

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET, KIDDERMINSTER

24TH SEPTEMBER 2012 (6 PM)

Present:

Councillors: D C H McCann (Chairman), M A Salter (Vice-Chairman), G W Ballinger, P Dyke, J A Hart, M B Kelly, N Knowles and C Rogers.

Observers:

Councillors: J-P Campion, Councillor N J Desmond and H E Dyke.

AUD.11 Apologies for Absence

Apologies for absence were received from Councillor J W Parish.

AUD.12 Appointment of Substitutes

Councillor G W Ballinger was appointed as a substitute for Councillor J W Parish.

AUD.13 Declarations of Interests by Members

No declarations of interest were made.

AUD.14 Minutes

Agreed: The minutes of the meeting held on 25th June 2012 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.15 Audit Update

The Committee received an update from the Audit Commission. The paper was introduced by Liz Cave from the Audit Commission.

Members were advised that Grant Thornton would be the Council's new audit provider. The Committee were reassured that the level of service would remain as staff from the Audit Commission would be transferring to the new provider.

In response to a Members question, it was confirmed that the price of the new service would be reduced by 40% and the Council had already received a refund of £8,500.

Decision: The report be noted.

AUD.16 Annual Governance Report

The Committee received a report from the Audit Commission which detailed the findings of the audit of accounts for 2011/12.

Members were taken through the report and the District Auditor informed Members that the report gave an unqualified opinion on statements and arrangements for securing Value for Money. Moreover, she was confident that the Council were now more positive in the management of risks and savings.

In response to a Members' question, it was confirmed that in respect to the Icelandic investments the proposed schedule of payments were shown in the Statement of Accounts.

Members were pleased with all the comments made and thanked the Audit Commission for their work.

Decision: The Letter of representation and the proposed action plan be approved.

AUD.17 Annual Audit Letter Wyre Forest District Council 2011/12

The Committee received a draft Annual Audit Letter from the Audit Commission that summarised the results and findings from the audit of accounts for 2011/12.

The District Auditor informed Members that the Audit Letter, once approved, would become a public document and be available to view on the Council's website. The letter would confirm that the finding from the Audit Commission issued an unqualified opinion on the Council's 2011/12 financial statements.

Members were informed that although the Council had an immense amount of work to do, it had progressed well through Wyre Forest Forward. The District Auditor was confident of the Council's ability to manage better than it had previously and there was evidence to prove this, i.e. property sales, new Headquarter savings and well prepared accounts.

In response to a Member query on proposed job losses of 24 full time equivalent posts, the District Auditor replied that it was important for the Council to balance their budgets and get the correct message across to people. There were options to do things in different ways and these needed to be communicated.

The Council needed to look at all its services and see if there were ways to improve how it did things. All Councils across the country were in the same position, it was not a unique situation for Wyre Forest.

It was confirmed that the savings of £500K for the new HQ were shown in the Statement of Accounts.

Decision: The Annual Audit Letter be approved subject to a word change in paragraph one under the heading of Wyre Forest Forward for the savings of £500K for new HQ.

Councillor N J Desmond left the meeting at this point, (6.32pm).

AUD.18 Statement of Accounts 2011/12

The Committee considered a report from the Director of Resources and the Financial Services Manager on the Statement of Accounts 2011/12 following changes required by the Audit Commission as a result of the audit and to consider and approve the letter of representation in respect of the audit for 2011/12.

Members were informed that some adjustments had been made to the balance sheet and these had been identified in appendix 1 of the report. There was one change required to the balance sheet and this was a capital grant transaction.

Members attention was drawn to page 63 of the Statement of Accounts which gave a breakdown of the Icelandic investments and it was reported that 63% of the monies had so far been received.

In response to a Member question, the Director of Resources responded that in her letter she confirmed that she was happy with the statement of accounts and was informed of any irregularities with regard to fraud or suspected fraud. There were several ways this could be highlighted through external and internal audit

It was pleasing to note that the Council paid their bills promptly and also collected it as quickly.

Members were pleased with the clear and concise report and how it had been presented.

Decision:

- 1. The revised Statement of Accounts for 2011/12 be approved.**
- 2. The Letter of representation for 2011/12 attached at appendix of the report be approved.**

AUD.19 Internal Audit – Compliance with the CIPFA Code of Practice for Internal Audit

The Committee received a report from the Director of Resources/Principal Auditor that advised the results of the Self Assessment exercise.

It was confirmed to Members that it was first time that compliance with the Code of Practice for Internal Audit in Local Government had received a majority “Yes” and Members were pleased with this.

Decision: The completed checklist showing Internal Audit – Compliance with the CIPFA Code Practice for Internal Audit as detailed in the appendix to the report be approved and noted.

The District Auditor left the meeting at this point, (6.45pm).

AUD.20 Internal Audit Monitoring Report Quarter Ending 30th June 2012

The Committee received a report from the S151 Officer/Principal Auditor which informed Members of the Internal Monitoring report for the quarter ended 30th June 2012.

The Principal Auditor highlighted reports which had been finalised in the quarter, all of which had achieved “full” or “some” assurance.

In relation to the management of town and civic halls, it was confirmed that the booking system was still “work in progress” and being tested.

It was confirmed that the improvement within the management of electronic documents for the Accountancy Reconciliation of Housing Benefit overpayments was still work in progress.

In response to a member query on the summary of audit advice given in the “Other” section, the Principal Auditor confirmed that this related to items such as queries on benefit payments via the Kidderminster HUB and who was the Council’s governing body.

Decision: The Internal Audit Monitoring Report for the Quarter ended 30th June 2012 as detailed in the appendix to the report be considered.

AUD.21 Risk Management – Corporate Risk Register

The Committee received a report from the Director of Resources which provided an update on the Corporate Risk Register.

It was reported that in relation to incubator units, a professional advisor had been appointed to look into the situation and a report would be made to the Cabinet Review Group.

Decision: The Corporate Risk Register and the associated mitigating actions as at 30th June 2012 be considered and noted.

The meeting ended at 6.55 pm.