

ITEM NO. 4

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the Special Meeting of the Audit Committee held in Conference Room No 3 on Tuesday 27 June 2006 at 4.30pm

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

Officers Present: J Mc Connell (Chief Internal Auditor), L Chambers (Director of Resources), I Herberson (Accountancy Manager), J Elder (Finance and Risk Manager) and C Turnbull (Democratic Services Officer).

45 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor R Richardson.

46 DECLARATIONS OF INTEREST BY MEMBERS

There were no declarations of interest from Members.

47 STATEMENT OF ACCOUNTS FOR 2005/2006

Consideration was given to a report on the Statement of Accounts for 2005/2006 that the Director of Resources was submitting for approval to the Council Meeting on 29 June 2006.

The Director of Resources introduced the report by advising that the Statement of Accounts has had to be produced 6 weeks earlier than last year in order to meet the statutory timetable and to allow sufficient time for consideration and approval by Members prior to the end of June 2006. The deadline of the end of June will not be changed in future years. The Council's accounts will be audited in August and reported on to the September Council Meeting. The General Fund Revenue Reserve was £394,000 at 31 March 2006 and was considered to be adequate. Overspending at the end of the financial year would be carried forward into the current financial year.

Members raised queries on the budgeted figures for 2005/6 as compared with the actual outturn for the year in respect of Community Services, Leisure Services, Regeneration, Environmental Services, Resources, Chief Executive's Department and Corporate Functions, and explanations and advice was given by the Officers present. As a result the Chief Internal Auditor was requested to attend to the following matters: -

- Examine the income for Leisure Services after 4 months of the current financial year
- Investigate the whereabouts of the 20 scooters purchased under the Wheels to Work Scheme
- Investigate the reasons for the reduction in car parking fees
- Check on the overspending on refuse tipping charges

The Director of Resources was requested to report on overspending to the Overview and Scrutiny Management Board and to the Panels in September.

The Director of Resources spoke to the remainder of the report regarding the Housing Revenue Account; Building and Maintenance Direct Labour Organisation; Capital Programme; Revenue Recovery; Borrowing; Investments and Reserves and Balances.

48 STATEMENT OF INTERNAL CONTROL

Consideration was given to a report on the Statement of Internal Control that the Director of Resources was submitting for approval to the Council Meeting on 29 June 2006.

The Finance and Risk Manager advised that it was a requirement to produce the Statement of Internal Control as part of the Statement of Accounts and that it was subject to audit.

The Chairman congratulated the Officers and their staff for producing the Statement of Accounts and Statement of Internal Control within the timescale.

The meeting terminated 6.06pm