

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Monday, 27 September 2010

PRESENT: Councillor Woods (Chair); Councillor Collins (Deputy Chair); Councillors Davies, Hawkins, Lill, Palethorpe, Wilson and Yates

1. APOLOGIES

None

2. MINUTES

The minutes of the last meeting held on 26th July 2010 were agreed 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. THE IMPACT OF THE CLOSURE OF HOUSING OFFICES

The Housing Services Manager submitted a report and elaborated thereon. The Committee were informed that since the closure of the Housing Offices, alternatives had been offered which included payments at available paypoints, via the Council's website and the availability of 4 dates for which to pay by direct debit. He further explained that the total rent arrears at the end of August 2010 was at its lowest level against available records from April 2003. A recent survey of those tenants in arrears found that 74% were very or fairly satisfied with the methods of payments available, with just 3% fairly or very dissatisfied. Cllr Hawkins questioned the opinions of the remaining figure of 23% and was informed that they had responded by being 'neither satisfied, nor dissatisfied'.

Cllr Hawkins further went on to say that people within her ward, especially those of an older generation, missed the staff that they used to come and that the service had become too impersonal and had resulted in a loss of community and engagement. In response, the Housing Services Manager confirmed that the number of Rent Income Officers had remained the same and therefore still involved in the community.

Cllr Perkins asked if the information gathered could determine why and how people had become in arrear. The Housing Services Manager commented that a number of different ways had been employed to reduce the amount of people in arrears and that information was being built up regarding the tenant base with the aim of reducing those in rent arrears.

Resolved:

1. That the report be noted
2. That there were no identifiable issues around the collection of rent that could be attributed to the closure of the Cash offices.

7. ANNUAL GOVERNANCE STATEMENT

The Head of Finance submitted a report and explained that 3 insertions into the Annual Governance Statement had been made in order to address questions and information that was requested at the Audit Committee held in June. The Director of Finance and Support, in response to a question asked by Cllr Hawkins explained that the dashboard exception report was a replacement of the Budget Monitoring report and the Finance Monitoring Dashboard Report appeared on most Cabinet Agendas.

The Chair addressed the Committee informing them that the report had been brought before them in June and that it had been brought back to the Audit Committee following requests for further clarification and information to be supplied, which had been done.

With regards to section 3.4.2 of the report entitled Scrutiny Functions, Cllr Hawkins asked if there was a protocol of how the Portfolio Holder communicates with the Ward Councillors. The Chair confirmed that there wasn't a protocol and it was the duty of the Ward Councillors to request information off the relevant Portfolio Holder and if necessary she should refer her request for one to the Constitution Working Party. Cllr Palethorpe reported that there were sufficient means of safeguarding and governance in driving forward performances in services.

Resolved:

That the Audit Committee approves the Annual Governance Statement for its inclusion in the 2009/10 Statement of Accounts.

8. STATEMENT OF ACCOUNTS

The Head of Finance and the External Auditor submitted their report to present the outcome of the 2009/10 annual audit. The External Auditor commented to Members that the working papers to support the accounts were of a good standard and that Officers responded promptly to audit questions and requests for additional information. It was reported that the Audit Committee approved the draft Statement of Accounts for 2009/10 at the meeting held on 28th June 2010. Since then, the accounts had been open to public inspection and had been audited by the Council's external Auditors. During this time, the public had raised no issues and a letter of representation had been requested.

Two items had been identified by the auditors, which had not been adjusted in the accounts. It was noted that one of the errors was a £623K of unallocated cash at 31st March 2010 of which £591K had subsequently been allocated to debtor balances. Given that the outstanding cash was below the materiality level Auditors would not recommend paying it back to debtors but noted that it had to be reported. There was also a balance of £90K on the Council's Payzone bank account on 31st March 2010, which had been excluded from the cash balance, as it had not been posted into the Council's main bank account until 1st April 2010.

Four recommendations had been included in the Financial Statement of Northampton Borough Council. The Chair confirmed that it would be necessary to tighten the systems to ensure that fewer cheque amounts occur. The Director of Finance and Support reported that they were currently looking at developing an automated system in order to reduce unallocated cash and reduce the risk of over statement of debtor balances in the future.

The Chair asked whether the statement issued the unqualified conclusion by the Auditors that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources, could be improved. However, it was reported that the

conclusion reached would always be produced as either adequate or inadequate.

Resolved:

- 1. That the Audit Committee accepted the Annual Governance Report (ISA 260) (Appendix 1) of the Audit Commission and approved the adjustments to the accounts detailed therein.**
- 2. That the Audit Committee approved the Council's Letter of Representation.**

9. INTERNAL AUDIT PROGRESS REPORT 2010/11

The Senior Manager (Pricewaterhouse Coopers) submitted a report, which provided the Committee with a summary of the progress made against the approved internal audit plan. It was reported that no new issues had been identified and this would be continually monitored.

Cllr Wilson requested confirmation as to where the draft report went. Cllr Wilson was informed that the final report would go to Audit Committee and if any problems arose from that then officers would be suitably questioned.

Under Planned Activity (Strategic – Performance assurance) Anti fraud and corruption it was reported that there was a protocol for senior staff for fraud training, which included training offered for both Officers and Members and that the Monitoring Officer would re-examine the training programme for anti fraud.

Resolved:

That the report be received.

10. EXCLUSION OF PUBLIC AND PRESS

The Chair moved that the Public and Press be excluded from the remainder of the meeting on the grounds that there was likely to be disclosure to them of such categories of exempt information as defined by Section 100(1) of the Local Government Act 1972 as listed against such items of business by reference to the appropriate paragraph of Schedule 12A to such Act.

The Motion was Carried.

The meeting concluded at 19.32