

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 28 July 2014

PRESENT: Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Nunn, Palethorpe and Strachan

1. APOLOGIES

Apologies were received from Councillors Conroy and Flavell.

2. MINUTES

The Minutes of the meeting held on 19th May 2014 were agreed and signed by the Chair.

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. PERFORMANCE OUTTURN REPORT

The Corporate Policy & Consultation Manager submitted a report that informed the Audit Committee of the Council's outturn performance for the 2013/14 financial year. It was explained that 75% of measures had met their targets.

Following a request made by a Member, it was confirmed that the LGSS dashboard in addition to the financial and performance information supplied by NBC, be circulated to Members of the Committee.

Referring to the juxtaposition of decreased footfall in the town centre and increased car numbers, a member questioned whether public transport companies could provide the Council a breakdown of their figures for comparison purposes. It was noted that there would be a need to work with the County Council to get a true figure relating to public transport for Members to examine.

The Chair confirmed that Overview and Scrutiny Committee were currently looking at information relating to the Enterprise Contract and suggested that once this piece of work has been completed, they update members of the Audit Committee at a future meeting.

RESOLVED:

That the report be noted.

7. FINANCE AND MONITORING OUTTURN REPORT 2013-14

The Assistant Head of Finance submitted a report and elaborated thereon. It was noted that the report set out the pre audit outturn position for the Council's General Fund, Housing Revenue Account and Capital Programme for the financial year 2013/14. It was noted that there had been a significant underspend on the General Fund, Housing Revenue Account and Capital Programme.

RESOLVED:

That the contents of the report attached at Appendix A and it's attached Appendices listed below, be noted:

- General Fund Revenue outturn;
- HRA Revenue Account outturn;
- General Fund Capital outturn;
- HRA Capital outturn

8. DRAFT STATEMENT OF ACCOUNTS AND DRAFT ANNUAL GOVERNANCE STATEMENT 2013-14

The Chief Finance Officer submitted a report and Principal Accountant elaborated thereon. With regards to the Draft Annual Governance Statement (AGS) it was explained that due to LGSS agreement, there were some functions that were no longer directly overseen by the Chief Finance Officer, but buy the Northampton Borough Council's Monitoring Officer.

The Chair thanked the officers and noted that the Statement of Accounts and Annual Governance Statement 2013/14 will be bought back before the Audit Committee for final approval in September 2014.

RESOLVED:

That the draft Statement of Accounts 2013/14 and draft Annual Governance Statement for 2013-14 be noted.

9. LOCAL AUDIT REFORMS - OVERVIEW AND RESPONSE TO CONSULTATION PAPER

The Chief Finance Officer submitted a report that updated the Committee Members on future changes to Local Government Audit following a consultation document issued by DCLG. It was noted that the proposals in the consultation paper by DCLG that impact on NBC regarded the following areas:

- Collective Auditors Procurement by a 'Specified Person'.
- Bringing forward the timetable for submission of the annual Statement of Accounts from 30th June to 31st May, and deadline for audit completion from 30th September to 31st July for the 2017/18 financial year
- Changes to public rights period for the public to exercise their public rights

It was noted that appendix 1 of the report included NBC's responses to the proposals which were overall positive, but clarified that there may be challenges in meeting the deadlines,

but every effort would be made, both internally and with external organisations in order to speed up the processes to ensure deadlines are met.

RESOLVED:

1. That the reforms set out in the Local Audit consultation paper, as summarised at 3.2.1 of the report, be noted.
2. That Northampton Borough Council's response to the Local Audit consultation paper, as per Appendix 1 of the report be noted.

10. EXTERNAL AUDIT UPDATE

The External Auditor gave a verbal update on the progress of the external audit which had focused on Value for Money (VFM). It was explained that the deadline for people to inspect the accounts expired on the 30th July 2014 with one person wishing to do so in respect of the works in Abington Street; the Auditor explained that they may not be able to close the accounts and certificate them due to this.

It was noted that work was near completion on the Statement of Accounts.

RESOLVED:

That the update be noted.

11A) ANNUAL REPORT -2013/14 - FINAL DRAFT

The Internal Auditor submitted a report which outlined the work carried out from 1st April 2013 to 31st March 2014. It was noted that value enhancement reviews had been carried out where no overall risk rating had been provided and that there were still 5 outstanding, but explained that they did not impact on the Governance Statement.

The Chair commented that he wanted to see the long outstanding Empty Homes report brought before the next Audit Committee meeting irrespective of what stage it is at and even if it hasn't been signed off by officers.

It was noted that for each process area where the assurance was less than 'Full' it had been agreed an action plan of improvements by LGSS has been approved. It was noted that there had been several meetings with LGSS and the responsibility for resolving problems would be LGSS, which formed part of the overall assurance and a report would be brought back to Committee in 6 months on progress against achieving those agreed improvements.

RESOLVED:

That the report be noted and that the Empty Homes report be an agenda item for the next meeting.

11B) AUDIT PLAN - 2014/15 - FINAL DRAFT

The Internal Auditor submitted a report which set out the risk assessment and internal audit plan for Northampton Borough Council. It was explained that the report was usually produced earlier in the year, but that there had been a need to meet with senior officers in order to collate their views. It was noted that the Audit plan was slightly smaller than

previous years, as fewer reviews had been undertaken, but that that they had been more in –depth focussing more on compliance.

RESOLVED:

That the report be noted.

11C) ABSENCE MONITORING REPORT

The Internal Auditor submitted a report and explained that their review had considered the controls and processes in place with regards to staff absence management, monitoring and reporting. It was noted that there was a sound system in place but it was high risk, possibly due to lack of adherence to the policy.

Members agreed that they wish officers responsible for items within the action plan to attend the next meeting of the Committee in order that they can explain how the action plan will be delivered.

Members concurred that it was helpful to be able to identify specific Directorate figures and asked that further information relating to the number of workers in each Directorate be detailed in further reports. It was explained that there was a need for the Council to look more closely at reasons for absence. The internal auditor explained that the problem with absence was not exclusive to Northampton borough Council and noted that there were cultural changes which may lead to a shift in absence.

In response to a question asked by a Member, it was confirmed that figures comparing sickness levels between the Borough and the County Councils would be made available and circulated to Members of the Audit Committee.

RESOLVED:

That the report be noted, and that relevant officers be invited to the next meeting to discuss the action plan.

The meeting concluded at 6.54pm