

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the Special Meeting of the Audit Committee held in Conference Room No. 3 on Thursday 18 May 2006 at 4.15pm

Members Present: Councillors C Carr (Chairman), JM Proud, G Armstrong and R Richardson

Officers Present: I Forster (Assistant Chief Executive), J McConnell (Chief Internal Auditor) and C Turnbull (Democratic Services Officer)

Also Present: Caroline Tyrell (Audit Manager)

42 APOLOGIES FOR ABSENCE

There were no apologies for absence.

43 DECLARATIONS OF INTEREST BT MEMBERS

There were no declarations of interest from Members.

44 AUDIT COMMISSION ANNUAL AUDIT AND INSPECTION LETTER, PROGRESS ASSESSMENT REPORT AND AUDIT AND INSPECTION PLAN

Consideration was given to a report from the Assistant Chief Executive relating to public Audit Reports issued by the Audit Commission on the performance of the Council.

The Assistant Chief Executive introduced the report and explained the three appended reports from the Audit Commission. He advised that the overall indication is that the Council is making progress with a good report on Environmental Services expected. With the improvements in the Housing service, the Council was looking towards a reclassification. There was no scope for complacency and the improvements have to be proved to be sustainable. A lot of the areas identified in the reports were included in the Council's Improvement and Recovery Plan.

Caroline Tyrell, Audit Manager, addressed the meeting and commented that it was not often audit gave out credits. She made specific reference to the following:

- Good Management Team in place
- Improvement and Recovery Plan in place and being monitored
- An Action Plan had been developed
- Strategic Plan was being prepared
- Performance Management – still a way to go but was being moved forward
- Financial Management – long term plans in place
- Promoting a culture of accountability
- Council's understanding of value for money needs some work

- Progress assessments for the Monitoring Board will continue
- Council has met the deadline for final accounts and needs to be aware of the advanced timetable
- Council's overall score on use of resources judgements was 2 out of 4
- The best score was 3 for internal control and the lowest 1 for value for money

Councillor Carr expressed his concern over the low score for value for money, adding that he considered value for money should be within the remit of the Audit Committee.

The Assistant Chief Executive advised the Internal Governance Group was looking at governance generally and could include value for money.

Caroline Tyrell responded to numerous questions posed by Members and undertook to obtain answers to those questions she was unable to answer direct.

RESOLVED:

- “1. That the Head of Organisational Development be requested to explain the reasons for the lack of progress on single status implementation.
2. That in future reports prepared by the Audit Commission in liaison with the Monitoring Board be referred to the Audit Committee.
3. That the Assistant Chief Executive and Chief Internal Auditor identify the involvement of the Audit Committee in consideration of conclusions issued by the Audit Commission regarding the Council's arrangements for ensuring value for money in its use of resources.
4. That the Assistant Chief Executive prepare a presentation for the Audit Committee on the CPA framework.”

The meeting terminated at 5.22pm