

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Thursday, 22 October 2009

PRESENT: Councillor Collins (Chair); Councillors Davies, Mildren, Palethorpe and Yates and Garlick (for De Cruz)

1. APOLOGIES

Apologies were received from Councillors De Cruz and J. Lill.

2. MINUTES

The minutes of the meeting held on 21st September 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. RISK AND BUSINESS CONTINUITY UPDATES

The Director of Finance and Support submitted a report which provided the Risk Management update and elaborated thereon. The Management Board had reviewed the quarterly risk register in September and a copy of the register was attached in the appendix. She had attended a corporate workshop for the Heads of Service and Directors so that they understood their responsibilities. Good progress had been made with implementing the procedure and the Council had 25 risk co-ordinators in the organisation. The people in each service area worked with the Council's Service Plan process to identify risks and service objectives.

The Business Continuity Plan would be approved by Management Board on 5th November 2009. In an emergency situation people would know where and how to provide resources.

In response to a question from Councillor Perkins, the Director of Finance and Support confirmed that she would check that the implementation of software was included on the risk register.

In response to a further question from Councillor Palethorpe, the Director of Finance and Support advised that the Plan would follow a roll out sequence where Heads of Service and Directors would be trained first followed by Councillors.

Resolved:-

1. That the implementation of software be included on the risk register.
2. Progress in risk and business continuity management across the authority is

noted.

3. That the Risk Register be noted.

7. FORMER TENANT ARREARS

The Director of Finance and Support submitted a report and confirmed that a new policy which would incorporate corporate debt and other debt was overdue.

There had been an issue with the IBS system and data cleansing on older debt which is time consuming. During the last financial year £590,000 had been written off; and to date in the region of £80,000 had been written off in this financial year. Policies and procedures would be put in place to speed up write offs and assist in debt prevention.

The Head of Revenues and Benefits advised that when tenants were overdue with their rent an invoice would be sent to them first and then followed up. If the tenant was a vulnerable person then the debt may not be recovered; if there were three debts relating to the same tenant a decision would be made on which debt was recovered first. A new team worked at recovering debt across the Authority.

In response to a question from Councillor Yates, the Head of Revenues and Benefits confirmed that if a tenant moved out and had rent arrears and then reapplied from a different address, then the officer would search for any debt owed to the Authority and recover as appropriate. The Head of Landlord Services confirmed that a new process was being consulted upon that would have pictures and National Insurance numbers of all tenants which would provide a reliable check. This would be implemented from January/February 2010.

The Head of Landlord Services confirmed that the economic downturn may not have affected the tenants or not have fed into the arrears as yet as the current tenancy debt is £200,000, which was a decrease from last year. It was explained that some tenants did not work so it may not have had an effect on them. In response to a question from Councillor Yates, it was confirmed they were working with the tenants who had older debt and liaised with the benefits department and recovery. They did not want to increase tenant's debt. Usually small amounts were paid over a long-term basis.

If a tenant moved to a different part of the country, there was a networking system in place but not all Authorities were signed up to it and therefore tracing of debtors by this means is not effective. To recover debts, collection agencies were used however all efforts were made to stop the debt occurring in the first place and work to minimise debt was progressing well.

The External Auditor commented that he was encouraged to see that the Council had analysed and understood the processes of debt recovery.

The Director of Finance and Support advised that high provision were made for all debts in case it was necessary to write debt off following all means to collect the debt via all available means.

Councillor Yates asked if we have a current write off policy. The Head of Revenues and Benefits confirmed that this was the case, however he noted that no Equalities Impact assessment had been completed and that the write off policy needs combining with a fair debt/corporate debt policy. The Director of Finance and Support confirmed the three policies would be merged to form one document.

In response to a question from Councillor Collins, the Head of Revenues and Benefits confirmed that although data cleansing was time consuming for the small team it would be

manageable once the backlog had been cleared. Work would be undertaken to speed up the process of data cleansing by creating a single view of debtor. This would be done by taking data extracts from all of the Councils systems and having them amalgamated into a single list. This will aid data cleansing alongside helping to inform on the creation of the new policies and procedures.

Resolved:

- 1. That a report be submitted on the write offs completed for 2009/10 as per the current write off procedure.**
- 2. That the Director of Finance and ICT confirms the date of the above report.**

8. STRATEGIC BUSINESS REVIEW

The Director of Finance and Support provided a verbal update on the Strategic Business Review and elaborated thereon. A report to Cabinet would be made on Waste Services and Street Scene, Leisure review, Review of Assets and the ICT function. She confirmed the following updates: -

1. Waste Services and Street Scene was progressing and there was a potential for external partnership working.
2. The Leisure review was under way, working Northamptonshire County Council and there was no update at present.
3. The Terms of Reference had been drawn up for the Review of Assets which had included the following: -
 - a. Deliver of the property service ensuring it was efficient and cost effective.
 - b. Facilities Management – this included the day to day running of Council offices had the most appropriate cost effective arrangement in place.
 - c. Office Accommodation –reviewing the closure of the Cliftonville Offices by 31st March 2010.
 - d. Strategic use of assets – there were a variety of assets in mixed condition and assets in a bad condition and income generating potential.
4. ICT Function –In-house at present but had reviewed other ways to provide this service including working partnership with other people.

Some regional funding had been attracted and partnership with the Police and Northants Fire Services was taking place to develop the One Stop Shop. This funding would also be used to employ project managers to assist with the reviews. Further updates would be provided as the process went on.

