

THE DISTRICT COUNCIL OF CHESTER-LE-STREET

Report of the Meeting of the Audit Committee held in the Acting Head of Resources, Civic Centre, Newcastle Road, Chester-le-Street on Thursday 22 January 2009 at 3.00pm.

Members present: Councillors G Armstrong (Chairman), J Shiell and J M Proud.

Officers present: J Elder (Acting Head of Resources), M Welsh (Acting Head of Internal Audit), K Roberts (Principal Internal Auditor) and D Humble (Democratic Services Assistant)

27 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor R Harrison.

28 MINUTES OF MEETING HELD 17 OCTOBER 2009

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

The Chairman proceeded to sign the minutes.

29 DECLARATIONS OF INTEREST FROM MEMBERS

There were no declarations of interest received from Members.

It was agreed that Item No. 6 on the Agenda would be considered following the other items on the Agenda.

30 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 third quarter of the 2008/09 financial year. The report contained summaries of audits on Cash Banking, Local Taxation, Payroll and Accounts Payable.

Cash Banking

The Principal Internal Auditor spoke to the report and advised of the key findings of the audit. He advised that recommendations to address the current issues and further improve the arrangements had been agreed with the relevant Officers.

Local Taxation

The Acting Head of Internal Audit spoke to the report and advised of the key findings of the audit. He advised that recommendations to address the current issues and further improve arrangements had been agreed with the relevant Officers and would be followed up.

It was noted that the Council no longer had a designated visiting officer due to lack of resources and that this matter had been referred to the revenues and benefits work stream to be taken up with the new authority.

Payroll

The Principal Internal Auditor spoke to the report and advised of the key findings of the audit. He advised that a number of recommendations and an action plan was agreed with the Payroll Manager and Acting Head of Resources and would be monitored as part of the arrangements for reporting to Audit Committee.

It was noted that the Team had performed well despite the number of staff changes over the last year.

Accounts Payable

The Principal Internal Auditor spoke to the report and advised of the key findings of the audit. He advised that recommendations to address the current issues and further improve the arrangements had been agreed with relevant officer and would be followed up.

Schedule of Recommendations

Consideration was given to the Schedule of Recommendations set out in the report. The Principal Internal Auditor and Acting Head of Internal Audit proceeded to go through each of audits which were still outstanding in the schedule of recommendations and updated them on the current status.

Members were particularly concerned with the Golf Club Income audit which was still being investigated. The Principal Internal Auditor advised that he was in receipt of fresh information which would need to be looked at.

Members were very concerned with this particular case and felt that satisfactory solution needed to be reached as soon as possible. It was therefore suggested that an informal meeting be arranged with the Leisure Services Manager to discuss their concerns and see if progress could be made to resolve the problems. It was suggested that this be held on Monday 9 February 2009 at 10.00am subject to the Leisure Services Manager's

availability and the outcome of this be reported to the next Meeting of the Audit Committee in March.

RESOLVED: "That an informal meeting of the Audit Committee be arranged. With the Leisure Services Manager to progress the outstanding audit investigations."

31 INTERNAL AUDIT PERFORMANCE

Consideration was given to a report from the Acting Head of Internal Audit on the activity and performance of Internal Audit for the first, second and third quarters of the financial year 2008/09.

RESOLVED: "That the information contained in the report be noted."

32 EXCLUSION OF PUBLIC AND PRESS

RESOLVED: "That under Section 100A of the Local Government Act 1972, the Public and Press be excluded from the meeting for the following item of business on the grounds it involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A of the Act."

33 INTERNAL WORK COMPLETED

Consideration was given to a report from the Acting Head of Internal Audit to update the Audit Committee with the findings of the Internal Audit work completed within the second and third quarters of the 2008/09 financial year. The report contained summaries of the Supporting People Grant Investigation and Regeneration Invoice Investigation.

The Acting Head of Internal Audit spoke in detail to the report and answered questions from Members on the investigations.

RESOLVED: "That the information contained in the report be noted."

34 ANNUAL GOVERNANCE STATEMENT PROCESS FOR 2008/09

The Acting Head of Resources gave a verbal update in relation to the Annual Governance Statement 2008/09 that is produced each year.

He spoke in relation to the timetable for considering the statement, which would be brought to the next Meeting of the Audit Committee on 12 March 2009 and then be considered by the Council Meeting on 19 March 2009.

The Meeting terminated at 4.15pm.

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