

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the meeting of the Audit Committee held in The Lambert Room, Civic Centre, Chester-le-Street on Thursday 3 April 2008 at 3.00pm.

Members Present: Councillor G Armstrong (Chairman), R Harrison and J Shiell.

Officers Present: J Elder (Risk and Financial Services Manager), M Welsh (Acting Head of Internal Audit), K Roberts (Principal Internal Auditor) and C Turnbull (Democratic Services Officer).

36 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor JM Proud.

37 MINUTES OF MEETING HELD 17 JANUARY 2008

RESOLVED: "That the minutes of the proceedings at the meeting of the Committee held 17 January 2008 copies of which had previously been circulated, be confirmed as a correct record."

The Chairman proceeded to sign the minutes.

38 DECLARATIONS OF INTEREST FROM MEMBERS

There were no declarations of interest from Members.

39 INTERNAL AUDIT WORK COMPLETED

Consideration was given to a report from the Acting Head of Internal Audit giving an update of the findings of Internal Audit work completed within the final quarter of the 2007/08 financial year. The report contained executive summaries of audits on Accounts Receivable, ICT Strategy, Main Accounting, Purchasing and Procurement, Treasury Management and an extract of schedule of recommendations.

Accounts Receivable

K Roberts, Principal Internal Auditor, spoke to the report and advised of the key findings. The audit opinion was effective the same as for the previous year. Recommendations to address the current issues and further improve the arrangements had been agreed with the Risk and Financial Services Manager.

ICT Strategy

M Welsh, Acting Head of Internal Audit, spoke to the report and advised that the audit opinion was strong not effective as indicated on the executive summary. There were no recommendations from the audit.

Main Accounting

M Welsh, Acting Head of Internal Audit, spoke to the report and advised of the key findings. The audit opinion was effective, the same as for the previous year. Recommendations to address the current issues and further improve the arrangements had been agree with the Head of Corporate Finance.

Purchasing and Procurement

K Roberts, Principal Internal Auditor, spoke to the report and advised that the audit opinion was adequate not effective as indicated on the executive summary. He reported on the key findings of the audit and advised that recommendations to address the current issues and further improve the arrangements had been agreed with the Purchasing Manager.

Treasury Management

K Roberts, Principal Internal Auditor, spoke to the report and advised that the audit opinion was strong, the same as for the previous year. There were no recommendations from the audit.

Schedule of Recommendations

K Roberts, Principal Internal Auditor, spoke on the three items include on the schedule of recommendations and advised Members of the up to date position for each item.

40 INTERNAL ADIT PERFORMANCE

Consideration was given to a report from the Acting Head of Internal Audit on the activity and performance of Internal Audit for the financial year 2007/08.

M Welsh, Acting Head of Internal Audit, spoke to the report and advised of a number of issues that had affected performance.

41 REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT 2007/08

Consideration was given to a report from the Acting Head of Internal Audit which contained details of the review of the effectiveness of Internal Audit and the opinion on the effectiveness of the Internal Audit function for the 2007/08 financial year.

J Elder, Risk and Financial Services Manager, advised that a review of risks would be undertaken in May and the outcome reported to the Audit Committee meeting in July 2008.

RESOLVED: "That the outcome of the Review of Effectiveness of Internal Audit 2007/08 be noted."

42 INTERNAL AUDIT ANNUAL REPORT

Consideration was given to a report from the Acting Head of Internal Audit appending the Internal Audit Annual Report 2007/08, which contained the opinion on the effectiveness of the control environment for the 2007/08 financial year.

M Welsh, Acting Head of Internal Audit, spoke in detail to the report.

Councillor R Harrison commented that in the prevailing circumstances the Internal Audit team had performed very well.

J Elder, Risk and Financial Services Manager, expressed his thanks to the two members of the Internal Audit team for completing the annual report within the required timescale.

RESOLVED: "That the contents of the Internal Audit Annual Report 2007/08 be noted and the report be submitted to the May meeting of the Council."

43 AUDIT PLAN 2008/09

Consideration was given to a report from the Acting Head of Internal Audit that sought approval to the Internal Audit Plan for 2008/09 and to the allocation of Internal Audit resources.

M Welsh, Acting Head of Internal Audit, spoke to the report and advised that the Audit Plan formed the action plan for the delivery of the Audit Strategy and compared the resources available to the resources required to deliver the Strategy.

RESOLVED: "That the Internal Audit Plan for 2008/09 be approved."

The meeting terminated at 4.07pm

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