



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMPTON BOROUGH COUNCIL

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2016 issued on 28 September 2016 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of the Authority and the Group as at 31 March 2016 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Issue of a qualified value for money conclusion

In our audit report for the year ended 31 March 2016 issued on 28 September 2016 we reported a qualified value for money conclusion in the following terms:

Basis of qualified conclusion

In September 2013 the Authority advanced a loan of £10.25 million to Northampton Town Football Club (NTFC) to carry out works to improve stadium facilities and develop a hotel. This money was passed to a third party developer and concerns about the recoverability of the loan resulted in the Authority writing down the value of the loan to nil in 2015/16. This matter is subject to an ongoing police investigation and continuing internal investigations by the Authority.

Due to the circumstances surrounding the granting of the loan and the subsequent failure of the Authority to protect taxpayers funds we have concluded that the Authority did not have proper arrangements in place to act in the public interest, through demonstrating and applying the principles and values of sound governance and was unable to manage risks effectively and maintain a sound system of internal control in the year ending 31 March 2016.

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, with the exception of the matter reported in the basis for qualified conclusion paragraph above, we are satisfied that, in all significant respects, Northampton Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Certificate

In our report dated 28 September 2016, we explained that we could not formally conclude the audit on that date until we had completed our consideration of matters brought to our attention by local authority electors relating to 2015/16.

We have now completed this work. No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion, or a significant impact on our qualified conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness.

We certify that we have completed the audit of the financial statements of Northampton Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Cardoza

for and on behalf of KPMG LLP, Statutory Auditor

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15 March 2021