

# NORTHAMPTON BOROUGH COUNCIL

## AUDIT COMMITTEE

Monday, 17 May 2010

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

### 1. APOLOGIES

Apologies were received from Councillor De Cruz.

### 2. MINUTES

The minutes of the last meeting held on 22<sup>nd</sup> March 2010 were agreed as a true record with the following amendment: -

Item 8 – Councillor Woods understood that the Council now only invested money with UK banks which provided a UK Government Guarantee to be replaced with: -

*In response to a question from Councillor woods the Finance Manager confirmed that the security of the investment capital was a fundamental driver above liquidity and return.*

### 3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

### 4. DECLARATIONS OF INTEREST

There were none.

### 5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES

There were none.

### 6. SERVICE AREA RISK REGISTER REVIEW

The Director of Finance and Support submitted a report and explained that at the previous Audit Meeting held on the 22<sup>nd</sup> March 2010, the Committee had requested that each service area risk register be routinely brought before the Committee for review. The Head of Revenues and Benefits outlined the five areas of risk management across the authority which were; strategic, service, project, partnership and operational. Members were asked to highlight any issues or improvements that could be made to the register with particular regards being given to the contents of the report rather than the aesthetics.

Cllr Meredith requested further information about the increased number of people who were struggling to pay their Council Tax in the current economic climate and what was being done in order to offer assistance to those affected. The Head of Revenues and Benefits explained that this issue would be discussed further in Agenda Item 9.

Cllr Palethorpe welcomed the report.

**Resolved: That the report be noted**

## **7. REPORT REQUESTED AT LAST COMMITTEE MEETING - UNICLASS**

The Head of Landlord Services submitted a report, which outlined and explained that the Internal Audit Report 2009/10 into Creditors had found 10 medium risk weakness and 2 low risk weaknesses. It had been identified that the majority of weaknesses related to the Uniclass repairs system. Old systems were being phased out and would be replaced by IBS due to go live in July 2010, and to be fully functional in September 2010.

It was noted that actions had been put in place to balance out any gaps and the implementation of IBS would reduce the risks associated with the transfer between systems. Further work would also take place with the implementation of IBS to build in additional controls.

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

## **8. DEBTORS REPORT**

The Head of Revenues and Benefits submitted a joint report, prepared with the Exchequer Services Team leader, which related to an internal audit of the debtors systems and procedures. The Corporate Debt Recovery Team was responsible for the recovery of all overdue debt across the Council. Furthermore, it was noted that the Debt Recovery Team had started to liaise with all service Departments that would ensure that income collection and debt avoidance would be incorporated across the Council.

Following audit recommendations a form had been compiled for the authorisation to raise an invoice. Feedback was requested with regards to the levels of debt that would require an authorisation form to be completed. For relatively small invoices to be raised and the necessity to have an authorised signatory, an accumulation and subsequent backlog of work would be detrimental to the system and would cause delay.

It was noted that this would be an interim solution and further discussions would take place at the future project board meeting. 'Spot checks' would be needed to measure the effectiveness of the debt recovery.

It was suggested that only invoices above £10,000 should require authorisation.

**Resolved: That the Invoice Request Form be used when raising an invoice of more than £10,000**

## **9. CORPORATE DEBT POLICY**

The Head of Revenues and Benefits submitted a report, which outlined the Corporate Debt Policy. It was noted that the policy had been created in order to formalise statutory requirements and Best Practice across the Council. As best practise the Citizens Advice Bureau (CAB) and Community Law services have been asked to comment on the policy. A further meeting to discuss the fair and equitable collection of debt with an emphasis on debt avoidance was to be held with the CAB and other welfare agencies.

The Revenues and Benefit were committed to recovering older debt, but that recovery was hard to achieve in these cases. Steps had been taken to actively pursue all debts; particularly by those that could pay rather than those who could not. In respect of Housing Benefit Fraud there was also a low level of recovery despite a robust approach.

Cllr Meredith commented that he had been made aware of a number of council owned properties that had been left by previous tenants in a state of disrepair. The Head of Finance informed the Committee that a report was due to go to Cabinet on this.

**Resolved: That the report be received and a policy be commended to Cabinet.**

#### **10. FRAUD PERFORMANCE UPDATE**

The Head of Revenues and Benefits submitted a report, on reviewing performance on fraud and error during 2009/2010. He noted that anti fraud investigations continued to work well. Last year 91 sanctions had been put in place. Some of these related to prosecution, some to formal cautions and others to administrative penalties. It was commented that all cautions remained on record for a period of two years and could lead to harsher penalties for repeat offenders.

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

#### **11. INTERNAL AUDIT - 2009/10 ANNUAL REPORT**

The Internal Auditor submitted the Internal Audit Annual report and elaborated thereon. It was noted that there had been significant improvements in a number of areas. Some issues had been identified with creditors and debtors.

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

#### **12. EXTERNAL AUDIT (A) REPORT ON 2010/11 FEES (B) PROGRESS REPORT**

Mr Neil Bellamy of the 'Audit Commission' presented the Annual Fee letter.

**Resolved: That the contents of the Annual Fee letter be noted.**

#### **12B. THE AUDIT COMMISSION'S PROGRESS REPORT**

The Audit Commission submitted their progress report.

**Resolved: that the report be noted**

#### **13. 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 7.40pm