

AUDIT COMMITTEE

30th June 2011



Durham County Council Summary Interim Governance Report

Report of the External Auditor

Don McLure, Corporate Director Resources

Purpose of the Report

1. The purpose of this report is to present the Durham County Council Interim Governance Report.

Background

2. Our report is presented in line with the Committee's Terms of Reference and its duties under section 4.1.21 'To review external audit reports and the annual audit letter and ensure that there are appropriate arrangements in place to address any areas of improvement identified and to inform the operation of Council's current or future audit requirements.'
3. The Audit Commission's Code of Audit Practice requires that I give an opinion on the Council's annual financial statements. This work is split into two parts, pre and post statements audit work. This report summarises my preliminary findings on pre statements work, completed from January to June 2011.
4. Our work identified a number of systems where controls are in place but are not operating effectively in practice, or where officers are unable to provide sufficient evidence that controls are operating effectively. Appendix 1 sets out an agreed action plan with recommendations and officer comments.
4. The Audit Committee has a key role in ensuring that appropriate action is taken to address the weaknesses identified. Successful implementation of actions to address these weaknesses will strengthen the Council's financial systems.

Recommendation

2. That the Interim Governance Report with recommendations is noted.

Contact: Catherine Banks

Appendix 1: Implications

Finance

Council to ensure controls in place which provide safe and efficient arrangements for the proper administration of its financial affairs.

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability

None

Legal Implications

None