

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 16 March 2015

PRESENT: Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Nunn and Strachan. Councillor Marriot as substitute for Councillor Palethorpe.

1. APOLOGIES

Apologies were received from Councillor Flavell.

2. MINUTES

The minutes of the meeting held on 12th January 2015 were agreed as a true record save for the amendment of item 9 paragraph 3, amended to:-

In response to a question from Councillor Strachan, Glenn Hammons confirmed that the £40,000 security costs were due to extra security at the Bus Station. He confirmed that he would get a more detailed cost of the breakdown to Councillor Strachan.

3. PROGRESS REPORT

It was confirmed that there were no outstanding actions.

4. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

5. DECLARATIONS OF INTEREST

There were none.

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

There were none.

7. TREASURY MANAGEMENT STRATEGY

Councillor Larratt welcomed Daniel Haywood from KPMG to his first meeting.

P. Morrison presented the report and elaborated thereon. He confirmed that the interest on the new and replacement borrowing was a £211k gross saving on new long term borrowing. There also was a £211k saving due to the higher rate of interest earned on higher levels of cash balances compared to forecast.

Compliance with agreed policies and practices had been monitored during the year and to date there were no breaches.

Councillor Larratt confirmed that they have achieved a significant higher interest rate than average. He offered his congratulations to everyone in achieving that.

In response to a question from Councillor Marriott, the Borough Secretary confirmed that the Section 151 Officer would lead the way forward following discussions with the Management Board and the Risk management for the Football Club loans would be reviewed.

8. FINANCIAL MONITORING REPORT

It was confirmed that there were no outstanding actions.

RESOLVED: That the report be noted.

9. ACCOUNTING POLICIES

A. Eyles of LGSS addressed the Committee and confirmed that it was good policy for the Committee to approve the report each year before the Statement of Accounts was produced. There was no impact for the Council but the accounts would be progressed, reviewed and changes made if appropriate. The final accounts would be published in September along with any with any updates to Accounting policies.

In response to a question from Councillor Marriott, A. Eyles confirmed that nationally Local Authorities were subject to the same CIPFA Code for Local Authority Accounting.

RESOLVED: That the report be approved.

10. EXTERNAL AUDIT UPDATE

D. Haywood from KPMG presented the report to Committee and confirmed in the key financial statement of the Audit Plan that there was one key risk identified at present which is the initial risk of preparing Group Accounts for the first time with the introduction of Northamptonshire Partnership Homes. At the moment it was undecided whether it would be consolidated or not but there would be a report to Committee in September. The initial assessment presented no significant risks at this stage. The fee this year would be slightly higher than normal due to the changes around NNDR certification. The audit would start at the end of June.

As in previous years work was required for auditing the whole of Government Accounts. The next main Audit document would be in September with the presentation of the ISA260 Report and then the Annual Audit Letter in November.

In response to Councillor Strachan's question, the Borough Secretary confirmed that the 2013/14 accounts Abington Street objection was still being discussed but a meeting would be scheduled shortly. The objection had been made to the external auditors and they needed to manage the process but it was in hand.

Resolved: That the report be noted.

11. INTERNAL AUDIT UPDATE

K. Mulhearn from PWC presented the report and advised that progress continued with the delivery of the plan but there were concerns on the availability of evidence. There were

changes to the plan for the Committee to note which was the removal of the Housing Review now with Northampton Partnership Homes.

The financial delivery was a key piece of work and the approval process with Agresso was time consuming to audit but the aim was to complete it by the end of the month. The S151 review services had started this week and the Environmental Services review had already started but the work required the output of delegations as they were linked.

In response to a question from Councillor Strachan, Councillor Larratt confirmed that the recycling credit budget issues needed to be raised at a future meeting and any implications reviewed.

K. Mulhearn confirmed that they had some difficulties obtaining information for assurance purposes from the two organisation i.e. NBC and LGSS because of the nature of the Shared Service and that this had caused some delays. Councillor Larratt asked whether this could be resolved as simply as PWC obtaining reports from Agresso. K Mulhern confirmed that that could be done.

The Borough Secretary confirmed that his restructure, once implemented, would help with this.

Resolved: That the report be noted.

The meeting concluded at 18.50