

AUDIT AND RISK MANAGEMENT COMMITTEE
Minutes from the Meeting held on
Tuesday 25th November, 2008
Cambridgeshire Horizons Conference Room

COMMITTEE/ BOARD MEMBERS PRESENT:

John Bridge - Chair
Alex Plant
Cllr Ian Nimmo-Smith
Cllr Peter Moakes

Cambridgeshire Chambers of Commerce
Cambridgeshire Horizons
Cambridge City Council
East Cambridgeshire District Council

ALSO IN ATTENDANCE:

Gill Barker (Minutes)

Cambridgeshire Horizons

APOLOGIES:

Cllr Jill Tuck
Cllr Alan Melton
Ivan Matthews

Cambridgeshire County Council
Fenland District Council
Cambridgeshire Horizons

Actions

1. **Welcome and Apologies**
Cllr Alan Melton and Ivan Matthews' apologies were noted.
2. **Minutes of the Meeting held on 1st September 2008**
These were agreed.
3. **Matters Arising**
There were none, all being covered by Agenda Items.
4. **HGF Process and Interest**
Paper circulated in advance. AP noted that confirmation had been sought from CCC regarding whether this account was interest bearing. It has now been confirmed that it is.
Discussion points:
 - Interest accumulation to be used for deployment of Housing Growth issues;
 - Mechanism for deployment to be agreed;
 - Actual figures to be made available by way of quarterly statements.

Recommended

AP to draft letter on behalf of JB, as Chair of ARM, seeking written CCC confirmation of interest bearing account, and requesting quarterly statements.

AP

5. **Finance Review**
Report and accounts to date circulated in advance. In the absence of IM (holiday), AP led the Committee through the report. Main points:
 - New budget framework had now been established;
 - Accounts now produced on 'accruals' basis;
 - Management accounts pack overhauled;
 - Green Tree accounting system available to all budget holders;
 - All the above allowing for a clearer understanding of financial information by budget holders;
 - Joint Planning Budget was a 'use or lose' fund to end of financial year and should be shown as Revenue;
 - Reserves policy, including an 'exit strategy' still outstanding;Discussion points:
Reserves Policy and linked Exit Strategy required a dialogue with CCC as the main employer. Should Horizons hold reserves to cover full cost of wind up? Should CCC be expected to contribute and to what level?

IM

Recommended

Advice be sought from Central Government and a similarly placed entity such as GCP or Opportunity Peterborough. JB to seek advice from Steve Compton; AP to speak with Henry Cleary of CLG and this issue to remain on the Agenda.

Agenda

JB then reported that agreement had now been reached with IM with regard a permanent contract. He would work the equivalent of a 3.5 day week as Financial Consultant to Horizons. This news had been very well received by all.

6. Statutory Accounts year ending 31st March 2008

A copy of the Annual Director's Report and Financial Statements for the year ended 31st March 2008 had been circulated. AP noted that the external auditor's queries had now all be dealt with and these were ready for sign off.

Discussion points:

Various small amendments to the wording of the Chairman's Statement and Director's report were discussed and agreed for recommendation. These amendments, once made to forwarded to the external Auditors for agreement and put before the Board in December 2008.

**Main Board
Agenda**

Recommended:

Page 1 – Chairman's Statement: Penultimate paragraph:

2nd line – dualling of the A428 – add 'between Caxton and Cambridge'.

Chairman's Statement: Last paragraph:

1st line – 'We face....' To read 'We face a challenge over the coming year, as the implications of the worsening economic climate become apparent, and our focus moves etc..'

Page 3 – Directors' Report: Principal Activity:

1st line – remove word 'critical';

2nd line – remove word 'currently'.

Pages 14&15 – KPMG Auditors Report

Change all reference to 2007 to read 2008.

7. Expense Review

IM's paper had been circulated, the content of which was noted. Whilst it was noted that only legitimate expenses were claimed, concern was raised as to procedures for ensuring correct allocation of cost incurred. IM to check and report back as to these procedures.

IM

8. October Finance Report

The monthly and year to date report pack had been circulated. It was noted that the downturn in the economy had yet to affect the performance.

9. 2008/09 Projections

The projections had been circulated. AP noted the classic public sector profile for spend, although draw down from partner authorities was now catching up.

Discussion points:

- The use of budgets took place and it was agreed that some movement may be required before the year end to ensure best use of monies available;
- Difficult decisions lay ahead regarding what to spend where.
- AP reported that Paul Mumford (PM) was currently working on a review of all major sites, identifying funding gaps and proposals for how Horizons could respond effectively;
- JB queried the note regarding staff cost duplication. AP reported this concerned one post - the Joint Planning Director position. This was ultimately filled by one who was already on staff in one budget, and then costed again within the budget for the new position;
- INS queried the £263K underbudget due to posts not being filled. AP reported this involved 3 local authorities looking to recruit new planning staff with no suitable applicants currently;
- It may be necessary to shift the emphasis of the recruitment anyway, due to the economic climate.

AP then drew attention to the HGF Capital Programme Report and Revenue Budget 2008-11, and noted that this was now a 3-year rolling programme.

Discussion points:

- Northstowe funds unlikely to be spent during timescale;
- Difficult issues regarding usage of funds unlikely to be spent;
- General agreement to ensuring monies utilised where possible to bring sites to conclusion;
- New Build Gymnastics Club in Huntingdon has now resolved the VAT issue and should proceed, although may be set back by 3 months;
- It was noted that the decision on HGF funding, years 2 and 3 would be known early December, but may not be in time for report to Main Board.
- It was noted there were items within the HGF Revenue budget which could be funded from Joint Planning;
- It was suggested that forward planning budgets be shared with HCA for information only at this time, looking forward to end of 3-year rolling fund when HCA would become responsible for funding.

Recommended

To review the Funded Posts budget as an ongoing item;
Share Financial Forward Planning Budget with HCA.

**Agenda
IM**

10. 2009/2010 Budget Timetable

The timetable was reviewed. It was noted that the POD decision may be reported to Main Board verbally, if not received in time.

This item to be reviewed by this Committee in March 2009.

Agenda

11. Any other Business

AP queried the attendance. This meeting was only just quorate. JB agreed to speak with members regarding attendance.

JB

12. Date of next Meeting

To be arranged for last week in February. This was to allow more time for review and agreement of the budget timetable. Forward planning of meetings to be arranged for 3 weeks prior to Main Board, 2 weeks minimum.

GDB