

# **NORTHAMPTON BOROUGH COUNCIL**

## **AUDIT COMMITTEE**

**Monday, 29 July 2019**

**PRESENT:** Ian Orrell; Councillor Oldham (Deputy Chair); Councillors Bottwood, Golby, Marriott and T Eales

### **2. MINUTES**

The Minutes of the meeting held on 8 July 2019 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. STATEMENT OF ACCOUNTS 2017-18**

The Chair invited the Chief Finance Officer to address the Committee.

The Chief Finance Officer presented the Statement of Accounts 2017-18 report. He explained to Members that there has been a delay in presenting the accounts due to the accounts for 2016-17 not being concluded until January 2019. The Council has had to work to a rescheduled timeline for the production of the accounts and the external audit for 2017-18.

In response to Members, the Chief Finance Officer explained that the draft accounts for 2017-18 have not been changed materially and have been in circulation for some time.

### **RESOLVED:**

1. Noted that the delay in delivering these accounts relates to the time required to conclude the prior year's accounts. That the delay has not and does not impact on the funding and financial sustainability of the Council or its prime financial controls and governance.
2. Noted that whilst it is unusual to receive the final refined version at the meeting to formally sign off, it is permissible given the Committee has had visibility of prior versions and had the opportunity to consider the accounts overall.
3. Noted that the Council has received a further qualification on its Value for Money judgement, not the core Financial Statements / Accounts. This is due to the ongoing issues from the historic events around 'Sixfields'.
4. The Committee gave the Chair and/or Deputy Chair of the Committee and Chief Finance Officer (Section 151 Officer) authority to sign the 2017-18 Statement of Accounts on behalf of the Council, once agreed by the Auditor.

### **7. STATEMENT OF ACCOUNTS - KPMG REPORT/ISA260**

The Chair invited the External Auditor to present the Statement of Accounts – KPMG Report/ISA 260 for 2017/18

The Committee were presented with the External Audit ISA260 Report 2017/18 and the External Auditors report on the accounts. The External Auditor explained that he is content to sign off the Statement of Accounts subject to a few rounding errors. He continued that the 2016/17 external audit was a much harder audit. It was noted that if the report was signed off a year ago that External Auditors could have given the Council more of a steer in reference to recommendations made. The Council has made a lot of improvements on recommendations since then.

The External Auditor further explained that in reference to the Northampton Town Football Club loan, positive change has taken place since and the Council has spent a lot of money in pursuit of the £10 million that was lost. There remained actions outstanding on the Governance Action Plan as set out in the report at 31 March 2018.

In response to Members, the Chief Finance Officer stated that the Council continues to work on the recommendations as set out by the External Auditors. There has since been turnover of 4 teams including issues with LGSS and also issues pertaining to knowledge transfer. The Council continues committed to working at pace to ensure that the audit is completed and Statement of Accounts for 2018/19 signed off by December 2019 to meet the year-end. He further explained that heading towards Unitary status, the Council is working in close partnership with Daventry District Council and South Northamptonshire Council. The Chief Finance Officer thanked his teams and the Auditors for their work to produce the report.

**RESOLVED:**

1. The Committee considered the contents of the report and the information supplied by the external auditor KPMG at the meeting.
2. The ISA 260 report of the auditors, KPMG, was noted and the management responses in the recommendations contained within the ISA260 report was approved.

**8. STATEMENT OF ACCOUNTS 2018-19 (DRAFT)**

The Chair invited the Chief Finance Officer to address the Committee.

The Chief Finance Officer presented the draft Statement of Accounts 2018-19. He requested Members of the Committee to consider the draft Statement of Accounts for 2018-19 as outlined in the appendix and note the current position in relation to the Statutory Accounts preparation. The final draft Statement of Accounts will be presented for consideration and approval of the Audit Committee in September 2019.

In response to Members, the Chief Finance Officer explained that two-stage training will take place in late August/September for Members of the Committee to help Members interpret accounts in detail.

**RESOLVED:**

1. Accepts and notes the reports of the Chief Finance Officer on matters arising from the audit of the Draft Statement of Accounts 2017-18 and were satisfied with its contents in accordance with the requirements of Section 9 of the Accounts and Audit Regulations 2015.
2. Notes the draft Statement of Accounts for 2018-19 with reference to the Council's operations for the last year, prior to its review by External Audit.
3. Noted the delay in delivering these draft accounts relating to work to conclude the 2017-18 accounts.

The meeting concluded at 7:08 pm