

## **DURHAM COUNTY COUNCIL**

At a Meeting of **Audit Committee** held in Committee Room 1A - County Hall, Durham on **Monday 30 July 2012 at 10.00 am**

### **Present:**

**Councillor O Temple in the Chair**

### **Members of the Committee:**

Councillors C Carr, B Myers and R Ord

### **Co-opted Members:**

Mr T Hoban

### **Apologies:**

Apologies for absence were received from Councillors E Bell, M Hodgson, D J Southwell and Ms K Larkin-Bramley

### **Also Present:**

C Banks and C Dearden (Audit Commission)

## **1 Minutes**

The Minutes of the meeting held on 28 June 2012 were agreed as a correct record and signed by the Chairman, subject to the following amendments:

- C Wardell being amended to C Waddell in the attendance
- The final paragraph of Minute 7 being amended to refer to the Interim Governance Report instead of the Annual Governance Statement.

## **2 Declarations of interest**

Declarations of interest were provided by Members of the Committee. A generic declaration of interest would be recorded given that Members were school governors, members of various Committees of the Council, former District Councillor's and bodies such as the Probation Board, Fire Authority and Police Authority.

## **3 2011/12 Final Outturn for General Fund and Housing Revenue Account**

The Committee noted a report of the Corporate Director, Resources which provided details of the final outturn for both the General Fund and the Housing Revenue Account for 2011/12 including the Annual Treasury Management Review (for copy see file of Minutes).

#### **4 Statement of Accounts for the year ended 31 March 2012**

The Committee considered a report of the Corporate Director, Resources which presented the Statement of Accounts for the year ended 31 March 2012 and raised any significant issues arising from the accounts (for copy see file of Minutes).

Councillor Ord expressed his satisfaction at the reduction in the number of bank accounts during the year and also the bank reconciliations. Mr Hoban added that the presentation of the accounts had been much improved.

Councillor Temple referred to the increase in Corporate and Democratic Core costs. Mr I Herberston, Finance Manager, Revenue/Capital replied that he would investigate this further, adding that it may be due to more accurate recording methods now being employed.

Councillor Temple referred to the increase in short term debtors under the category of 'Other entities and individuals' which had risen from £60m to £71m. The Finance Manager, Revenue/Capital explained that the main reason for this was around the issue of Council Tax arrears, which had increased during the year and had been caused by the period of transition of 7 systems to 1 system, during which time there had been a temporary suspension of collection. However, the Council was now moving towards the monitoring of the collection fund balance and arrears on a monthly basis. Bad debt provision was reviewed on a quarterly basis. The Corporate Director, Resources informed the Committee that the in-year Council Tax arrears had been caused due to the inability to prompt or remind those in arrears. To the end of Quarter 1 collection performance had improved, as had arrears collection.

Councillor Carr asked whether the largest balance of arrears related to personal arrears or business areas. The Finance Manager, Revenue/Capital replied that further analysis would be need to produce this figure.

Councillor Temple suggested that in-year Council Tax collection performance be reported back to the Committee in 6 months time.

**Resolved:**

That the report be approved and that an update on Council Tax collection performance be added to the Committee's Action Plan.

#### **5 Medium Term Financial Plan (3), Council Plan and Service Plans 2013/14-2016/17**

The Committee noted a report of the Corporate Director, Resources which provided an update on progress being made in the development of the Medium Term Financial Plan (3), Council Plan and Service Plans 2013/14 to 2016/17 (for copy see file of Minutes).

**6 Audit Committee Update**

The Committee noted a report from the External Auditor that provided the Committee with progress in delivering their responsibilities as external auditor and an update on the externalisation of the Audit Practice (for copy see file of Minutes).

**7 Strategic Risk Management Progress Report for the Quarter period April to June 2012**

The Committee considered a report of the Corporate Director, Resources which highlighted the strategic risks facing the Council and gave an insight into the work carried out by the Corporate Risk Management Group during the period April to June 2012 (for copy see file of Minutes).

**Resolved:**

That the report be approved.