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**WYRE FOREST DISTRICT COUNCIL
AUDIT COMMITTEE
THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,
KIDDERMINSTER
22ND APRIL 2008 (6.00PM)**

PRESENT:

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

Observer : Councillor J Holden

AUD.64 APOLOGIES FOR ABSENCE

There were no apologies for absence

AUD.65 DECLARATION OF INTERESTS

No declarations of interest were made.

AUD.66 MINUTES

AGREED:

The minutes of the meeting held on 17th March 2008 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.67 ANNUAL AUDIT AND INSPECTION LETTER 2006/2007 FROM AUDIT COMMISSION

The Chairman introduced David Evans from KPMG who went through the Annual Audit and Inspection Letter for 2006/2007.

Mr Evans explained that the Annual Audit and Inspection letter included the findings and conclusions from the statutory audit which had been previously reported by KPMG. He outlined the key messages contained in the Inspection Letter. It was considered that the Council had achieved improvement in the delivery of its services.

Mr Evans told Members that the Council had achieved improvement in the delivery of its services. The rate of improvement and the number of

performance indicators in the top quartile are around the average when compared with other district councils. He stated that the Council's external auditors, KPMG, had issued an unqualified opinion on the Council's annual accounts and had assessed it as being at level 2 in its use of resources assessment. This was the second year running that it had scored this mark.

He informed Members that a new performance assessment framework would be introduced that would consider the geographical area of Worcestershire and identify where improvements in services for residents could be considered. The assessment framework would look at all bodies in an area such as the Health Services, Fire Service, Police so that an overall view could be reached.

Members discussed the points raised in the Inspection Letter and raised the following concerns:

- The Audit Commission was looking for councils to have a high performance but with minimal costs and this did not appear to be achievable year on year.
- How to improve when the targets got harder each year
- Whether the public showed any interest in how well a council was performing
- Whether the way the council consulted with its residents was satisfactory
- Corporate inspection was a necessary tool that brought with it burdens and responsibilities.
- The cost of auditing and inspections
- Concern about the amount of money spent on undertaking inspections and audit instead of ploughing it into front line services.

DECISION:

The Annual Audit and Inspection Letter 2006/2007 from the Audit Commission be noted.

AUD.68 **TERMS OF REFERENCE**

Members considered the Committee's Terms of Reference which had been amended to reflect changes in practice.

RECOMMENDED TO COUNCIL:

The Audit Committee's Terms of Reference be amended as follows:

Section 15 regarding the Statement of Internal Control be deleted and an alternative paragraph be substituted as follows:

Annual Governance Statement

15. Consider and make recommendations, if appropriate, on the Annual Governance Statement.

AUD.69 **CORPORATE RISK MANAGEMENT – POSITION STATEMENT**

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

The Corporate Risk Officer informed members that he would be advising them on the progress achieved since his last report in November 2007.

He informed Members that the Corporate Management Team and senior officers had held a series of workshops to identify strategic and divisional risk with regard to the ability to continue to deliver services. The Council's existing system, Covalent, would be used to store all risk information with the aim of integrating risk management and performance management instead of treating as separate strands. He informed members that Risk Management Officer Working Groups had been re-established to further develop and embed risk management across the Council. He advised members that risk management would form an integral part of the business process of the Council and that it would help the Council to function more efficiently and effectively in terms of time and cost. He commented that 'risk champions' had now been established within each division of the Council to raise the profile of risk management.

Members raised the following issues with regard to risk management:

- Whether there was a commitment from employees towards the principle of risk management.
- It was noted that the terms of reference for the risk management officer working group included two meetings per year.
- Whether a representative from the Risk Management Work Group could be invited to a future meeting of the Audit Committee to explain

the risks within their section.

The Corporate Risk Officer addressed the concerns raised and assured members that all these issues were in hand.

DECISION:

The latest position statement on Risk Management be noted.

AUD.70 WORK PROGRAMME

Members considered the Committee's work programme which outlined all the work it had undertaken during the municipal year 2007/08.

DECISION:

The work programme be noted.

AUD.71. 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.72 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 has been made as "exempt information" would be disclosed if the minutes were published in full.

AUD.72 MINUTES

DECISION:

The exempt minutes of the meeting held on 17th March 2008 be agreed and signed by the Chairman.

The meeting ended at 6.45 pm.,