

AUDIT AND RISK MANAGEMENT COMMITTEE
Minutes from the Meeting held on
24th November, 2009
Cambridgeshire Horizons Conference Room

COMMITTEE/ BOARD MEMBERS PRESENT:

John Bridge - Chair	Cambridgeshire Chambers of Commerce
Alex Plant	Cambridgeshire Horizons
Cllr Alan Melton	Fenland District Council
Cllr Ian Bates (sub)	Cambridgeshire County Council
Cllr Fred Brown	East Cambridgeshire District Council

ALSO IN ATTENDANCE:

John Onslow (Item 7)	Cambridgeshire Horizons
Nick Dawe (Item 4)	Cambridgeshire County Council
Ivan Matthews	Cambridgeshire Horizons
Gill Barker (Minutes)	Cambridgeshire Horizons

APOLOGIES:

Cllr Jill Tuck (Cllr I Bates sub)	Cambridgeshire County Council
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Actions

- 1. Welcome and Apologies**

JB welcomed all members to the meeting and introduced Nick Dawe, Corporate Director, Finance, Property & Performance for Cambridgeshire County Council to speak at Item 4.
Apologies were received from Cllr Tuck, Cllr Bates was substituting.
- 2. Minutes of the Meeting held on 3rd September, 2009**

These were agreed.
- 3. Matters Arising**

Item 3 - Founder Members Away Day to discuss and agree policy for Horizons going forward – Main Board to discuss at December meeting. Date to be organized thereafter. **GDB**
Item 4 – Noted that the statutory accounts had been approved by Main Board. Auditors were about to sign off, delay due to required signing of the representation letter, now completed. **IM**
Item 7 – Strategic Risk Register – on this agenda.
- 4. Reserves and Exit policy**

ND circulated a written report. He noted that discussions had taken place between CCC and Horizons regarding this, and a joint agreement, taking a pragmatic approach, had been reached.
The content of the report was noted.
Main Points:
Agreed level of reserves required do not necessarily match maximum costs at exit. This is because of other exit possibilities for staff and buildings;
Agreed level required at £0.9m, with £1.2m currently held;
This agreement had now also been approved at the CCC Audit and Accounts Committee.
AP thanked all involved for their good work with this issue.
- 5. Budget timetable 2010/11**

IM's report had been circulated. It was noted that the bulk of the work would be carried out in January 2010 in order to put a full set of budgets to Main Board in March 2010.
It was further noted that the decision regarding the proposed £6m cut to HGF Capital funding would not be known until late December 2009, but that a full cut was expected despite representations. Scrutiny of the budgets by this Committee was extremely important.
The situation regarding rolling funds, such as the £8m for the Addenbrookes Access Road, which will return into the system could help. It was noted that the return timetable for these rolling funds was over a long time period.
Agreed:
The timetable was agreed.
- 6. Finance Report:
October 2009 (Month 7) Management Accounts**

The October Management accounts had been circulated.
IM noted an 8% underspend currently. This was a better performance

than in previous years.

There were no queries on these accounts. The more effective management of resources was noted, bearing in mind the ever tightening budgets within the public sector at this time.

Discussion turned to post 2011. AP noted that this issue was to be discussed at Main Board.

7. Risk Registers

a) Strategic Risk Register:

The SRR had been circulated. It was noted that this now incorporated the additional column showing movement up/down, as requested at the last ARM meeting. All changes to mitigations were shown in bold and would form part of an Exception Report to Main Board;

Red Risk – 6.2 and 7.2 – noted that these both referred to sites in general as affected by the national economy;

All movements were discussed.

Agreed:

Risk 1.2 – To be clarified by the addition of 'RSS Review'.

JO

Internal Risk Register:

- b)** IM had circulated the newly drafted IRR. He noted that this had 4 sections covering External, operational, governance and finance factors. As with the SRR, the Risks were shown from green to Red. The only current 'Red' risk was the set up of a Disaster Recovery Plan and work on this was underway.

Discussion:

Separation of these risks from the SRR was noted as very beneficial;

All risks were noted;

Agreed:

During initial stages of this register, it should return to ARM each quarterly meeting;

IM was thanked for his efforts regarding this.

Agenda

IM

8. HGF Revenue and Capital Budgets (including Due Diligence proposal)

JO's report had been circulated.

Main Points:

Difficulties with movement on Capital budgets due to awaiting decision on proposed funding cuts.

Possibility that some/any underspend on Revenue could be capitalised to assist funding for projects;

Delays on continuing or commencement of projects due to awaiting this decision causes further problems with completion times;

If decision not known until after December Main Board, time delay could be crucial. An emergency Growth Partnership Board meeting was being organised for January to assist in dealing with this;

General partnership agreement that some GI projects would be deferred, recognising this may alter where there was match funding and/or agreements already signed;

Discussion:

Original decision to over profile was noted and discussed;

Noted that 'loan' and 'equity' funding would not deliver returns in time to assist;

Noted that Community Infrastructure Levy could assist, if/when agreed but again not soon enough;

Urgent need to move forward with some projects to ensure completion within timescales;

General agreement that work should proceed on priority projects and management of risk would continue throughout 2010/11;

Noted that Sheryl French, budget holder for HGF Revenue, was currently re-assessing any potential underspend within that budget, and whether this would help us with the Capital budget;

Due diligence reports noted. Project tracking arrangements were in place, and were tied into Funding Agreements.

Agreed:

Recommend to Main Board that priority projects commence or continue as previously planned whilst awaiting decision on potential funding cut.

AP

Approval of the Due Diligence Reports.

9. Statutory accounts to 31st March 2009 Update

Letter of representation for external auditors was signed.

10. Forward Dates & Agenda Planner

Noted.

11. Any other Business

JB would be unavailable for next Main Board meeting. AP to present ARM minutes and report accordingly.

AP

IB was unavailable for the next ARM meeting. Requirement to ensure JT's attendance.

GB

12. Date of next Meeting

Scheduled for 4th March 2010, 1400 at Horizons.