In response to a question from Councillor Davies, the Director of Finance and Support confirmed there was a mitigated risk in moving out of the Cliftonville Offices but the risk was simple as it was owned by the Council however, the IT department was a bigger risk to move because of the communication and networks out of the building. The ICT and Assets review would be linked and would develop new ways of working for example, desk sharing or home working. It was critical to the working of the Authority that this move was successful but a review had to be carried out in terms of the spare capacity at the Guildhall and Westbridge Depot accommodate the staff at Cliftonville before timescales could be considered. A recommendation would be made to Cabinet.

Councillor Palethorpe queried if the Strategic Business Review information would be in the budget using the information for savings and expenditure. The Director of Finance and Support advised that the business case and profile would be expected however, she needed to be confident of the figures otherwise a 'reserve' or 'provision' would have to be made. She advised that in last year's budget there was some uncertainty and a provision was

made for a debt financing reserve which would be used this year. Directors would have to put forward robust proposals which would be challenged by the Finance Department.

9. IBS PROJECT

The Head of Housing Strategy provided a verbal update on the implementation and functionality of the IBS OPEN Housing IT system. The first stage report had just been completed which had highlighted some system or operational problems. A report would be presented to Cabinet on 25th November 2009 which would provide an update on its progress to date. The report concluded that that the IBS was a sound system and that GSO was fit for purpose. The consultants, Sovereign PLC, tested the system to ensure it could do what was required and how it could be implemented. They concluded that it was resilient.

The Head of Housing Strategy confirmed that the IBS system was able to work with Agresso and DSO systems and there could be significant benefits gained from this. The report to Cabinet would advise that the implementation of the system was under resourced and additional capital resources were required to install it by 2010.

In response to a question from Councillor Mildren, the Head of Housing Strategy confirmed the final figure for capital resources was still being reviewed. A team working full time to implement the system and dealt with the backlog was requested. The Housing and Rents module was better than other Local Authorities; it would ensure the same problems faced by other Councils would be avoided.

Councillor Perkins confirmed this was a good result for the Audit Committee and a vision of what was achievable was needed so that mistakes were not repeated.

The External Auditor raised concerns of the time taken and the cost to date of the software and the Head of Housing Strategy advised that they needed to resource the project properly. The vision for the housing service in 2010 is for the project to do what was needed and would undergo tested environments as part of that exercise.

10. PLANNING APPLICATIONS

The Head of Planning submitted a report on the implementation of the findings and recommendations of the Planning Applications Review and elaborated thereon. She confirmed that a new permanent Development Control Manager had been appointed and had made a significant difference to their performance and continuity. In 2007 the department had a large number of interim managers which had resulted in some destabilisation of the team.

Cabinet had approved a grant to update the computer systems but this had proved more challenging than anticipated. The old system was so out of date they had had to implement an interim system before receiving the final updated version. A number of issues had had to be corrected and work was still ongoing to check the system. All risks were reinstated back into the system and are valid until the fast plan is implemented whereas the appeals will be installed within the next two months and at the end of the year will be monitored. A review of the report will be at the next Audit Committee to establish the minimum risk areas.

A discussion followed concerning the medium and low risk areas set out in the report.

The Director of Finance and Support advised that the 2007/08 reports were out of date and requested that the External Auditor liaise with the Head of Planning to close off old reports.

Resolved: That the report be noted.

11. DATA PROTECTION AND FOI

The Borough Solicitor submitted a report on the Data Protection and Freedom of Information update and elaborated thereon. She confirmed that the Freedom of Information aspect had been largely dealt with and the report related to data protection. She confirmed that the Management Board action plan had been revised and updated but further progress was required before it could be signed off.

Concern was expressed in the delay in implementing the Internal Auditor's recommendations. The Borough Solicitor confirmed that the Data Protection policy needed to be updated. This was in progress but was time consuming and there had been delays due to a lack of resources. The team comprised of one full time officer and a part time officer and the FOI requests had increased last year by more than 50% which were the priority. The full time officer had been on sick leave for four months so the work had been under resourced. A new officer had been appointed but he had only recently started work on the policy and when that was updated then the other points would be dealt with.

The Borough Solicitor confirmed that the new system would speed up the processing of FOI records. It was hoped that the policy would be produced by the end of November 2009.

Councillor Palethorpe commented that the officers had set their own target dates. In the Performance Challenge meetings the dates could be amended together with an explanation of why. Circumstances would be taken into account and pressures could be relieved.

The Director of Finance and Support advised for the Internal Auditor to liaise with the Borough Solicitor to amend the timescales. The Audit recommendations should be categorised with critical or high risks focused on more quickly. If the recommendation was critical then it had to be delivered as there was a risk to the Local Authority to be considered.

Councillor Garlick commented that if recommendations could not be delivered then the officers should advise the Audit Committee.

Councillor Collins queried point 9 of the appendix concerning the reviews that departments were retaining documents for an adequate period of time. The Borough Solicitor advised that the same two officers were responsible for this procedure and needed the policy in place before commencing work on this.

The Internal Auditor commented that there was a new Documentation Protection Policy in place which made the department heads responsible for this procedure and there would be clear guidance for every document.

Resolved: The Action Plan be noted.

12. INTERNAL AUDIT UPDATE

The Internal Auditor submitted a report summarising the progress made against the approved internal audit and elaborated thereon. He advised this was the final report since the last meeting and all recommendations would be made to Team Central.

There were encouraging signs of improvement and the Audit Plan would be reviews next year.

Resolved: That the report be received.

It was agreed that the following reports would be discussed at the next meeting: -

1. Housing Rents
2. Fuel Management.

The meeting concluded at 19.40