitoring Report - Q1 2024-2025**

The Assistant Director Customer Focus submitted a report to update the Committee on how well the Council was managing its Strategic Risks.

In introducing the report, the Head of Finance (Deputy Section 151 Officer) advised that there was only one change in the Leadership Risk Register, risk L13 Monitoring and management of Major Infrastructure Projects and Programmes as the residual risk level had decreased in rating from 12 (medium risk) to 9 (low risk). This was due to the mitigating actions that had been put in place such as an increase in the cycle of meetings between Oxfordshire County Council and the Cherwell District Council along with the completion or near completion of the some of the projects. This resulted in a new risk being added to the Risk Register that would cover wastewater treatment capacity, electricity supply at sites in Bicester and transport infrastructure across a number of sites.

Resolved

(1) That the Risk Monitoring Report for Quarter 1 2024-25 be noted.

37 **External Audit Update 2022-2023**

The Assistant Director of Finance (Section 151 Officer) submitted a report to update the Committee on developments in relation to the proposed audit backstop for the 2022/23 statement of accounts, to note the draft Letter of Representation, and to seek delegated authority to finalise the accounts with the auditors by the backstop date for the 2022/23 accounts.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration explained that the previous Government had consulted on a series of backstop dates for the completion for local authorities to address an audit backlog. The new Government had confirmed that it would continue with these proposals. The audits of the council's 2022/23 and 2023/24 statement of accounts would be required to be completed by 13 December 2024 and 28 February respectively.

The Committee was advised that the council's External Auditors for 2022/23, Ernst and Young, had indicated that they would issue a disclaimer opinion for the 2022-23 Statement of Accounts. The Head of Finance advised this did not

affect the value for money commentary work which had been completed and will be reported on alongside the audit opinion.

It was expected that the council's new external auditors, Bishop Fleming, would issue a disclaimer opinion on the 2023/24 Statement of Accounts as a result of the disclaimer on the 2022/23 accounts. Bishop Fleming would not have the assurance over the opening balances in the 2023/24 statement of accounts that they normally would following an unqualified opinion for the previous year. The Head of Finance explained that it was likely the auditors would review selected balances rather than all opening balances. This was an issue that was being addressed by various regulatory bodies in the sector with a view to simplifying the audit process for Local Authorities. The Head of Finance advised that the Council was doing its best to attain an unqualified opinion as soon as possible.

In response to Members' questions regarding the impact of Government changes to the way certain types of assets were accounted for and how this may have affected the delays to audits in the sector, the Head of Finance advised that this was not the main cause of the delays. The Committee were advised that other factors such as the level of detail that external auditors were required to undertake along with issues of recruitment were more significant factors.

Resolved

- (1) That the updated dates proposed by the Ministry for Housing, Communities and Local Government for the audit backstop and the impact of this proposal on the external audit of the council's financial statements be noted.
- (2) That the draft Letter of Representation for 2022/23 be noted.
- (3) That the Assistant Director Finance (S151 Officer), in consultation with the Chair of the Accounts, Audit and Risk Committee (or Deputy Chair in their absence), be authorised to make any further changes to the accounts agreed with the auditors and sign the accounts and it be noted that any further changes would be brought to the Committee's attention at its next meeting following the signing.
- (4) That the Assistant Director of Finance, in consultation with the Chair of the Committee (or Deputy Chair in their absence), be authorised to make any further changes to the letter of representation agreed with the auditors that may arise during completion of the audit and it be noted that any further changes would be brought to the Committee's attention at its next meeting following the signing.

38

External Audit Update 2023-2024

The Head of Finance (Deputy Section 151 Officer) provided a verbal update on the External Audit for the 2023-24 accounts. The council's External Auditor, Bishop Fleming, would be on site for approximately eight weeks in mid-November. The Committee was advised that Bishop Fleming was actively working towards the backstop audit date of 28 February 2025 for the 2023-24 financial year.

Resolved

- (1) That the External Audit 2023-24 update be noted.

39

Monitoring Officer Report including LGSCO Ombudsman Annual Report

The Assistant Director Law and Governance and Monitoring Officer submitted a report to provide the Committee with an annual report on matters relating to standards and conduct of Members within the Cherwell District at District and Parish level, complaints made to the Local Government Ombudsman and other matters for the municipal year of 2023/2024.

In introducing the report, the Assistant Director Law and Governance and Monitoring Officer explained that it was incumbent on the Monitoring Officer to report on the functions for which he was responsible, including Code of Conduct matters.

The Committee was advised that none of the complaints raised had led to detailed investigations as the complaints had been dealt with at the initial stage and that ethical standards across the district including Parish and Town councils remained good.

With regard to the Local Government and Social Care Ombudsman Annual Report, the Committee was advised that one complaint had been upheld by the Ombudsman but overall there were no serious concerns raised by the report.

In response to a question regarding comparative data in the Local Government and Social Care Ombudsman Annual Report, the Assistant Director Law and Governance and Monitoring Officer advised that the figure of 100% complaints upheld was higher than the national average of 63% due to the fact there was only one complaint.

Resolved

- (1) That the Monitoring Officer report including the Local Government and Social Care Ombudsman Annual Report be noted and it be noted it would be circulated to all Town and Parish Councils in the district for information.

Work Programme

The Head of Finance provided an update on the Committee's work programme.

Resolved

- (1) That the work programme update be noted.

The meeting ended at 6.55 pm

Chairman:

Date: