

AUDIT AND RISK MANAGEMENT COMMITTEE
Minutes from the Meeting held on
3rd September, 2009
Cambridgeshire Horizons Conference Room

COMMITTEE/ BOARD MEMBERS PRESENT:

John Bridge - Chair
Alex Plant
Cllr Jill Tuck
Cllr Alan Melton
Cllr Ian Bates
Cllr Fred Brown

Cambridgeshire Chambers of Commerce
Cambridgeshire Horizons
Cambridgeshire County Council
Fenland District Council
Cambridgeshire County Council
East Cambridgeshire District Council

ALSO IN ATTENDANCE:

John Onslow (Item 7)
Stephen Peak (Item 4 & 5)
David Frost (Items 4 & 5)
Gill Barker (Minutes)

Cambridgeshire Horizons
Peters Elsworthy & Moore (PEM)
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Cambridgeshire Horizons

APOLOGIES:

Ivan Matthews

Cambridgeshire Horizons

Actions

- 1. Welcome and Apologies**
JB welcomed all members to the meeting and introduced the two representatives from PEM, our external audit company.

- 2. Minutes of the Meeting held on 19th June 2009**
These were agreed.

- 3. Matters Arising**

Item 4 – Finance Report – Founder Members (FM) Away Day being arranged. It was queried whether the Away Day invitations should be extended to include representatives from NHS. Timing was also an issue, to allow more members to attend.

Agreed:

Founder Members Away Day meeting to be organised, to discuss and agree policy for Horizons going forward, and to include representatives from other government agencies, a shortlist of discussion items, and be facilitated. Timing should be from 4pm onward and include dinner;

It was noted there will be separate, shorter, FM meeting to look specifically to the ramifications of the proposed £6m cut to HGF.

Noted that GPB would be examining this paper prior to MB.

Item 5 – Nominations to ARM Committee – JB extended his thanks to FB and IB for accepting the nominations.

Item 9 – AoB – Request for Cllr Reynolds to review of the SRR. JB noted that a date for this had now been arranged.

- 4. Statutory Accounts to 31st March 2009 and Annual Report**

Paper circulated in advance.

AP noted that IM had sent his apologies as he was on holiday at this time. AP would answer any queries where possible and organize for IM to respond if more detail was required.

Discussion:

Query regarding the Statement of movements on reserves (pg 25) showing a move from surplus to deficit? AP noted that at previous year-end audit had noted an 'unhealthy' surplus and was now in a better position to downgrade its reserves. There had been a reduction in CLG grant. Revenue looks secure over next two years.

Query regarding the increase in Salaries and Accommodation costs? AP noted that during this last financial year a number of posts which had been vacant for the better part of the previous financial year, had now been filled, and that Horizons have made payments toward the cost of Janus House, which accommodates

GDB

Joint Planning teams. IM to provide detail on both these issues, in note form for Main Board, in order to provide assurance for the future.

Discussion then arose around the Directors Report, dated 29th May. These accounts would now go to Main Board on 24th September for signature. There were a number of issues within the Directors Report – Operational Review which had now significantly changed. JB queried whether the auditors would need to ‘accept’ these changes. It was noted that as they did not affect the actual accounts, this would not be necessary.

Agreed:

IM to provide detail on both these issues, in note form for Main Board, in order to provide assurance for the future.

IM

AP to make necessary changes to the Directors Report – Operational Review prior to forwarding to Main Board for sign off.

AP

5 Auditor’s Management Letter

DF reported on the audit. There had been no ‘requirements’ for any significant changes. He noted very good monetary controls, due in no small part to Ivan Matthews, Finance Manager.

DF went on to note that the Strategic Risk Register was very informative. Audit had suggested though, the set up of an internal Risk Register for Horizons itself, and for ARM to show the monitoring of this.

DF then noted Horizons policy regarding Capital followed that of the local authority, at £20K. This was quite high for an organization the size of Horizons, but the auditors understood if Horizons wished to keep the policy in line with other authorities.

DF noted there was a small outstanding tax issue, regarding mutual, which was now being reviewed with IM for the future.

Both DF and SP noted very good procedures in place this year.

Agreed:

To arrange for IM to set up a Risk Register for Horizons internal risks and for ARM to be responsible for monitoring this and reporting to Horizons Main Board.

IM

To pass on this Committee’s thanks to IM for a very good year, and enabling a successful audit.

GDB

DF noted that PEM were happy to sign off the accounts immediately they were approved and signed off at Main Board.

JB noted the Committee’s approval of PEM’s good work.

6 Finance Report – July 2009 (Month 4) Management Accounts

The Management Accounts had been circulated previously, AP drew attention to the following:

In previous years, as was usual with local delivery vehicles, by month 4 we would normally be running 24% underbudget. Due to stricter controls and monitoring, this year’s Month 4 accounts showed only 14% underbudget.

Discussion:

Query how the proposed Exit and Reserves policy affected pensions? AP noted that assets were available to cover for any potential redundancy and pension requirements. Once assets were used up residual liability then lay with CCC. Noted that the risks were low, but concern noted that this was covered.

Agreed:

To request Nick Dawe attend the next ARM meeting to report on the ramifications of the Exit and Reserves Policy for Horizons, and the residual liability absorbed by CCC.

GDB/ND

7. Strategic Risk Register

The SRR and associated appendices had been circulated previously. JO gave an overview of the coverage of the SRR to date and explained the 'scoring' system in use, noting that the document now had countywide coverage. He drew attention to the fact that the document would require constant updating, currently being proposed that this would be quarterly, in line with Horizons Main Board meetings. To operate more than quarterly updating would be far too time consuming. For each individual meeting during the quarterly cycle that this document was sent to, an exception report would be produced highlighting any major change since the last update. This document would now be in the public domain.

Discussion:

Query what the Exception Report would show? JO noted it would show any Red Risks, and other major changes to risk colours and any mitigation changes;

Noted that the SRR itself is redacted to remove any commercially sensitive information before being used as a public document;

Suggestion that the Exception Report should also show movements from amber/red to green – i.e. successes.

Noted that as and when CIL is introduced, this will dramatically affect this document, and we need to be ready to deal with this.

AP suggested it should be tied to CIL public consultation dates;

General agreement that this was a much improved document, with thanks to JO's team and Sub/Sob for their work.

JO

Specific Risks:

11.2 – Query whether an 'arrow' key could be used to show whether a risk has last moved up or down, or stayed in same place? JO to investigate and report back.

Agreed:

ARM Committee noted its concern with the time and resource issue with constant updating for each individual meeting. It therefore agreed to recommend to Main Board that this document be updated on a quarterly basis, timing of which to align with Main Board schedule. Individual meetings within that cycle to receive last updated copy plus an Exception Report, highlighting as noted below;

JO

It asked Main Board to note that this Committee had accepted the responsibility of reviewing the SRR from a risk management perspective;

An Exception Report to the SRR be recommended to Main Board, to include all as noted in the report , and the addition of changes in risk colour TO green where appropriate, thereby highlighting successes.

JO

8. HGF Revenue Budget

SF's paper had been circulated previously. AP noted that this was reviewed by GPB, and agreed as per the spreadsheet circulated, with one addition. A £3-5K feasibility study into Multi-Storey Primary Schools requested by CCC Education Dept.

Agreed:

Noted.

9 Forward Dates & Agenda Planner

Noted.

10 Any other Business

There was none.

11. Date of next Meeting

Scheduled for 24th November, 1400 at Horizons.