

**THE MINUTES OF THE MEETING OF THE
AUDIT SCRUTINY COMMITTEE
HELD ON MONDAY, 3RD OCTOBER, 2005**

Present: Councillor G. Pinkney (Chair)

Councillors E. Bell, Mrs. G. Bleasdale,
A. Collinson, R. Davison and Mrs. M. Nugent

Also present: Councillor D. Myers - Executive Member for E-Government and
Scrutiny Liaison
P. Heppell - Audit Manager, Audit Commission

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors H. High, B. Quinn and P. Stradling

2. THE MINUTES OF THE LAST MEETING held on 12th September, 2005, a copy of which had been circulated to each Member, were confirmed.

3. THE MINUTES OF THE MEETING OF THE EXECUTIVE held on 20th September, 2005, a copy of which had been circulated to each Member, were submitted.

RESOLVED that the information contained within the Minutes, be noted.

4. PUBLIC QUESTION AND ANSWER SESSION

There were no members of the public present.

5. WORK PROGRAMME ISSUES

(i) Audit and Inspection Plan 2005/2006

The Chair advised that Mr. P. Heppell, Audit Manager, Audit Commission was in attendance to discuss the District of Easington Audit and Inspection Plan for 2005/2006. A copy of the Plan had been circulated to each Member.

P. Heppell advised that the Plan detailed the arrangements in relation to the work the Audit Commission proposed to undertake for 2005/2006. The Plan had been drawn up from a risk-based approach to planning and reflected the Council's current CPA rating, the impact of the new Code of Audit Practice and the impact of the International Standards on Auditing.

A key change as a result of the new Code of Audit Practice was the requirement to draw a positive conclusion regarding the Council's arrangements for ensuring value for money in its use of resources.

The Audit Commission would issue a conclusion on whether the Council had proper arrangements in place for securing economy, efficiency and effectiveness. In meeting this responsibility the Audit Commission would review evidence that was relevant to the Council's corporate performance

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management and financial management arrangements. They had therefore identified a number of areas of audit risk to be addressed. These were set out in the report for Members' information.

He advised that the Audit Commission was also required to review whether the Statement of Internal Control had been presented in accordance with relevant requirements and to report if it did not meet these requirements or if the statement was misleading or inconsistent with their knowledge of the Authority. On the basis of preliminary work a number of audit risks had been identified and these were detailed in the plan for Members' consideration.

The audit of the 2004/2005 financial statements was yet to be undertaken, and the 2005/2006 financial statement audit planning would continue as the year progressed. This would take account of the 2004/2005 opinion audit, the Audit Commission's documentation and initial testing of material systems and its assessment of the 2005/2006 closedown arrangements. The Plan would be updated in advance of the Audit, detailing the specific approach and including any impact on the fee quoted.

In addition, as part of the Plan the Audit Commission would continue to certify the Council's grant claims and in terms of voluntary improvement work the Audit Commission had identified the potential to undertake additional cost cutting improvement work, working across all Durham Authorities. Topics could include access to services, children's services, supporting people and the Gershon Agenda.

Following questions and discussion it was **RESOLVED** that the information given, be noted.

(ii) **General Fund/Housing Revenue Account 2005/2006**

RESOLVED that this be deferred and considered at the next meeting of the Committee.

6. COMMUNICATION AND PUBLICITY

The Scrutiny Support Manager advised that an article had been included in September 2005 issue of Infopoint detailing the work of the Scrutiny Committees. Follow-up articles would be placed in future issues.

RESOLVED that the information given, be noted.