

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 27 July 2015

PRESENT: Councillor Nunn (Chair); Councillor Golby (Deputy Chair); Councillors Kilbride, Marriott and Stone

1. APOLOGIES

Apologies were received from Councillor Chunga.

2. MINUTES

The Minutes of the meeting held on 15th June 2015 were confirmed and signed by the Chair as a true record.

3. DEPUTATIONS / PUBLIC ADDRESSES

Mr J Wishart addressed the Committee with regard to the de pedestrianisation of Abington Street. He considered the design of the scheme inadequate and suggested that there had been little attempt to consider alternatives and was directly opposed to modern planning.

He stated that, in his opinion, the consultation with the public was not carried out in a meaningful way but carried out using the Traffic Regulation Order Procedure. He further commented that in practise, he believed that there had been no genuine consultation and suggested that the majority of the public disagreed with the scheme but that their responses had been ignored.

The auditor made significant comments on the objection which will greatly improve the implementation of any future scheme. He recognised that for key decisions the Borough's consultation exercise and the devising of a rationale should be improved. He recommended that:-

1. For major decisions, details of the consultations that had been carried out must be available when the decision is to be taken.
2. The data for such consultations shall be carefully assessed while the design is still at a formative stage.
3. The justification for a scheme should be comprehensively reported on early on the preparation process and explained so the public can understand the reasoning behind it.

The Borough had accepted the recommendations and he looked forward to seeing the advice incorporated in the Borough's procedures.

Councillor Stone thanked Mr Wishart for his address and considered it important that members of the public took a close interest in the workings of the Borough. They always wanted public engagement and thanked him for the work undertaken.

The Chair thanked Mr Wishart for his address to the Committee.

4. DECLARATIONS OF INTEREST

Councillor Killbride declared an interest as a member of the Northampton Partnership

Homes Board.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

6. CORPORATE PERFORMANCE OUTTURN 2014-15

The Borough Secretary presented the Corporate Performance Outturn report and confirmed that the data was collected on a monthly, quarterly or annual basis and formed the basis of our performance monitoring process. He confirmed that 69.6% of the corporate plan priorities had met their targets and 33% had fallen outside their targets. The services considered what should be monitored and what the corporate indicators were.

In response to a question from Councillor Gowen, the Borough Secretary confirmed that he would obtain the figures for the Number of affordable homes delivered for the 2014/2015 outturn and report back to the Committee.

Councillor Stone commented that they had been told that incidences of violent crime had decreased although the report had suggested the opposite.

The Borough Secretary confirmed that it was difficult to compare to other Local Authorities as each authority had its own measures and they were unable to compare like for like although there could be scope for individual indicators.

There was a discussion on how the targets were recorded and a concern that the report was four months out of date.

The Borough Secretary confirmed that the report was presented to the Executive first before the Committee had it and then to Audit for consideration. He confirmed that he would append the Cabinet minutes to the report so they could see what issues had been raised.

Areas which had been highlighted were:-

- Sickness and absences
- Footfall in town
- Violent crime
- Number of affordable homes delivered
- No of households living in temporary accommodation
- No of people sleeping rough

It was acknowledged that more information was required on the areas raised and would like the report to come with assurances on exceptional items or flagged with notes.

RESOLVED:

1. The Borough Secretary to obtain the figures for the Number of affordable homes delivered for the 2014/2015 outturn and report back to the Committee.
2. The Borough Secretary to append the minutes from the Cabinet meeting to the report.

7. THE COUNCIL'S PROCUREMENT PROCESS

The Chief Finance Officer presented the report and elaborated thereon. He confirmed that the report provided an overview of the procurement process for the Council. The processes met the EU and UK legislation and the Council's Constitution included contract procedure, rules and delegation processes. Guidance and procedure notes had to be adhered to. The report included a table which showed the purchasing behaviours at various thresholds and at a certain level, EU tendering directives applied. At present the EU legislation had been updated and they were in the process of implementing. This would be presented to Council for approval if required updating.

