

**NORTHAMPTON BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**Tuesday, 27 May 2008**

**PRESENT:** Councillor Perkins (Chair); Councillors Davies and Lill

**1. APOLOGIES**

Apologies for absence were received from Councillors Hawkins, Tavener and Yates.

**2. MINUTES OF THE MEETING HELD ON 26 FEBRUARY 2008 AND 30 APRIL 2008**

Minutes of the meeting held on 26 February and Special meeting on 30 April 2008 were agreed and signed.

**3. DEPUTATIONS / PUBLIC ADDRESSES**

**RESOLVED:** That D Brett External Audit, (KPMG), be granted leave to address the Committee in respect of Item 6 'External Audit Update'.

**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. EXTERNAL AUDIT UPDATE**

**(A) KPMG EXTERNAL AUDIT UPDATE**

D Brett, External Auditor (KPMG) presented the report stating that they were in the process of drafting their interim report. They had not identified any major issues at this stage. The Authority was making progress although some weaknesses remained.

External Audit would be involved with the Audit Commission's Annual Audit and Inspection Plan for 2008/09. They had identified six key risk areas, none of which were unexpected. It was noted their work on data quality would take place during June.

**RESOLVED:** That the update be noted.

## **7. INTERNAL AUDIT UPDATE**

### **(A) INTERNAL AUDIT ANNUAL REPORT**

Internal Audit presented the report stating that it summarised the findings of their work for 2007/08. At present it was at the draft stage. The report was a key element of the assurance framework required to inform the Annual Governance Statement.

The purpose was to provide an opinion on the overall adequacy and effectiveness of the Council's risk management, control and governance process.

Out of the audits carried out there were four areas where no assurance was provided. Actions plans were in place to address key issues.

**RESOLVED: That the report be noted.**

### **(B) INTERNAL AUDIT PROGRESS REPORT**

Internal Audit presented the report stating that it summarised the progress on the internal audit plan.

A number of reports were in the draft stage and were awaiting management response. The report on Housing System implementation; Communications and Citizens Engagement; and Contracts and Legal Services had been finalised with a limited assurance opinion. The report on Westbridge Capital Voids had also been finalised with the opinion of no assurance.

It was noted that they had launched Team Central and a demonstration to corporate managers had been carried out. It was noted that this was a positive tool enabling effective management of the audit recommendations. It would help produce specific reports and highlight any recommendations not meeting target deadlines. Reports highlighting key issues would also be brought to the Audit Committee. The Committee could look at inviting Corporate Managers to explain the actions being taken to address the key issues. It was noted that there was a tight process in place before any recommendations were closed as completed. The 2008/09 plan was also launched at this meeting.

The Committee requested that a report on Debtors, Fixed Assets and Westbridge Capital Voids should be brought to future meetings of Audit Committee. It was requested that the report on Debtors be brought to the next meeting of the Committee, after the special meeting on the accounts in June.

The Committee noted that the Internal Audit self-assessment had now been completed and that a report a would be brought to the next meeting.

- ACTION:**
- 1. That a report on Fixed Assets and Westbridge Capital Voids be brought to a future meeting on this Committee.**
  - 2. That a report on debtors be brought to the next meeting of this Committee (post the special meeting in June).**

**RESOLVED: That the report be noted.**

### **(C) CAPITAL PROGRAMME LIST**

It was noted that the Audit Committee had previously agreed to have a report on revenue and capital projects. They had already looked at a revenue project, namely the 'Balloon Festival'. The report circulated to the Committee provided a list of current capital projects and the Committee needed to decide which project they wished to receive a report.

The Committee showed interest to receive reports on the IT Network Replacement, as it affected a number of people across the Council, and the Decent Homes and Poor Condition Improvement Contract 2008/2011 as it linked into both HRA and General Fund.

It was suggested that the Committee receive a report on the IT Network Replacement project at the September meeting and a report on Decent Homes Standards at a future meeting. It was noted that there were two strands to the Decent Home project, the actual delivery of the capital project; and the Council meeting the Decent Homes standard.

- ACTION:**
- 3. That a report on IT Replacement Network project be brought to the September 2008 meeting.**
  - 4. That a report on Decent Homes and Poor Condition Improvement Contract 2008-2011 be brought to a future meeting of the Committee.**

**RESOLVED:** That the Committee receive reports on the IT Replacement Network and Decent Homes and Poor Condition Improvement Contract 2008-2011 capital projects.

### **(D) INTERNAL AUDIT FINAL REPORT REVIEW**

Internal Audit presented the report stating that it was an opportunity for the Committee to review final audit reports from the 2007/08 audit plan. He gave a brief summary on the Non Domestic Rates (NNDR) and Council Tax reports.

It was noted that high assurance was given on the NNDR review and limited assurance was given on the Council Tax. Council Tax received limited assurance, as some areas did not provide enough evidence that proper systems were put in place. The Committee noted that a number of issues had been address positively however they were undermined by the issues from the previous years.

The Committee had a discussion on the writing-off and provision of debtors. The Director of Finance reported that substantial activity had been taken place in relation to writing-off of debt and the final figures would be confirmed when the accounts were finalised.

**RESOLVED:** That the report be noted.

## **8. 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.

## **9. PRIVATE MINUTES OF THE SPECIAL MEETING HELD ON 30 APRIL 2008**

Private minutes of the special meeting on 30 April 2008 were agreed and signed.

### **Any Other Business**

The Committee agreed that since the next meeting on 24 June 08 would focus on the Statement of Accounts the Committee should have a pre meeting at 17:00.

The meeting concluded at 18:55