

WYRE FOREST DISTRICT COUNCIL
AUDIT COMMITTEE
THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,
KIDDERMINSTER
19TH NOVEMBER 2007 (6.00PM)

PRESENT:

Councillors: J Aston (Chairman), P B Harrison (Vice-Chairman), J Baker, G W Ballinger, M A W Hazlewood, M B Kelly, D J Millis, J Thomas and G C Yarranton.

Observers : Councillor J Holden, Cabinet member for Corporate and Customer Service and Councillor Miss T Onslow.

AUD.27 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor C D Nicholls.

AUD.28 APPOINTMENT OF SUBSTITUTES

Councillor M B Kelly was appointed as a substitute for Councillor C D Nicholls.

AUD.29 DECLARATION OF INTERESTS

No declarations of interest were made.

AUD.30 MINUTES

AGREED:

The minutes of the meeting held on 17th September 2007 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.31 CORPORATE RISK MANAGEMENT - PRIOR STATEMENT

The Financial Services Manager introduced Mr Owen Rees from Zurich Insurance. She explained that Zurich had been appointed to assist the Council to move forward with corporate risk in line with best practice. She commented that senior managers would receive awareness training in due course in order to help them to identify and prioritise risk and ensure that they had plans in place to manage risks.

Mr Rees introduced himself and explained that Zurich were specialists in risk management and worked with the public sector. He outlined to the Committee what risk management was and explained the context of the work being done for the Council. He advised the Committee that risk management identified

things that could go wrong and how to deal with them. He then outlined the sorts of areas of risk e.g. political, economic, social, and technological. He commented that risks would be considered throughout the whole organisation and that not all risk was insurable and risk needed to be proactively managed. He went on to add that, not only did the Council need to identify its own risks, but it was necessary to identify the risks associated with partnerships and projects.

He stated that there were positives and negatives with regard to risk management. Positive risk management involved common sense and allowed the Council to manage more effectively and make effective decisions.

He commented that risk management was an integral aspect of the Council's Annual Statement of Internal Control Risk Management and that part of the Civil Contingencies Act required the Council to undertake risk management. He told Members that good risk management was recognised in Corporate Performance Assessment inspections.

He went on to say that one way of measuring how well a Council was managing risk was through assessment and he was confident that the Council's Risk Management Strategy would stand up to scrutiny.

After the conclusion of his presentation, Mr Rees received questions from members of the committee and made the following comments:

1. Safeguards were in place to ensure that scores on risk management were not able to be manipulated. Consistent methodology was employed and the involvement of groups of members and employees in the process was very important. The risk registers/assessments were to be presented to the Audit Committee and Cabinet in due course to enable transparency in the process.
2. With regard to the scoring of risk assessment, Members were advised that to achieve a score of four was very difficult.

The Chairman thanked Mr Rees for his presentation on Corporate Risk Management.

DECISION:

The presentation be noted.

AUD.32 CORPORATE RISK MANAGEMENT - POSITION STATEMENT

A report was considered from the Head of Financial Services which provided an updated position statement on Risk Management within the organisation.

The Corporate Risk Officer told Members that the report reflected the current position on risk management. The report outlined the appointment of the Corporate Risk Officer, the updating of the Risk Management Strategy and Policy documents. Once these documents had been approved, workshops would take place within the divisions to identify risks. Once the workshops had finished the information would be put into a risk register so that risks could be monitored.

DECISION:

- 1. The latest position statement on Risk Management be noted.**
- 2. An update of the work to progress Corporate Risk Management be reported back to the Audit Committee in April 2008.**

AUD.33 CORPORATE PROCUREMENT - POSITION STATEMENT

A report was considered from the Head of Financial Services that provided Members with an updated position statement on Corporate Procurement.

The Committee noted that a Corporate Procurement Officer had been appointed in June 2007. Since his appointment he had worked on updating Standing Orders regarding the procurement of contracts and had updated the Council's Procurement Strategy. He was currently involved in progressing collaborative procurement arrangements with other authorities, including arranging a new corporate stationery contract, and was also the procurement of postal services, insurance and other supplies.

When asked by a Member whether the Council linked up with the County Council for procurement purposes, he replied that although he did attend some meetings with the County Council some of their initiatives were not ones in which this Council could engage due to the different needs of each organisation.

Members noted that, this year, the Council's annual efficiency target would increase from 2.5 to 3.0% from April 2008. Efficiency gains arising from the procurement process would be required to contribute to the Council's increased efficiency target.

DECISION:

The updated position statement on Corporate Procurement be noted.

AUD.34 EXTERNAL FUNDING - WYRE FOREST DISTRICT COUNCIL

A report was considered from the Head of Planning, Health and Environment that updated the Audit Committee on the external funding process adopted by Wyre Forest District Council and advised on the effectiveness of its application in line with Council priorities.

The Economic Development and Tourism Manager went through the report and highlighted the following points:

He commented that the report was an update from the previous report submitted in January 2007 (minute numbers Aud. 50 and 66 refers). He told Members that the Council had adopted an External Funding Strategy in 2004/05 and this was due to be updated in March 2008. Appendix B of the report outlined the financial funding to the Council as at September 2007. The report identified the funding between the Council's divisions and it was pleasing to note that there had been an increase of approximately £2.8 million pounds in funds attracted as compared with last year.

Members were impressed by the diverse sources of funding that had been identified for the Council and felt that the public would be interested to know about this. The Economic Development and Tourism Manager stated that an article would be included in the next copy of Newswyre.

DECISION:

The amount of External Funding being attracted to the District as attached in Appendix B of the report to the Committee be noted.

AUD.35

EXTERNAL AUDIT - AUDIT MEMORANDUM - REPORT TO THOSE CHARGED WITH GOVERNANCE 2006/07 - FINAL VERSION

The Committee considered the Final report on External Audit : Audit Memorandum - Report to those Charged with Governance. At the last meeting of the Committee a draft copy of the report had been considered (minute number AUD.20 refers). The Financial Services Manager highlighted the changes made to the report from the previous version. She commented that it had been concluded that the Council made proper arrangements in the use of its resources and had been given an unqualified audit opinion on the statement of accounts. She commented that it had been concluded that the Council made proper arrangements in the use of resources and had been given an unqualified audit of opinion on the statement of accounts. It was also noted that page 22 of the report had been amended to give the correct information on the external audit fees for 2006/07.

DECISION:

The report be noted.

AUD.36 WORK PROGRAMME

DECISION:

The Work Programme be agreed.

AUD.37 EXCLUSION OF THE PRESS AND PUBLIC

DECISION:

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.38 SUMMARY OF MINUTES

The following proceedings were considered after the press and public had been excluded from the meeting. A summary of the minutes relating to these items had been made as "exempt information" would be disclosed if the minutes were published in full.

AUD.39 MINUTES

DECISION:

The exempt minutes of the meeting held on 17th September 2007 be confirmed as a correct record and signed by the Chairman.

AUD.40 INTERNAL AUDIT REPORT - QUARTER ENDED 30TH SEPTEMBER 2007

A report was considered from the Head of Financial Services regarding the Internal Audit Report for the quarter ended 30th September 2007.

The meeting finished at 7.18 pm.,