They would hold training sessions for Councillors to raise awareness and give assurance that robust procedures were in place. For example the implementation of the Accounts system Agresso. The tendering process cost was in excess of the EU rules and was carried out in accordance with process procedure rules. LGSS had just completed a similar tendering exercise and had selected Agresso as their secure financial system. He requested that members investigated the web links in the report and there would be a training session before the next meeting.

Councillor Stone commented that she was interested in the level of procurement value for money.

The Chief Finance Officer confirmed that the training would explore that the best value and ensure the local economy was engaged with.

RESOLVED: That the report be noted.

8. FINANCIAL OUTTURN 2014/15

The Chief Finance Officer presented the report and elaborated thereon. He confirmed that there was an underspend on the General Fund and the table in the report showed how this was allocated across different areas and considered they were in a better financial position. The underspend on the Housing Revenue account had been reinvested. They expected Government funding to be cut again and they only spent when they had to and were prudent in spending. The Councils had been asked to use reserves but the Government had no powers to claw back any unspent funds. They reviewed the funds on a regular basis and managed the risks faced.

In response to a question, The Chief Finance Officer confirmed that the underspend of £440,000 for Environmental Services would get reinstated back into that area.

It was requested that more information be provided on the £440,000 clawback and background detail be provided.

In response to a question from Councillor Golby, the Chief Finance Officer confirmed that S106 and developer contribution monies received from the developer would factor in the Capital Programme.

RESOLVED: The Chief Finance Officer to provide the background information on the underspend of £440,000 in Environmental Services.

9. DRAFT STATEMENT OF ACCOUNTS 2014/15

The Chair confirmed that the Statement of Accounts 2014/2015 would be approved in September and the Committee should take a further detailed read of the report.

RESOLVED: That the report be noted and reviewed in the September meeting.

10. EXTERNAL AUDIT UPDATE

Dan Haywood from KPMG addressed the Committee and confirmed that the Accounts would be approved at the September meeting. They had completed the onsite work which had gone smoothly and would provide an opinion in September.

RESOLVED: That the update be noted.

11. INTERNAL AUDIT UPDATE

Chris Dickens of PwC addressed the Committee with the Draft Internal Audit Risk Assessment and Plan and elaborated thereon. He recognised that there was still a need to complete the consultation process but was seeking approval from the Committee in order to have the remit to proceed. The Plan is based on delivering around 200 days at an estimated cost of £81000 which represented a reduction on previous years. Changes or amendments to the plan would be reported to the committee along with any significant changes in days or expected cost. PwC expect to complete sufficient work to enable them to provide an assurance opinion to the Council. It was explained that other sources of assurance came from LGSS, external inspections and external audit work.

The Annual plan in section 4 was condensed although areas would expand as work was scoped and the work plan was focussed on key risks facing the council. They recognised that Governance and Risk was a priority and proposed to conduct an assurance mapping workshop as part of the work in this area.

The LGSS contract would be reviewed to ensure it was being effectively managed and to identify if there were gaps in key risk areas and whether expected benefits were being realised. The review of Section 151 arrangements would be completed and reported on.

In response to a question from Councillor Stone, C. Dickens confirmed that all types of risk were considered in the audit plan and not just financial risk.

Members suggested that the Environment contract should be subject to further review in light of earlier discussions.

The Chair suggested more involvement in developing the audit plan and suggested putting together a Cross Party Working Group to shape where it would go and understand what had been done already. This would follow discussion of the plan with Management Board.

It was agreed that Councillors Nunn and Golby be on the Working Group, which was open to all Members of NBC to ensure further assistance be offered to the Committee.

RESOLVED: Councillors Nunn and Golby to form a Working Group to meet in August to discuss financial or operational risk areas to be worked on.

The meeting concluded at 7.20pm