

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 21 September 2009

PRESENT: Councillor De Cruz (Deputy Chair, in the Chair); Councillors Hawkins (for Collins), Lill, Mildren, Palethorpe and Yates

1. APOLOGIES

Apologies were received from Councillors Collins and Davies.

2. MINUTES

The minutes of the meeting held on 22nd June 2009 were 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. AUDIT COMMISSION FEES

The Committee welcomed the Audit Commission as the new External Auditors to the meeting.

The External Auditor (Audit Commission) submitted a report setting out the Audit Commission fees and elaborated thereon. He confirmed that the fees in appendix 1 were in relation to the assistance and inspection work carried out and was a standard fee, 50% of which was CLG grant funded. Appendix 2 set out the fees for 09/10 and the Use of Resources of work conducted by KPMG.

The Director of Support and Finance added that the Audit Commission had taken the view that as the Council had been subject to many inspections over recent years, it should be given a chance to implement the systems for improvement before another inspection was carried out.

In response to a question, the External Auditor confirmed that the scale fee was calculated on the size, complexity and risk profile of the Council. This Council was considered a large district and the risk profile reflects the financial position of the Council at present. The 55% increase referred to in the report was an increase in scale fees not an increase in costs. The fees had to reflect the work carried out and the calculation was based on the year 07/08 as a reference point. There would be a more detailed Audit Plan next year once the accounts had been reviewed.

Councillor Hawkins confirmed that all budgets were under scrutiny and it was important to have good housekeeping at this level.

Resolved: That the report be noted.

7. THE 2008/09 STATEMENT OF ACCOUNTS

This item also included item 9.

The Director of Finance and Support submitted a report and elaborated thereon.

The External Auditor (KPMG) confirmed that the report showed the findings of two key elements firstly an assessment of how the Local Authority used its resources and secondly that the Audit Core Financial Statement was a fair and true view of the Authority. Out of a scale of 1 – 4, 1 being the minimum and 4 exceptional, the Council had scored 2, which met the standards. The Use of Resource Assessment was harder than last year but the Council had improved on their position and maintained a score 2. There was still room for improvement and if the recommendations were implemented then the Council would be working towards the 3 standard. The purpose of the Core Financial Statement was to ensure the Authority gave a true and fair opinion of it's accounts which it did. The basis of the accounts were stable but areas could still be improved on included bad debts. The level of the bad debt needed to be reviewed as in the current economic climate the situation could change very quickly people found it harder to repay their debts.

Councillor Palethorpe confirmed that recommendations needed to be implemented and target dates set to try and obtain the level 3 standard.

Other questions were asked of the External Auditors and the responses given concerning the definition of trifling and non-trifling.

Councillor Yates extended his gratitude to the Finance Department for their hard work and hoped to achieve the level 3 standard next year.

In response to a question, the Director of Finance and Support confirmed that the recommendation of clearing unallocated cash within 3 months was deliverable now that new systems were in place.

Resolved:

- 1) That the opinion of KPMG of the 2008/09 accounts be noted.**
- 2) That Cabinet be informed that the Committee does not wish to bring to their attention any concerns in respect of the 2008/09 Statement of Accounts.**

8. THE ANNUAL GOVERNANCE STATEMENT

The Director of Support and Finance submitted a report appending Annual Governance Statement and no significant matters of concern were highlighted.

Resolved: That the report be noted.

9. EXTERNAL AUDIT (KPMG) REPORT

This Item was discussed in item 7.

The Committee thanked KPMG for their support and hard work with the Council.

The meeting concluded at 18.45