

City of Durham

At a Special Meeting of the **AUDIT OVERVIEW COMMITTEE** held in the Gala Theatre, Durham, on Wednesday 26th April, 2007, at 5.30 p.m.

Present: Councillor Shaw (in the Chair)
and Councillors Dickie, Jackson, Leake and Pitts

Also Present: Councillor Gibbon.

636. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Syer.

Report of the Head of Financial Services

637. STATEMENT OF ACCOUNTS 2006/07 – SORP 2006 IMPLICATIONS REFORMATTED AND RESTARTED 2005/06 POSITION

The Head of Financial Services submitted a comprehensive report for members following consideration of the report to Audit Overview Committee on 28 March 2007. The report in March brought to members' attention the changes to the form and structure of the City Council's Annual Statement of Accounts, which would apply to the 2006/07 statements and beyond.

The circulated appendices to the report set out for members attention the revised format, structure and content of the main financial statements for 2006/07 (excluding the notes to the accounts) and included 2005/06 revised figures in accordance with the SORP.

Resolved: That the revised format and structure of the circulated draft statements in advance of receipt / consideration of the draft Statement of Accounts for 2006/07 be noted

Report of the Statement of Internal Control Working Group

638. REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

A comprehensive report had been submitted to highlight a major change introduced in the Accounts and Audit Regulations 2006 regarding the need to independently review the effectiveness of the system of internal audit in operation within the City Council, following guidance recently issued by the CIPFA Finance Advisory Network (FAN) (as required by Regulation 6 of the new regulations).

The report sought to respond to this change and set out for members' consideration the results of an independent review that had been undertaken by the City Council's Statement of Internal Control Working Group.

Resolved: (i) That the findings of the review of the effectiveness of the system of internal audit be noted.

(ii) That, with some minor amendments and additions to the text of the Review, as shown in the Report File, the report of the review be adopted and incorporated in the Statement of Internal Control.

**639. ANY OTHER BUSINESS
APPOINTMENT OF DISTRICT AUDITOR/RELATIONSHIP MANAGER**

The Director of Strategic Resources advised Members that notification had been received from the Audit Commission of the appointment of Steve Nicklin as the City Council's District Auditor/Relationship Manager for a three year period.

Resolved: That the report be noted.

The Meeting terminated at 6.20 p.m.

Chairman