

ITEM NO. 5

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the meeting of the Audit Committee held in the Council Chamber on Thursday 6 July 2006 at 10.00pm

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

Officers Present: J McConnell (Chief Internal Auditor), J Stokes (Principle Auditor), I Forster (Assistant Chief Executive), T Galloway (Director of Development Services), G MacCallam (Environmental Services Manager), W Watson (Transport Manager) and C Turnbull (Democratic Services Officer)

49 APOLOGIES FOR ABSENCE

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

50 MINUTES OF MEETING HELD 26 APRIL 2006

RESOLVED: "That the minutes of the proceedings at the meeting of the Committee held 26 April 2006 copies of which had previously been circulated, be confirmed as being a correct record."

The Chairman proceeded to sign the minutes.

51 MINUTES OF SPECIAL MEETING HELD 18 MAY 2006

RESOLVED: "That the minutes of the proceedings at the Special Meeting of the Committee held 18 May 2006 copies of which had previously been circulated, be confirmed as being a correct record."

The Chairman proceeded to sign the minutes.

52 DECLARATIONS OF INTEREST BY MEMBERS

There were no declarations of interest from Members.

53 ENVIRONMENTAL SERVICES INTERNAL TRANSPORT AUDIT

Consideration was given to outstanding items following the Environmental Services Internal Transport Audit. A copy of an Action Plan detailing work undertaken to fulfil the requirements of the Audit recommendations had previously been circulated.

Recommendation 1 – Breakdown Cover

The Environmental Services Manager advised that, historically, out of hours breakdown cover has been provided by a long-term member of staff. RAC cover has been arranged for Careline vehicles.

The Chairman conveyed thanks to the person doing the out of hours work.

Recommendation 2 – Job Descriptions and Person Specifications

The Environmental Services Manager advised that new job descriptions and person specifications had been produced for Mechanics and the posts would be evaluated during the single status review that was currently being undertaken.

Recommendation 3 – Transport Service Policy

The Environmental Services Manager advised that he was currently looking at producing an over-arching document for the whole Council. A Transport Policy for everyone to sign up to will be agreed. He anticipated that the Policy would be in place within 6 months.

Recommendation 4 – Disposal of Vehicles Needed for Standby

The Environmental Services Manager advised that the three vehicles kept on standby for use by maintenance staff have no or very little residual value. They are used as necessary and save the Council the need to hire in on emergency. Costs are charged to users. All high value vehicles have a tracker device installed. A select list of tenderers is maintained and reviewed annually by the Council's Purchasing Officer.

54 ENVIRONMENTAL SERVICES INSPECTION JUDGEMENT

A report from the Assistant Chief Executive advising of the result of the Environmental Services Inspection was submitted, copies of which had previously been circulated.

The Assistant Chief Executive advised that work had commenced on an Improvement Plan that would be included in the corporate monitoring process.

The Chairman advised that Members appreciated all of the good work being undertaken and extended thanks to all the staff involved.

The Director of Development Services, Environmental Services Manager and Transport Manager left the meeting.

55 AUDIT PLAN 2006/07

Consideration was given to a report from the Chief Internal Auditor that sought approval to the Internal Audit Plan for 2006/07 and to the allocation of internal audit resources.

The Chief Internal Auditor spoke to the report advising that the Plan had been produced based on a vacant post. She further advised that job evaluation forms for the revised posts were with Human Resources and a Job Evaluation Panel was awaited.

The Chairman expressed concerns over the job evaluation timescale and subsequent delays in advertising posts and requested these concerns be forwarded to the Director of Resources.

RESOLVED:

- “1. That the Internal Audit Plan for 2006/07 be approved in principle.
2. That an appointment be made to the vacant post in the Internal Audit Team as expeditiously as possible and the Committee be advised of any revisions to the Plan resulting from an appointment being made.”

56 INTERNAL AUDIT WORK COMPLETED

Consideration was given to a report from the Chief Internal Auditor giving an update of the findings of Internal Audit work completed in the three months from April to June 2006 and a schedule of recommendations made which monitors the implementation of the recommendations. The report provides executive summaries of audits completed for Loans and Investments; Council Tax and NNDR; IT Controls; and Accounts Receivable; and details of the following high profile audit that covered areas where the control environment is subject to high levels of risk:

- Best Value Performance Indicators

RESOLVED:

“Council Tax and NNDR

1. That the Chief Internal Auditor report to the next meeting on whether priority is given to recovery of high level debts.

Best Value Performance Indicators

2. That the thanks of the Assistant Chief Executive be recorded to the Internal Audit Team for their involvement during the year.
3. That the Committees congratulations be recorded to all staff involved on the major improvement in this area.

Schedule of Recommendations

4. That the Acting Leisure Services Manager be invited to attend the next meeting in relation to the four outstanding items from the Leisure Centre audit.
5. That the Chief Internal Auditor report to the next meeting on progress of a Transport Policy and on the review of vehicles used by maintenance staff.
6. That the appropriate officer be invited to the next meeting in relation to the outstanding item from the payroll audit.”

57 INTERNAL AUDIT PERFORMANCE

Consideration was given to a report from the Chief Internal Auditor on the activity and performance of Internal Audit during the three months from April to June 2006.

RESOLVED: "That the information contained in the report be noted."

58 EXCLUSION OF PUBLIC AND PRESS

RESOLVED: "That under Section 100A of the Local Government Act 1972, the Public and Press be excluded from the meeting for the following items of business on the grounds they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act."

59 PROCUREMENT OF KITCHENS AND BATHROOMS REFURBISHMENT CONTRACT

Consideration was given to a report from the Chief Internal Auditor following an investigation into the procurement of kitchens and bathrooms refurbishment contract no. 05/08.

The Chief Internal Auditor spoke to the report.

RESOLVED: " That the concerns of the Committee on the ineffective internal control environment in this area and the performance of the interim manager be referred to the Chief Executive and Director of Resources."

60 TENANTS PANEL ACCOUNTS 2005/06

Consideration was given to a report from the Chief Internal Auditor in relation to the accounts of the Tenants Panel for 2005/06

The Chief Internal Auditor spoke to the report.

RESOLVED: " That Councillor G Armstrong and the Chief Internal Auditor seek advise from the Head of Legal and Democratic Services on this matter."

The meeting terminated at 12.15pm