

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 17 March 2014

PRESENT: Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Davies

1. APOLOGIES

Apologies were received from Councillors Golby, Nunn and Palethorpe.

2. MINUTES

Following an amendment to the minutes of the previous meeting that confirmed that Chris Dickens was from PriceWaterHouse Cooper and not KPMG, the Minutes of the meeting held on 13th January 2014 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. EXTERNAL AUDIT PLAN

The External Auditor- (KMPG) submitted a report and commented that the external audit for last year had gone smoothly and that the same was expected for 2013/14. He noted that there had been 1 extra risk identified for the year but explained that the statutory responsibilities remained the same. It was explained that professional standards required the auditors to consider two additional risks for all organisations, and they were Management Override of controls and Fraudulent Revenue recognition, both of which were significant risks for all councils

The extra risk identified was explained as being the Local Government Pension Scheme (LGPS) Triennial Revaluation and noted that there was a risk that data provided could be inaccurate and thus affected the actuarial figures in the accounts. It was further noted that finance function was the responsibility of LGSS and a risk was that the new organisation may have an impact on the production of the 2013/14 accounts. It was noted that there had been ongoing dialogue between LGSS Finance and the Auditors to ensure the progress of Audit.

In response to a question from a Member, it was explained that the risk surrounding LGPS would not impede on next year's audit, but that there was an aggravated risk with regards to the TUPE of staff and LGSS and that this would need to be properly reflected. In response to a further question, it was noted that there had always previously been an arrangement with the Audit Commissions that allowed for Northamptonshire County Council to charge the NBC for provision of data for Auditors, it was very unlikely to occur.

RESOLVED:

That the report be noted.

7. FINANCIAL MONITORING REPORT

The Assistant Head of Finance submitted a report and elaborated thereon. It was explained that the report presented the Committee with the financial position, an update on parking income and the Council's outstanding debt as at the 31st January 2014.

In response to a request for a comparison between 'pay on exit' car park income figures and pay and display figures where car parks had changed payment method, the Assistant Head of Finance would confirm whether this information was held. It was noted that due to the mid period installation of 'pay on exit' machines, any figures available would only allow for a month on month comparison. The information would be fed back at a later date.

In response to a further question, it was explained that the £69K shortfall in rental income due to vacant premises was unlikely to be one property, but that further information would be circulated to members of the Committee once this had been clarified.

RESOLVED:

1. That the contents of the following finance reports be considered:
 - 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 31 January (Appendix 5) be noted.
3. That the latest position in relation to the Council's outstanding debts as at 31 January (Appendix 6) be noted.
4. That consideration be given as to whether the Committee required any additional information in order to fulfil its governance role.
5. That the financial position to 31 January reflects the post transfer of support service functions to LGSS be noted.

8. PERFORMANCE REPORT

The Borough Secretary submitted a report and noted it had previously been to Cabinet on the 24th February 2014 and provided performance data and commentary for the Audit Committee to assist in their function to monitor the performance of the Council.

The Chair noted that the previously discussed Call Care Report would be taken to the next Audit Committee meeting on the 19th May 2014

RESOLVED:

That the report be noted.

9. NBC CERTIFICATION OF GRANTS AND RETURNS REPORT

The External Auditor submitted a report, which provided an update on the progress of the external audit and noted that there was a requirement for them to report on grants and

returns. It was noted that two of the returns were unqualified with no adjustments and noted that Council Tax and Benefits needed qualifying and marginal adjustments were made, calculated as being 0.0001%. It was reported that work had been undertaken in good order and that fees had been kept to a minimum

RESOLVED:

That the report be noted.

10. INTERNAL AUDIT UPDATE

The Internal Auditor (PWC) submitted a report and updated the Committee on the final reports that had been issued following completed reviews in accordance with the 2013/14 Audit Plan. It was noted that there had been a number of changes to the Plan as consideration needed to be given to processes that had transitioned to LGSS and further noted that the Council should expect assurances from them with regards to the internal audit.

In response to a question asked the Internal Auditor commented that there had been a delay on the Empty Homes report, due to a number of sensitive issues but noted that it was close to completion. Responding to a further question, it was noted that the audit of the Environmental Services Contract management would consider the contract as a whole and not specific issues within the service area. The Borough Secretary explained that PWC had been asked to examine the contract but that there had been a number of issues that had delayed its progress but that a thorough and sound piece of work would be undertaken which could also be applicable to future contracts. Responding to a question of the Committee with regards to the 'Cultural Exemption' (meaning that future tickets would not be subject to VAT) it was noted that information relating to whether this could be applied for retrospectively for the Alive@Delapre event for 2013 would be circulated to the Committee at a later date.

RESOLVED:

That the report be noted.

The meeting concluded at 18.43pm