

Cherwell District Council

Council

18 May 2022

Annual Report of the Accounts, Audit & Risk Committee 2021/22

Report of Assistant Director of Finance & Section 151 Officer

This report is public

Purpose of report

This report presents the annual report of the Accounts, Audit & Risk Committee 2021/22 and seeks agreement to amend the Terms of Reference of the Committee.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the Annual Report of the Accounts, Audit & Risk Committee 2021/22 (Appendix 1).
- 1.2 Agree the updated Terms of Reference for the Accounts, Audit and Risk Committee (Appendix 2).

2.0 Introduction

- 2.1 The Accounts, Audit & Risk Committee Annual Report 2021/22 is attached at Appendix 1.
- 2.2 The Annual Report contains information relating to the work of Accounts, Audit & Risk Committee during 2021/22.

3.0 Report Details

Annual Report

- 3.1 Within recommended practice for Audit Committees (CIPFA, Chartered Institute of Public Finance and Accountancy – Audit Committees Practical Guidance 2018), the

committee should report on an annual basis to Council on how the committee has discharged its responsibilities.

- 3.2 The Annual Report 2021/22 was approved at the March meeting of the Accounts, Audit & Risk Committee.

Amended Terms of Reference

- 3.3 The current Terms of Reference require Accounts, Audit & Risk Committee members and any member who attends as a substitute to have received training before attending a committee meeting.
- 3.4 It is proposed that the requirement for attending training prior to attending a committee meeting be retained for permanent Accounts, Audit & Risk Committee members but removed for any member who attends as a substitute. This will assist Committee Members who need to appoint a substitute as they would be able to draw on their whole Group.
- 3.5 At the 19 January 2022 Accounts, Audit and Risk Committee meeting, the Committee agreed arrangements for the appointment of an Independent Member to the Committee ([Minute 57](#) refers).
- 3.6 Whilst it is not a statutory requirement for the Council to appoint an Independent Member, it is considered best practice. The Independent Member would not have voting rights on decisions at meetings of the Accounts, Audit & Risk Committee, rather, they would be part of the Committee in an advisory and consultative manner fully involved in the discussion on issues coming before the Committee.
- 3.7 The decision to appoint an Independent Member to the Accounts, Audit and Risk Committee rests with Full Council and requires an amendment to the Terms of Reference of the Committee to include an Independent Member (non-voting) as part of the membership of the Committee. This report is seeking agreement to amend the Terms of Reference accordingly.
- 3.8 The Accounts, Audit & Risk Committee delegated authority to the Monitoring Officer, in consultation with the Chairman of the Committee, to carry out the recruitment process and submit a report to Full Council seeking agreement to the proposed appointment. Subject to there being a suitable candidate, it is anticipated that this report will be submitted to the July meeting of Council.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Council is invited to note the content of the Accounts, Audit & Risk Committee Annual Report 2021/22.

5.0 Consultation

None.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: None in relation to the Annual Report as this is submitted to Council as required by the Constitution. Council could reject the amendments to the Terms of Reference, however these changes are supported by the Accounts, Audit & Risk Committee.

7. Implications

Financial and Resource Implications

- 7.1 There are no financial implications in relation to the Accounts, Audit & Risk Committee Annual Report.
- 7.2 The Councils' Members' Allowance Scheme sets an annual allowance of £768 and a travel/mileage allowance for co-opted members. This is provided for in the Members' Allowance budget.
- 7.3 The recruitment exercise for the appointment of an Independent Member would carry a modest financial cost which can be accommodated within existing budgets.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

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Legal Implications

- 7.4 A council's audit committee is established further to the Local Government Acts 1972 and 2000 and its purpose is to give assurance to elected Members and the public about the governance and financial reporting of the council.
- 7.5 The Constitution requires the Accounts, Audit & Risk Committee to submit an Annual Report to Council. This report fulfils that requirement.
- 7.6 Whilst there is no statutory requirement to appoint an Independent Member, rather it is considered best practice and the appointment of an Independent Member will assist and promote good governance.

Comments checked by:

Shahin Ismail, Assistant Director Law, Governance & Democratic Services & Monitoring Officer, Shahin.ismail@cherwell-dc.gov.uk

Risk Implications

- 7.7 There are no risk management issues in relation to the Annual Report.

- 7.8 The proposal to appoint an Independent Member to the Accounts, Audit and Risk Committee ensures compliance with CIPFA best practice guidance and seeks to address the risk that the effectiveness of the Committee may not be optimised through bringing in additional skills knowledge and expertise that add value to the experience and knowledge already provided by existing Members of the Committee.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

Celia.Prado-Teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.9 There are no equalities and inclusion in relation to the Annual Report.
- 7.10 The recruitment of an Independent Member will be an open and fair process, in line with our commitment to equal opportunities in employment and will positively welcome applications from all sections of the community, working within the framework of the law and published codes of practice.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

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Sustainability Implications

- 7.5 There are no sustainability issues arising directly from this report

Comments checked by:

Sandra Fisher Martins, Programme Manager, Climate Action, [sandra.fisher-](mailto:sandra.fisher-martins@cherwell-dc.gov.uk)

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8.0 Decision Information

Key Decision (N/A)

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Mike Kerford-Byrnes, Chairman of the Accounts, Audit & Risk Committee
2021/22

Document Information

Appendix number and title

- Appendix 1: Annual Report of the Accounts, Audit & Risk Committee 2021/22
- Appendix 2: Revised Terms of Reference Accounts, Audit & Risk Committee

Background papers

None

Report Author and contact details

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