

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

**Monday, 24 September 2012
(adjourned to Wednesday, 26 September 2012)**

PRESENT: Councillor Larratt (Chair); Councillor Oldham (Deputy Chair); Councillors Beardsworth, Lynch, Nunn, Palethorpe and Subbarayan

1. APOLOGIES

Apologies were received from Councillor N Choudary and C Dickens (PWC).

The Chair proposed that due to the lateness of the hour following the Overview and Scrutiny Call-in meeting earlier in the evening that the meeting be adjourned to 13.30 hours on 26 September 2012. The motion was carried.

The meeting reconvened at 13.30 hours on 26 September 2012.

2. MINUTES

The Minutes of the meeting held on 23rd July 2012 were confirmed and signed by the Chair as a true record.

3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

There were none.

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

There were none.

6. ONE STOP SHOP PERFORMANCE

The Director of Customers and Communities presented a report giving further information in relation to waiting times at the One Stop Shop, as requested at the previous meeting (held on 23rd July 2012), including commentary and explanation on the change of performance levels between 2011-11 and 2011-12.

It was noted that the definition of indicator CS14 had been changed in 2011/12 and this had reduced performance, particularly as quick visits were not recorded by staff. Quick visits were now being recorded and the definition made clearer that the target applies to seated face-to-face transactions only. Performance was back on target as from July 2012.

In answer to Members' questions it was stated that:

- It would be very challenging to maintain performance in light of the changes to Council Tax Benefits and other welfare changes. A Needs Focus was being undertaken and mechanisms were in place. Consideration was being given to the feasibility of opening the One Stop Shop on Saturday mornings, where the self-service terminals had proved successful. Government were aware of the impact of creating a local Council Tax base and would be making some funding available for this issue;

- Consideration was given to timing when letters were sent out if they were to be sent to a large number of people to seek to manage demands on the One Stop Shop in terms of queries;
- Getting the information right and clear when writing to residents would reduce some of the demands made on the One Stop Shop from residents seeking clarification;.
- The Council had chosen to take part in consultation on LGA pilots in these areas to seek to effectively manage customer expectations.

RESOLVED:

That the report be noted.

7. ABSENCE MANAGEMENT PERFORMANCE

The HR Service and Quality Manager presented a report providing a summary of the absence performance indicator BV12 and the current actions being taken to move closer to the target.

In answer to Members' questions it was stated that:

- The outturn figure of ten days average sickness absence per employee was unlikely to be reached without some significant changes in approach and measures were being put in place, including manager training on issues such as stress and return to work processes;
- The numbers of staff on long term sickness absence (four weeks or more) was between 15 and 20. The exact number could be supplied if required;
- Firstcare and the Wellbeing team would liaise with managers and staff, and their GPs where appropriate, regarding sickness absence and return to work;
- Medical suspension was where a member of staff had been signed off as fit to work by his/her GP but measures needed to be put in place at work before the employee could return. Staff on medical suspension received full pay during that period. Officers stated that medical suspensions were rare and there were currently none;
- There had been no significant increase in sickness absence during the recent office moves;
- Comparison figures of sickness absence at other local authorities was available and would be provided to Members;
- Information on sickness levels across departments and vacancies which had not been filled would be provided to a future meeting, at Members' request.

RESOLVED:

That the report be noted.

8. PERFORMANCE REPORT TO END OF JUNE 2012

The HR Service and Quality Manager presented a report on the Council's key performance exceptions (under and over performance) for the 2012/12 year to date.

Members stated that the report covered the first quarter of 2012/12, to 31st July 2012, and that the Committee needed more up to date information to consider performance. The Director of Resources stated that the report was the one which had been reported to Cabinet and was a little out of date in being reported to the Committee. The Committee would receive the latest reports to future meetings for consideration. The next meeting of the Committee (on 5th November 2012) should receive performance information to 30th September.

In answer to Members' queries officers stated that:

- The two Environment indicators (ESC01 and ESC02) had improved since the report was written but remained red at 31st August 2012 and there were still issues to be resolved;
- There had been some serious issues regarding grounds maintenance (ESC11). Improvements had been made and officers were working hard to make further improvements.
- Footfall in the town centre (TC005) was measured outside Milletts in the Market Square and by Marks and Spencers in Abington Street. Officers looked at the change in footfall between years rather than the actual numbers when looking at increases/declines;
- Homelessness (HI09) is an increasing issue in the town. There is no significant indication of where people are presenting themselves from and no signs yet that people are presenting themselves from the private sector as a result of welfare changes. A report would be made to a future meeting of the Committee on welfare reforms.

