

LOCAL GOVERNMENT ACT 1972

At an Extraordinary Meeting of the Durham County Council held at the County Hall, Durham on Tuesday 25 September 2007 at 10.00 a.m.

Present

Councillor E Hunter in the Chair

Members:

Councillors Armstrong, Barker, Burlison, C Carr, R Carr, Carroll, Coates, Cordon, Cox, Douthwaite, Ebbatson, Forster, N C Foster, Henderson, Hodgson, Holroyd, Iveson, Knox, Lethbridge, Magee, Manton, Marshall, Martin, Mason, Meir, Morgan, Nugent, O'Donnell, Ord, Priestley, Pye, Robson, Shuttleworth, Southwell, Straddling, Tennant, Vasey, Walker, Williams and Wright.

Apologies for absence were received from Councillors Bell, Chaplow, Davies, Fergus, E Foster, Freeman, Myers, Porter, Simmons and Young.

A1 Declarations of interest

There were no declarations of interest in relation to any business on the agenda.

A2 Chairman's Announcements

There were no Chairman's announcements

A3 Presentation on the GCSE Results 2006/2007

The Council received a presentation from Dave Ford, Head of Achievement Services, on the County's GCSE results for 2007 (for copy of presentation see file of Minutes).

The presentation compared results with those of 2002, the actions taken since then to address the key issues identified, and highlighted the very significant progress which had been achieved both in overall performance and in specific subject areas, together with ambitious targets for further development.

The Council thanked Mr Ford for his informative presentation, and placed on record its congratulations and appreciation for the efforts of students and their families, schools and their staff, Governors and the Education Service.

A4 Statement of Accounts for the year ended 31 March 2007

The Council considered the report of the County Treasurer together with the Statement of Accounts for 2006/07 (for copy see file of Minutes).

Councillor Lethbridge, as Cabinet Portfolio Holder for Resources, advised the Council that the report amended the Statement from that approved by the Council on 28 June 2007. The amendments had been agreed by the County Treasurer and were helpful to users of the accounts. The impact of the changes did not materially affect the accounts approved in June.

The County Treasurer reported that the accounts had been brought back to the Council in accordance with best practice. Work had been ongoing with the External Auditor to both improve the presentation of the accounts and to

identify any amendments needed. Paragraph 6 of the County Treasurer's report identified amendments to the balance Sheet which resulted in a reduction in Net Worth of £11.741m, and also identified misclassifications which resulted in no net effect on the Balance Sheet.

Moved by Councillor Nugent, **Seconded** by Councillor Robson and

Resolved:

That the Statement of Accounts for the financial year ended 31 March 2007 be approved.

A5 Annual Governance Report

The Council received the Annual Governance Report of the External Auditor for 2006/07 (for copy see file of Minutes).

Mr Nicklin from the Audit Commission advised the Council that the audit was substantially completed, and thanked the County Treasurer and his staff for their assistance. He was happy to issue a clear opinion on the accounts and on Value for Money. The Report highlighted the need to strengthen systems of internal control, in particular:

- ensuring there is a process in place for review of the asset register to check for completeness;
- reviewing the production and presentation of the bank reconciliations and ensuring that contra entries between them are evidenced;
- ensuring there is a robust review of exception reports produced from the new payroll system;
- improving the reconciliation process between the payroll system and the general ledger; and
- addressing IT control environment weaknesses, including the production of an overarching IT strategy

A range of questions from Members relating to the use of resources, the auditor's recommendations relating to strengthening systems of internal control, investments and auditor's fees were answered by Mr Nicklin and the County Treasurer.

Councillor Lethbridge advised the Council that this was a good report, and positive action would be taken on the highlighted areas to be addressed. The Council welcomed the District Auditor's comments and would deal with the issues raised in the coming months.