

# NORTHAMPTON BOROUGH COUNCIL

## AUDIT COMMITTEE

Monday, 19 May 2014

**PRESENT:** Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Nunn, Palethorpe and Strachan

### 1. APOLOGIES

None.

### 2. MINUTES

The Minutes of the meeting held on 17 March 2014 were confirmed and signed by the Chair as a true record.

### 3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

### 4. DECLARATIONS OF INTEREST

Councillor Larratt declared a personal, non-pecuniary interest in agenda item 12 – KPMG Fraud Briefing – as a blue badge holder.

### 5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

### 6. CALL CARE REPORT

The Committee received an update report from the Head of Customer and Cultural Services on the Call Care Service. Of the three options being considered for the service the recommended option being pursued was to retain and grow the service, subject to the service being kept under review. The Head of Customers and Communities gave details of the initiatives being undertaken, including looking into partnership working.

The Chief Finance Officer stated that the service initially made a surplus but as customers had left, the service had made a deficit of £30-50,000 per year in recent years.

The Committee welcomed the action being taken regarding the Call Care service but were concerned at the lack of partnership working and considered that opportunities for closer working with Olympus (NCC's service) and other providers should be investigated. A further report was requested to a future meeting.

### RESOLVED:

1. That the current position of the Call Care Service, potential future options and the option currently being pursued be noted.
2. That the actions required to enable the Call Care Service to transform into a fit for purpose service with potential for future growth be noted.
3. That a further report be provided at the earliest opportunity explaining the lack of Partnership Working with Olympus (NCC's service) and how such working can

positively be pursued and achieved.

4. That a report be presented to a future meeting, including the number of customers who have left the Call Care service, the outcome of the marketing exercise and progress being made on the option to grow the service.

## **7. FINANCIAL MONITORING REPORT**

The Chief Finance Officer submitted a report and elaborated thereon. The report presented the financial position, an update on parking income and the Council's outstanding debt as at 31 March 2014.

In answer to Members' questions the Chief Finance Officer stated that:

- He would supply further information on Post Room costs as set out under the Office Accommodation line;
- There would be a request to carry forward the underspend of £237k on Delapre Abbey;
- Recent S106 agreements included an element for inflation but older ones probably did not, although that would depend on the nature of the agreement in each case. Interest is not added to agreements. Any funding gaps would need to be met by the Council unless it could generate external funding;
- In relation to sundry debts, invoices were sent at the end of one financial year to seek to receive payments early in the following financial year (in which they fell due).
- In relation to sundry debts, some large invoices issued in late 2013/14 are yet to be paid and therefore the sundry debtor outstanding balance appears high. As officers seek to receive payments early in the following financial year this will be rectified.

The Committee thanked the officers for their work with regard to Council Tax payments and for improving the system of identifying debtors and taking action.

### **RESOLVED:**

1. That the following finance reports be noted:
  - General Fund Revenue Monitoring (Appendix 1);
  - General Fund Capital Monitoring (Appendix 2);
  - HRA Revenue Monitoring (Appendix 3);
  - HRA Capital Monitoring (Appendix 4).
2. That the position on car parking income and usage as at 28 February 2014 (Appendix 5) be noted.
3. That the latest position in relation to the Council's outstanding debts as at 31 March 2014 (Appendix 6) be noted.

## **8. ACCOUNTING POLICIES**

The Assistant Head of Finance presented the accounting policies for approval, the policies being updated annually. The policies had been first presented to the Committee in September 2013, when they had been approved.

Members asked that the full policies be presented to the Committee each time they were updated, with the amendments highlighted as in the officer's report.

### **RESOLVED:**

1. That the accounting policies set out in Appendix 1 to the officer's report be approved.
2. That the accounting policies document be brought to future meetings for approval with the amendments highlighted in the document.

#### **9. EXTERNAL AUDIT UPDATE - EXTERNAL AUDIT PLAN 2012/13**

The External Auditor (KPMG) presented the external Audit Plan prepared by KPMG for 2013-14 for consideration. It was noted that some of the work scheduled for July had been undertaken in April and the plan would be finalised during the summer.

#### **RESOLVED:**

That the Audit Plan 2013/14 be noted.

#### **10. DRAFT INTERNAL AUDIT ANNUAL REPORT**

The Internal Auditor (PWC) presented the draft Internal Audit Report for 2013/14 for the Committee's consideration. The final report was being studied by management but it was not anticipated there would be any changes and it was intended to present the final report and the plan for 2014/15 to the Committee's next meeting.

It was noted that although some risks had been identified this was not unusual and was not a major point of concern.

In answer to a Member's question the Internal Auditor (PWC) confirmed that LGSS would undertake their own audits and PWC would not be able to provide an opinion on them. However, the Committee would receive a report from LGSS plus the Internal Audit report on the Council and would be able to form an opinion on the overall position.

It was noted that some specific reports had been in draft format for some considerable time without being finalised and reported. The Committee requested that these reports be agreed, finalised and reported by the time of the next meeting.

The Committee thanked all staff involved in the internal audit work.

#### **RESOLVED:**

That the report be noted.

#### **11. EXCLUSION OF PUBLIC AND PRESS**

The Chair moved that the Public and Press be excluded from the remainder of the meeting on the grounds that there was likely to be disclosure to them of such categories of exempt information as defined by Section 100(1) of the Local Government Act 1972 as listed against such items of business by reference to paragraph 3 of Schedule 12A to such Act.

The Motion was Carried.

#### **12. KPMG FRAUD BRIEFING**

Councillor Larratt declared a personal, non-pecuniary interest in this item as a blue badge holder.

The External Auditor (KPMG) presented the local Fraud Briefing prepared by KPMG on the Audit Commission's "Protecting the Public Purse: Fighting Fraud Against Local Government" report for consideration.

**RESOLVED:**

That the KPMG Briefing and the Audit Commission report be noted.

The meeting concluded at 7:55 pm