

**WYRE FOREST DISTRICT COUNCIL**  
**AUDIT COMMITTEE**  
**THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,**  
**KIDDERMINSTER**  
**27TH SEPTEMBER 2010 (6.00PM)**

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**Present:**

Councillors: J Holden (Chairman), K H Prosser (Vice-Chairman), G W Ballinger, I Hardiman, D J McCann, D J Millis, C D Nicholls and S J Williams.

**AUD.12 Apologies for Absence**

Apologies for absence were received from Councillors N J Desmond and M A Salter.

**AUD.13 Appointment of Substitutes**

Councillor S J Williams was appointed as a substitute for Councillor M A Salter.

**AUD.14 Declaration of Interests**

No declarations of interest were made.

**AUD.15 Minutes**

**Decision: The minutes of the meeting held on 28th June 2010 be confirmed as a correct record of the meeting and signed by the Chairman.**

**AUD.16 Annual Governance Report External Audit**

The Committee received a report from the Audit Commission detailing the findings of the audit of accounts.

The District Auditor from the Audit Commission advised Members that a considerable amount of work had been developed since the announcement of the abolition of the Audit Commission. Auditing by the Audit Commission would continue for another two years. The transition arrangements could be complicated because there would be approximately 400 authorities going out to tender for the service. With regard to Value for Money, legislation it was clarified that an auditor would be able to give an opinion for the service for another two years until such times that it is replaced.

Members were informed that a rebate from the Audit Commission in 2011/12 would be levied and this could be a 10%-15% reduction.

Members were also advised that as far as the audit practice operated, many staff had received redundancy notices and the intention was that they may be

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able to carry out work for the public sector but they expected to be competing for business in a couple of years time.

The District Auditor went through her report and advised that it summarised all the work that the Audit Commission had undertaken during the year which was now almost complete. It gave an unqualified opinion on statements and arrangements for Value for Money. The Financial Statements had been prepared in good time and had been well prepared by the Council's Accountancy staff.

Members considered the Financial Statement and it was highlighted there had been two changes and these were highlighted in the paper presented to the Committee. Members were advised that with regard to appendix 2 of the report the Audit Commission would like more updating of the risk register and more evidence that Directors had more control over it.

The District Auditor advised that Appendix 3 was the Letter of Representation and Appendix 4 gave details of the Value for Money criteria and this had met the required standard. This was based on work that had already been carried out and this had been fed back to the Chief Executive and the Director of Resources.

The Committee congratulated the Finance Team on their report.

In response to a Member question, the Director of Resources advised that the risk register needed to be updated and the draft statement was presented to Directors at the Corporate Management Team (CMT) meeting, where input was asked for and then it was presented to the Audit Committee. CMT took responsibility for the document.

The District Auditor advised that she would arrange for more detail to be supplied to Committee Members with regard to appendix 4 of the report. This information would include whether the targets had been achieved were poor/average/excellent rather than a simple answer of "yes".

### **Agreed:**

- 1. The District Auditor to supply further information with regard to the Value for Money Criteria.**
- 2. The information be noted.**

### **AUD.17 Statement of Accounts 2009/2010**

The Committee considered a report from the Director of Resources and the Financial Services Manager on the Statement of Accounts 2009/2010 following changes required by the Audit Commission following their audit. The Committee also considered and approved the letter of representation in respect of the audit for 2009/2010.

Members were informed that some adjustments had been made to the balance sheet and these had been identified in appendix 1 of the report.

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In response to a question, the Director of Resources confirmed that the Council used professional valuers to value land for car parking and would provide information regarding a valuation for the Horsefair Car Park, Kidderminster.

The Director of Resources thanked his Accountancy Team for their hard work, especially because of the issues relating to Icelandic monies and car parking.

### **Agreed:**

- 1. The Revised Statement of Accounts for 2009/10 be approved.**
- 2. The Letter of Representation for 2009/10 attached to Appendix 2 of the report to the Audit Committee be approved.**
- 3. The Director of Resources to provide a briefing note regarding the asset valuation for the Horsefair Car Park, Kidderminster.**

### **AUD.18 Internal Audit Monitoring Report Quarter Ending 30<sup>th</sup> June 2010**

The Committee considered a report from the Director of Resources which informed Members of the Internal Monitoring Report for the quarter ended 30<sup>th</sup> June 2010.

The Director of Resources highlighted reports which had been finalised in the quarter and reported there were two "limited" assurances. These related to General Licensing & Regulations 2009/10 and Postal & Franking Machine Expenditure 2009/10.

In relation to Licensing, as this function had been transferred to Bromsgrove on 1<sup>st</sup> June 2010, there would be a follow up in the near future.

Members asked if the Worcestershire Enhanced Two Tier Programme (WETT) had had an affect on the limited assurance for Licensing. The Director of Resources responded that it was unrelated but there were basic reconciliations which needed to be done. This issue would be followed through and reported back to the Audit Committee in due course.

Members were informed that the issue with the postal & franking machine expenditure 2009/10 had now been resolved as the machine now had a PIN number.

Members were informed that the target in the Annual Audit Plan was to deliver 90% of the audit, and the Council had achieved 91.94% as at 30<sup>th</sup> June 2010.

### **Agreed: The information be noted.**

### **AUD.19 External Funding Position Statement – Quarter 1: 2010/2011**

The Committee considered a report from the Director of Planning & Regulatory Services that provided an update on the amount of external funding being attracted into the District during Quarter 1 of the 2010/11 financial year; and the variety of projects for which the funding is contributing towards for the

benefit of the District and its residents.

The Committee noted the content of the report and welcomed the good news.

Members asked if a report could be presented to the Committee on a regular basis on Section 106 funding. The Director of Resources informed Members that he would check the terms of reference for the Audit Committee and report back as to whether it would be possible.

Councillor S J Williams (Chairman - Planning Committee) informed Members that the Planning Committee received a Section 106 Monitoring Report at their Committee.

**Agreed:**

- 1. The amount of External Funding being attracted to the District as attached in Appendix 1 of the report to the Audit Committee be noted.**
- 2. The Director of Resources to confirm whether the Section 106 report could be reported through the Audit Committee.**

The meeting ended at 6.50 pm.