RESOLVED:

That the report be noted.

9. FINANCE MONITORING

The Assistant Head of Finance presented a report giving the Committee the position as at 31st July 2012 in respect of the Council's financial position, car parking income and usage, and the Council's outstanding debts. It was noted that there were significant variances to date and that officers were working with service areas to address that.

In answer to Members' queries officers stated that:

- Car parking income was always volatile and was always near the top of any risk assessment. Assets had been set aside to cover the shortfall if required. Car park usage had increased but were parking for shorter periods. The poor summer had adversely impacted on car park use. Officers were looking into all day parking to support businesses in the town;
- It was not possible to correlate car park income with business performance in the town;
- The new car parking policy had come into effect in October 2011 and it was too soon to have trend data. Officers did receive parking information on a monthly basis;
- Bed and breakfast accommodation had increased and this was another high risk area;
- Considerable work had been undertaken in reducing the corporate debt. The biggest area was Housing and forwarding addresses were being obtained from tenants before they moved. Figures on debt write offs for tenants would be provided for the Committee.

RESOLVED:

1. That the contents of the Finance Reports be noted as below:
 - General Fund Revenue (Appendix 1 of the report);
 - General Fund Capital (Appendix 2 of the report);
 - HRA Revenue (Appendix 3 of the report);
 - HRA Capital (Appendix 4 of the report).

2. That the position on car parking income and usage as at 31st July 2012 be noted.
3. That the latest position in relation to the Council's outstanding debts as at 31st July 2012 be noted.
4. That no additional information is required by the Committee to perform its governance role.

10. SCHEDULE OF RESERVES AND RISK ASSESSMENT

The Assistant Head of Finance presented the schedule of earmarked reserves and risk assessment of reserves for information.

In answer to a Member's question, the Assistant Head of Finance stated that the reserves kept for redundancy were held at a high level as it was not possible to predict how many staff might be affected.

RESOLVED:

That the report be noted.

11. ANNUAL GOVERNANCE STATEMENT

The Assistant Head of Finance presented the amended Annual Governance Statement 2011/12. The statement had been updated following comments and returns received since the last meeting of the Committee on 23rd July, which had considered the draft statement in detail.

RESOLVED:

That the Annual Governance Statement 2011/12 be approved for publication alongside the Statement of Accounts.

12. STATEMENT OF ACCOUNTS 2011/12

The Assistant Head of Finance presented the audited and amended Statement of Accounts 2011/12.

It was noted that an uncorrected error was included in the accounts and a note had been included in the accounts to that effect (minute 13 below also refers).

A typographical error was corrected on page 79 of the accounts by the insertion of a minus sign in front of the figure £5,661 for the Less Impairment Allowance.

RESOLVED:

1. That the Statement of Accounts (Appendix 1 of the report) be approved, subject to any changes arising from the consideration of the report of the external auditor.
2. That the Council's Letter of Representation (Appendix 2 to the report) be approved.

13. ANNUAL GOVERNANCE REPORT

The District Auditor gave a verbal update on the 2011/12 Statement of Accounts and presented the Annual Governance Report for 2011/12. He stated that there had been a number of errors in the accounts, which was not unusual, and these had been corrected. One error remained uncorrected, which was a national issue and likely to affect a number of local authorities and was not material. He proposed to give an unqualified statement to the

Statement of Accounts.

In answer to a Member's question, the District Auditor stated that embedded leases (referred to in the financial statement) were where a local authority specified criteria in a contract which then effectively constituted a lease. The Council had some of these embedded leases, which had been tested and they were not material either individually or in aggregate.

RESOLVED:

That the Annual Governance Report (ISA 260) (Appendix 1) of the Audit Commission be accepted and the adjustments to the accounts detailed therein be noted.

14. INTERNAL AUDIT PROGRESS REPORT

The Director of Resources presented a report summarising the progress made against the approved internal audit plan for 2012/13. It was noted that this was a high level report of the activity of Internal Audit.

RESOLVED:

That the report be received.

15. EXTERNAL AUDIT PROGRESS REPORT

The District Auditor presented the 2011/12 latest progress report.

It was noted that the Annual Governance Report and the opinion on financial statements were now complete and the annual audit letter was on track.

The Audit Commission would be wound up in October/November 2012 and KPMG would take up the role of the Council's external auditors.

The Committee thanked the Audit Commission representatives for their work with the Council over the last three years and wished them well for the future.

RESOLVED:

That the progress of external audit plans as presented by the Council's external auditors be noted.

The meeting concluded at 3.17pm.