

## THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the meeting of the Audit Committee held in the Director of Resources' Office , Civic Centre, Chester-le-Street on Tuesday 24 June 2008 at 2.00pm.

Members Present: Councillors G Armstrong, R Harrison, JM Proud and J Shill.

Officers Present: J Elder (Acting Head of Resources), I Herberson (Head of Corporate Finance), I Small (Principal Accountant – Treasury), M Welsh (Acting Head of Internal Audit), K Roberts (Principal Internal Auditor) and C Turnbull (Democratic Services Officer).

### **1. APPOINTMENT OF CHAIRMAN**

The Democratic Services Officer invited nominations for the appointment of Chairman.

RESOLVED: “ That Councillor G Armstrong be appointed Chairman of the Committee for the ensuing year.”

### **2. APPOINTMENT OF VICE CHAIRMAN**

The Chairman invited nominations for the appointment of Vice Chairman.

RESOLVED: “That Councillor R Harrison be appointed Vice Chairman of the Committee for the ensuing year.

### **3. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **4. MINUTES OF MEETING HELD 3 APRIL 2008**

RESOLVED: “That the minutes of the proceedings at the meeting of the Committee held 3 April 2008 copies of which had previously been circulated, be confirmed as a correct record.”

The Chairman proceeded to sign the minutes.

### **5 DECLARATIONS OF INTEREST BY MEMBERS**

There were no declarations of interest from Members.

### **6. STATEMENT OF ACCOUNTS 2007/2008**

Consideration was given to a report on the Statement of Accounts for 2007/2008 that the Head of Corporate Finance was submitting for approval to the Council Meeting on 26 June 2008.

The Head of Corporate Finance introduced the report and advised that the views of the Committee would be made known to the Council when it considered the report and Statement.

Questions were asked by Members on the following matters and Officers responded appropriately:

1. How does appropriate consultation with the County Treasurer take place, and is it recorded in some way for audit trail purposes?
2. How are any salary savings resulting from current vacancies being used?
3. Is there any cost implications on the District Council from any early retirement of voluntary redundancy as a result of implementing LGR?
4. The General Fund Outturn showed an under spend of £27,422 which compared with £29,354 in the previous year. What were the causes of any service overspends?
5. Are we relying on further vacancy savings to compensate for any unexpected overspends?
6. Was the actual spend over 10 months on the HRA roughly pro-rata the budget for the full year?
7. What happens to the surplus made on the DLO account?
8. How does the Council access the HRA balance?
9. Have all relevant communal rooms transferred?
10. How have Housing rent arrears been dealt with?
11. It was noted that the Capital Programme over spent by £445,000, will there be concerns with delivery of capital schemes in 2008-09?
12. Recovery levels have increased for Council Tax and NDR, but can these be maintained?
13. How have investments been managed and how has the income generated been used?

There was discussion around outstanding monies relating to Planning Section 106 Agreements and it was confirmed that these were closely monitored by an Officer Working Group and a report had recently been submitted to Corporate Management Team.

## **7. ANNUAL GOVERNANCE STATEMENT 2007/2008**

Consideration was given to the Annual Governance Statement 2007/2008 that the Acting Head of Resources was submitting for approval to the Council Meeting on 26 June 2008.

In response to questions from Members, the Acting Head of Resources reported on the timetable and action plan in the Statement and explained the various reports and assurance evidence that had been drawn on by the Corporate Governance Steering Group in preparing the Statement.

The Acting Head of Resources advised that actions would be summarised into a Governance Action Plan for 2008-09 at the next meeting of the Corporate Governance Steering Group and monitoring arrangements would include reports to the Executive and Audit Committee. He further advised that Officers had shared governance arrangements through Local Government Review Work-Stream activity in order to ensure that robust arrangements are maintained during 2008-09 and new arrangements for the Unitary are put in place in advance of vesting day.

The meeting terminated at 3.00pm

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