

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the meeting of the Audit Committee held in Conference Room No 3, Civic Centre, Chester-le-Street on Tuesday 16 September 2008 at 3.00pm

Members Present: Councillors G Armstrong (Chairman), R Harrison, JM Proud and J Shiell.

Officers Present: J Elder (Acting Head of Resources), M Welsh (Acting Head of Internal Audit) and C Turnbull (Democratic Services Officer).

Also in Attendance: Rodney Walker (Audit Manager).

13. APOLOGIES FOR ABSENCE

There were no apologies for absence.

14. MI NUTES OF MEETING HELD 3 JULY 2008

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

The Chairman proceeded to sign the minutes.

15. DECLARATIONS OF INTEREST FROM MEMBERS

There were no declarations of interest from Members.

16. AUDIT AND INSPECTION PLAN 2008/2009

The Chairman welcomed Rodney Walker, Audit Manager, to the meeting.

Mr Walker thanked the Chairman for the welcome and apologised for the late issue of the Audit and Inspection Plan. He advised that closure of the 2008/2009 accounts would be the responsibility of the District Council. The Audit Plan set out the audit and inspection work that was proposed to be undertaken for the 2008/2009 financial year, based on the Audit Commission's risk-based approach to audit planning and the requirements of moving towards Comprehensive Area Assessment.

Referring specifically to the Plan, Mr Walker made the following observations:

- Fees - The Data Quality approach had changed and although the planned total audit fee would increase there would be reductions in the Inspection Fee and for Certification of Claims and Returns.

- Financial Statements – A Risk Assessment had still to be undertaken and would be carried out after completion of the Final Audit that was scheduled for the following week.
- Key Risks – The Key Risks identified in the Plan were highlighted and Mr Walker advised that a Direction of Travel Assessment would be required although it might not be a scored assessment. This was planned for February 2009. A Sustainable Communities Inspection would also be required and although it would not be scored it would be published around May 2009.
- Planned Outputs – Annual Audit and Inspection Letters would be produced for the seven District Authorities.
- Certification of Grant Claims and Returns - The figure of £100,000 below which claims would not be subject to certification, was a nationally set figure.

The Acting Head of Resources advised that the County Council Bid included a resource for closure of District Council Accounts. He stated that the Annual Governance Statement would be submitted to the Audit Committee in March 2009.

In response to a question from a Member, Mr Walker confirmed that should anything be identified as a problem due to lack of staff numbers, it would be reported on with recommendations for resolving the situation.

17. STATEMENT OF RESPONSIBILITIES OF AUDITORS AND OF AUDITED BODIES

Mr Walker advised that the Statement was an update of the 2005 version and referred to what the Audit Commission expects from Councils and what Councils can expect from the Audit Commission.

With regard to the 2007/2008 accounts Mr Walker advised that Actuarial valuations had to be reissued and had resulted in delay in completion of the audit.

Mr Walker advised that auditors were specifically required to review arrangements for monitoring and reviewing performance, including arrangements to ensure data quality, as well as having wide-ranging rights of access to documents and information held in electronic form. He confirmed that auditors had powers to inspect records held by Cestria Community Housing Association.

The meeting terminated at 3.40pm