

# NORTHAMPTON BOROUGH COUNCIL

## AUDIT COMMITTEE

Monday, 13 January 2014

**PRESENT:** Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Nunn and Golby

### **APOLOGIES:**

#### **1. APOLOGIES**

Apologies were received from Councillors Palethorpe and Conroy.

#### **2. MINUTES**

The Minutes of the meeting held on 4th November 2013 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. FINANCIAL MONITORING REPORT**

Phil Morrison, the Assistant Head of Finance LGSS presented the report and confirmed that it showed the Council's financial position until the end of October Period 7 and the car park usage until the end of November 2013 Period 8. The outstanding debts also to the end of November Period 8 were detailed in appendix 6.

The financial position forecast for the General Fund showed £268k adverse. The forecast reflected the potential drawdown of reserves where reserves had been prudently set aside and these were reflected in the figures and highlighted in the narrative where applicable. The forecasts for the General Fund Capital Programme were indicating that the programme would be delivered. The Housing Revenue account showed £16k adverse position and the HRA Capital Programme was being forecast to be delivered apart from the Sheltered Improvements project which was rescheduled over 2014/15.

In response to a question from Councillor Nunn, the Assistant Head of Finance confirmed that the first graph in appendix 5 looked incorrect and would be reviewed and republished if necessary with the correct labels.

The Chair noted that the ticket sales had decreased and would need to be monitored carefully. The Chair also commented on Appendix 6 Debt, that with all the benefit changes happening and the current austerity the Council's Council Tax debt had decreased and congratulated the relevant Departments on this achievement.

In response to a question from Councillor Hibbert on Housing Rents, the Assistant Head of Finance confirmed that the level of Right to Buy sales and level of voids were forecast and taken into account when setting the budgets. The Chair asked the Chief Finance Officer to confirm that the capital scheme savings forecast for the St Crispins football pitches scheme were on the cost of the work.

**RESOLVED:**

1. That the recommendations be accepted.
2. That the report be noted.

**7. TREASURY MANAGEMENT STRATEGY 2014/15**

Bev Dixon, Finance Manager -LGSS presented a report and elaborated thereon. She confirmed that the report had been presented to Cabinet on 18<sup>th</sup> December 2013 and after the consultation period it would be presented to Cabinet and Council in February 2014. She confirmed the changes had been outlined in the report.

In response to a question from Councillor Hibbert, the Finance Manager confirmed that the affordable borrowing limit was reviewed every year which was set by Council. It could not be breached or changed without reporting it to Council.

**RESOLVED:** That the report be noted.

**8. RISK REVIEW OF 2014/15 BUDGET OPTIONS**

Phil Morrison, Assistant Head of Finance LGSS presented the report and elaborated thereon. Glenn Hammons, Section 151 Officer confirmed that he had to report to Council on the robustness and adequacy of the budget and levels of reserves. He would make his own assessment at the end of February.

In response to a question from Councillor Larratt, Glenn Hammons confirmed that the car parking figures had been highlighted as an area of concern for risk. Further work and analysis was required so that the figures were robust on data and real evidence. There was a challenge to the car park team on how things were likely to change as people's behaviour varied which would be factored into the budget.

It was further confirmed that if there was a risk in the area of the collaborative working with Trading Standards, then this too would be reviewed. He advised that the Leisure Trust were aware that they would be self-supportive by 2018 and the management fee would be reduced from £500k to £0.

Councillor Larratt requested that assurance be provided that when developers are charged for street naming and numbering there would be no adverse impact on the Council budget to repair and maintain them.

Glenn Hammons confirmed that there had been a 10% decrease in Council contributions for the Joint Planning Unit however there were no future proposals. There would be a review of the JPU and its activities.

**RESOLVED:** That the recommendations be accepted and the report be noted.

## **9. EXTERNAL AUDIT UPDATE**

Neil Bellamy, KPMG presented a report and elaborated thereon. He confirmed that this was the public summary on the outcome of work and considered that the audit had been successful. Their fee would remain as anticipated. Work on the certification of grants and returns which were on going in November 2013 had now been completed and a short report would be made available at the next Audit Committee meeting.

It was noted that they been contracted to make a claim for repayment of VAT which they had received the Audit Commission's approval for and there would be no conflict of interest in their work. They were planning for 2013/2014 Audit plan which they would present at the next Audit Committee meeting.

In response to a question, it was confirmed that the scale fee had been set and there would be no increase for the next four years.

**RESOLVED:** That the report be noted.

## **10. INTERNAL AUDIT UPDATE**

Chris Dickens, KPMG confirmed that he would circulate the recent publication to Committee Members and confirmed that overall the budgetary control had been operating well and was considered low risk.

The key findings for the Delapre concert had not been finalised although there were plans in place for a further concert in 2014. He considered it to be managed relatively well and the team had reviewed lessons learnt which were considered minor.

**RESOLVED:** That the comments be noted.

The meeting concluded at 6.30pm