

**WYRE FOREST DISTRICT COUNCIL**  
**AUDIT COMMITTEE**  
**THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,**  
**KIDDERMINSTER**  
**27TH MARCH 2007 (6PM)**

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**PRESENT:**

Councillors: H J Martin (Chairman), M A Salter (Vice-Chairman),  
G W Ballinger, Mrs S M Hayward, M A W Hazlewood, Miss S C Meekings,  
C D Nicholls, M J Shellie and J C Simmonds.

**OBSERVERS:**

No Members attended as observers.

**AUD. 62 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors: J W Dudley, and  
Mrs F M Oborski.

**AUD. 63 APPOINTMENT OF SUBSTITUTES**

Councillor Mrs S M Hayward was appointed as a substitute for Councillor Mrs  
F M Oborski and Councillor Miss S C Meekings was appointed as a substitute  
for Councillor J W Dudley.

**AUD. 64 DECLARATION OF INTERESTS**

No declarations of interest were made.

**AUD. 65 MINUTES**

**AGREED:**

**The minutes of the meeting held on 29th January 2007 be confirmed as a  
correct record of the meeting and signed by the Chairman.**

**AUD. 66 EXTERNAL FUNDING**

The Committee considered a report from the Head of Planning, Health and  
Environment regarding the external funding process, adopted by the District  
Council, and advice on the effectiveness of its application in line with the  
Council's priorities.

The External Funding Officer took members through the External Funding Strategy which set out the processes which Officers had to follow when applying for funding from external sources. It was noted that an annual report was made to the Corporate Management Team detailing the levels of funding attracted in the financial year.

In the ensuing discussion, the External Funding Officer provided the following information in response to issues raised by Members:

a) Funding Vision

The Wyre Forest Community Strategy (Wyre Forest Matters) supplied the vision to enable officers to maximise the funding acquired for the benefit of the District. Hence details of the Wyre Forest Matters themes and key priorities were detailed in the strategy.

b) External Funding Process

Arrangements were in hand to streamline the external funding process and publish copies of the quarterly external funding records to avoid duplication of applications to funding bodies.

c) External Funding Database

The strategy included an external funding database which was available to anyone with a Wyre Forest post code.

d) Regard for the External Funding Strategy

The Council's External Funding Strategy was well regarded. For example, the External Funding Officer sat on a regional body which had asked for a copy of the Council's strategy as an example of best practice. Moreover, the Comprehensive Performance Assessment Inspectors, at a recent feedback session, had rated the Council's external funding as a "potential strength".

e) Analysis of Funding Outcomes

When asked if funding opportunities were ever missed due to a lack of staff to pursue them, the External Funding Officer confirmed that a record was kept of all funding applications, including those that were unsuccessful. The reasons for failure were analysed for future reference, so that, if for example, another member of staff should be considered necessary, the proposal could be justified.

f) Matchfunding

Members were concerned that some of the District Council's applications for external funding might fail through lack of matchfunding. The external Funding Officer confirmed that she was aware of at least one project that could not proceed for this reason, and therefore matchfunding was being sought for it.

It was noted, from Section 10 of the strategy, that some authorities had addressed this issue by establishing a matchfunding “pot”. As a result, the Committee wished to receive a progress report to a future meeting on the effectiveness of the External Funding Strategy. This would enable members to assess whether it would be appropriate to recommend the Cabinet to approve a supplementary estimate to create a matchfunding “pot” to support the Council’s bids for external funding.

**DECISION:**

- 1. It be noted that the External Funding processes in place continue to be implemented in line with the External Funding Strategy.**
- 2. The amount of External Funding being attracted to the District as detailed in Appendix B of the report to the Committee be noted.**
- 3. A progress report be made to a future meeting of the Committee on the effectiveness of the External Funding Strategy.**

**AUD. 67 INTERNAL AUDIT – ANNUAL PLAN FOR 2007-2008**

The Committee considered a report from the Head of Financial Services which asked the Committee to recommend the Cabinet to approve the Internal Audit - Annual Plan for 2007/08.

The Financial Services Manager took members through the plan. She explained that it summarised the work to be undertaken by the Internal Audit Section and provided overall direction. It also prioritised the areas to be audited over the year and allocated internal audit resources to each area. She pointed out that 2007-2008 was the second year of the three-year Strategic Audit Plan.

The Committee was informed that Heads of Service had been consulted and the Annual Plan took account of their requirements for the forthcoming year. It also complied with the relevant Chartered Institute of Finance and Accountancy standard.

Members noted that the performance of the Internal Audit Service was monitored against the Annual Plan, by way of a quarterly audit report to the Audit Committee, the Corporate Management Team and the Council’s external auditors.

**RECOMMENDED to Cabinet:**

- 1. Approval be given to the Internal Audit –Annual Audit Plan 2007 – 2008, attached as Appendix 1 to the report to the Committee.**
- 2. Approval be given for the Financial Services Manager to amend the plan in light of developments arising during the year as described in paragraph 3.7 of this report and in accordance with paragraph 3.3 (b) of the approved Terms of Reference for Internal Audit.**

**AUD. 68**    **RISK MANAGEMENT - POSITION STATEMENT**

The Committee considered a report from the Head of Financial Services which provided members with a position statement on Corporate Risk Management.

The Financial Services Manager highlighted the progress made by the Council in managing risk, since the introduction of the Risk Management Policy in 2004. She reminded members that the Committee's Terms of Reference had been expanded to enable them to review risk management policy and strategy matters.

The Committee noted that being aware of risks was seen as one of the building blocks of an assurance framework. As a result, risk management was a standing item in committee reports and risk management had been included within the Council's Comprehensive Performance Assessment Improvement Plan. Furthermore, the Council had made provision for a Corporate Risk Officer post in the recent budget process.

**DECISION:**

- 1. The position statement on Corporate Risk Management be noted.**
- 2. An update of the work undertaken to progress Corporate Risk Management be reported back later in 2007.**

**AUD. 69**    **WORK PROGRAMME**

The Committee considered its work programme for the current municipal year.

**DECISION:**

- 1. The work programme for the current municipal year be noted.**
- 2. A note be made of the following additional items for the 2007/08 municipal year:**
  - Progress report on the effectiveness of the External Funding Strategy.**
  - External Audit – Audit Plan 2007/08**

**AUD. 70**    **EXCLUSION OF THE PRESS AND PUBLIC**

**DECISION:**

**"That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of "exempt information" as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A to the Act."**

**AUD. 71    MINUTES**

**DECISION:**

**The exempt minutes of the Audit Committee held on 29<sup>th</sup> January 2007 be approved as a correct record and signed by the Chairman.**

The meeting ended at 6.40 pm.