

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 3 November 2014

PRESENT: Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Conroy, Flavell, Nunn and Marriott

1. APOLOGIES

Apologies were received from Councillor Strachan. Councillor Marriot was attending as his substitute at the meeting.

2. MINUTES

The Minutes of the meeting held on 9th September 2014 were confirmed and signed by the Chair as a true record.

3. PROGRESS REPORT

RESOLVED: To note the report.

4. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

5. DECLARATIONS OF INTEREST

Councillor Hibbert declared a personal, non-prejudicial interest as a Director of Northampton Partnership Homes (NPH).

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

There were none.

7. INTERNAL AUDIT RISK ASSESSMENT AND PLAN 2014-2015

The Chair agreed to consider the report, Internal Audit Risk Assessment and Plan 2014-2015, before Agenda Item 7.

Kate Mulhearn, PWC, outlined the report set in the agenda. She explained that, after agreement with the Management Board, the report highlighted the return to a compliance focus. She added that, due to the time taken to agree the scope; this was an Annual Plan that was effectively starting part way through a year. As such some items for completion would roll over into the next Civic Year.

The Borough Secretary added that time had been taken to bring a report forward due to the changes in the organisation's structure and the change of emphasis following the empty homes audit.

In response to a question from the committee Ms Mulhearn explained that NPH was not included in the current audit process. This was because the transfer was under considerable review at the current time. A formal internal audit process would be part of NPH's future arrangements. She also explained that the internal auditors role was to draw their own

conclusions from their work and not rely upon other sources to confirm compliance.

Ms Mulhearn also responded that item B2 (Page 84) related to the contract with Enterprise. B1 was the LGSS review of the same contract, taking into account pertinent controls and changes in the working arrangements with Daventry District Council.

Councillor Marriott suggested that future training arrangements for Councillor training should include a session on audit, with more detailed training for committee members. The Chair agreed that future training for the new Council in 2015 should be provided and asked officers to take the idea forward.

RESOLVED: To note the report and note the committee's request for future Councillor Audit training.

8. CALL CARE REPORT - UPDATE

The Head of Customers and Cultural Services presented the report set out in the agenda. She pointed out that the services should be at a break-even point in 2015/16.

In response to questions from the committee the Head of Customers and Cultural Services confirmed that respite centres had also been included in the marketing process and that a future Service Level Agreement (SLA) had been agreed with NPH. She also added that negotiations are ongoing with Northamptonshire County Council and Olympus Care regarding future contract provision. The aim was to maintain a balance of staff numbers and to allow any potential contract agreements to be met.

RESOLVED: The committee note the progress made in relation to marketing the Call Care Service, the current financial position and to keep potential future options under review.

9. HOUSING FINANCE IMPROVEMENT PLAN

The Chief Finance Officer and the Assistant Head of Finance presented the report set out in the agenda. They confirmed that the previously identified changes had been made. Staff training, driving forward and embedding the new process was the main focus. A rolling training programme for new starters was part of the process and NPH would carry on the work identified into 2015.

RESOLVED: The committee note the Housing Finance Improvement Plan status.

10. ABSENCE MONITORING AUDIT RECOMMENDATIONS UPDATE REPORT

The HR Advisory Team Manager presented the report set out in the agenda. She highlighted that while the PWC review came out at a "high risk", the score of 18 was at the lower end of the high risk scale of 16-39. She pointed out that some potential solutions had been identified in paragraph 3.3.

In response to questions from the committee the HR Advisory Team Manager confirmed that long term sickness had reduced, in part due to more proactive actions by HR and increased referrals to the Occupational Health Advisor. HR aimed to be more supportive of

managers in their role managing long term absence.

Councillor Marriott suggested that the levels of absence were high, but suggested that the private sector managed staff better and looked to cure the underlying issues rather than the stick approach suggested by HR. Councillor Flavell suggested that incentives be offered to maximise attendance, as has been done in other organisations. Councillor Nunn pointed out the spiral of increased workload and absence that can result and proposed all steps be taken to minimise absence.

RESOLVED: The report be noted; the actions identified at 3.3 be implemented and further investigation be made regarding incentivising individuals and teams regarding attendance.

11. TREASURY MANAGEMENT OUTTURN REPORT

The Finance Manager presented the report as set out in the agenda. In response to a question from the committee she confirmed that the maximum borrowing level is set internally by the Council as part of Treasury Strategy. This year's limit was £250m and borrowing was at £226m.

RESOLVED: The report be noted

12. EXTERNAL AUDIT UPDATE

The Head of Finance submitted a report, which provided an update on the progress of the external audit.

12.1 ANNUAL AUDIT LETTER

Neil Bellamy, KPMG, presented the report as set out in the agenda. He explained that the work on the objection received was ongoing. There would be additional fees, as per the rates published on the Audit Commission (AC) website. There were no legal implications regarding the delay due to the objection. The AC expected all objections to be dealt with within 9 months of receipt.

RESOLVED: The report be noted

12.2 EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE

Neil Bellamy, KPMG, presented the report as set out in the agenda. He drew the committee's attention to the National Audit Office consultation on the Code of Practice. The Chief Finance Officer confirmed his team were aware of the consultation and would, respond in due course.

RESOLVED: The report be noted

The meeting concluded at 19:27