

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 26 September 2011

PRESENT: Councillor Duncan (Chair); Councillor Patel (Deputy Chair); Councillors Meredith, Nunn, Oldham, Stone and Subbarayan

1. APOLOGIES

Apologies for absence were received from Councillors Beardsworth, and Gowen: Councillors Meredith, and Stone substituted respectively.

2. MINUTES

Subject to the amendments below, the Minutes of the meeting held on 25 July 2011 were confirmed and signed by the Chair as a true record;

The correction of Mr Bellamy's name in minute 13- External Audit Update and in the same minute, the first bullet point be amended to read "The Council's main focus....."; the second bullet point be amended to read "Accounts audit is on target....."; and the final bullet point be amended to read ".....Confirmation on plans to put the audits carried out by the Audit Commission out to competition...."

3. DEPUTATIONS / PUBLIC ADDRESSES

That Mr B. Hoare be granted leave to address the Committee in respect of item 12- Finance and Performance Report to July 2011.

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. CORPORATE DEBT- PROGRESS AND AGED DEBT ANALYSIS

The Head of Revenues and Benefits submitted a report that set out an analysis of debt and the age of debt across the Council and elaborated thereon. He noted that clean, younger and managed debt provided better income for the Council. The Council had recently signed an agreement with four firms of bailiffs who would work to strict guidelines and their performance judged against them. If there were problems with one company the Council could go to another. A debt had to go through the Council's internal processes for recovery and once all the recovery processes had been exhausted, it was then passed to the bailiffs. If it was not collected in a reasonable timescale the debt was referred back to the Council who would then decide how to proceed including potentially referring it to another collection agency, committal to prison, bankruptcy, a charging order or writing it off. The Council used to have an in-house debt collection service but it did not have the capacity to meet the number of cases or to collect it quickly enough. The Head of Revenues and Benefits emphasised that the Council's preferred course of action was to make an arrangement with the person concerned to collect the debt and that bailiffs were used as a last resort when all other avenues had been exhausted. He noted that for some types of debt, legislation

required that bailiffs were used before court action took place.

RESOLVED: That the analysis of debt, the corporate Debt Policy, fair debt principles, progress and practices/procedures detailed in the report, be noted.

7. DECENT HOMES RISK ASSESSMENT

The Director of Housing submitted a report that set out the Decent Homes risk assessment and elaborated thereon. The Director noted that Government confirmation of funding for 2013/14 and 2014/15 would be likely to come late on in the process and therefore alternatives for funding were being investigated if confirmation was not given. Some surveying work had been undertaken and related to works that were currently funded. At the moment £200,000 per annum was being spent on environmental works, mainly the provision of bin stores however it was planned to request Cabinet to approve a four year capital programme of £1m per year for more extensive works.

RESOLVED: That the report be noted.

8. INTERNAL AUDIT PROGRESS REPORT

The Internal Auditor submitted a report that set out progress made against the approved Internal Audit Plan for 2011/12, elaborated thereon and in particular drew attention to paragraph 3.1.3 and the void properties review (high risk) and the recruitment review (medium risk).

RESOLVED: That the report be received.

9. ANNUAL GOVERNANCE STATEMENT

The Head of Finance submitted a report that set out the Council's governance arrangements for 2010/11 and assessed how closely they aligned with best practice. He drew attention to paragraphs 6.1 and 6.2 that set out updates of significant control weaknesses identified in 2009/10 and 2010/11 respectively.

RESOLVED: That the Annual Governance Statement for 2010/11 be approved.

11. EXTERNAL AUDIT UPDATE AND ANNUAL GOVERNANCE REPORT 2010/11

The External Auditor submitted a report, that set out an update of the 2010/11 Statement of Accounts and presented the Annual Governance Report (ISA 260) for 2010/11 and elaborated thereon.

RESOLVED:

1. That the Annual Governance Report (ISA 260) from the Audit Commission be accepted and the adjustments to the accounts detailed therein be noted.
2. That the Section 151 Officer in consultation with the Chair be authorised to agree changes arising from the Annual Governance Report.
3. That the written representations set out in Appendix 3 of the Annual Governance Report (ISA260) be approved.

10. STATEMENT OF ACCOUNTS 2010/11

The Head of Finance submitted a report that presented the audited and amended Statement of Accounts for 2010/11, circulated revised Notes and noted that the format of the Statement complied with the new IRFS Regulations.

RESOLVED: That the Statement of Accounts set out in Appendix 1 of the report be approved subject to any changes arising from the consideration of the report by the External Auditor; agreement of these changes to be delegated to the Director of Finance and Support in consultation with the Chair of the Committee.

12. FINANCE AND PERFORMANCE REPORT TO JULY 2011

Mr B. Hoare asked the Committee to consider whether the report contained adequate information for internal and external stakeholders to assess the Council's financial and performance position. He noted that paragraph 3.2.1 reported exceptions but considered that people needed to be able to see the overall picture as well. He asked if future reports would include trend information as well.

The Director of Finance and Support commented that the report to Cabinet represented a move to a different style of reporting. Cabinet would receive quarterly exception reports but full financial reporting would be posted online monthly. This would be available to all Councillors and the public (via a hyperlink). Councillors would be able to challenge exceptions and risk. Online trend reporting could be considered if members wanted it.

The Head of Finance submitted a report that attached the Finance and Performance report submitted to Cabinet on 14 September 2011. The Director of Finance and Support commented that she would discuss any detailed issues with the Chair and these could be brought to the Committee if the Chair considered it appropriate.

RESOLVED: That the report be noted.

The Chair noted last this was his last meeting of the Committee and wished his successor, Councillor Patel, well for the future. Councillor Patel thanked the Chair for his time in that role.

The meeting concluded at 19.12 hours