

**WYRE FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER**

**30TH JUNE 2014 (6PM)**

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**Present:**

Councillors: T L Onslow (Chairman), J A Hart (Vice-Chairman), J Holden, L Hyde, M B Kelly, J W Parish, J Phillips and C Rogers.

**Observers:**

Councillors: A R Clent, N J Desmond, P Wooldridge and M Wrench.

**AUD.1 Apologies for Absence**

There were no apologies for absence

**AUD.2 Appointment of Substitutes**

There were no appointed substitutes.

**AUD.3 Declarations of Interests by Members**

No declarations of interest were made.

**AUD.4 Minutes**

**Agreed: The minutes of the meeting held on 24<sup>th</sup> March 2014 be confirmed as a correct record of the meeting and signed by the Chairman.**

**AUD.5 Audit Update Report**

The Committee received an update report from Grant Thornton in relation to audit progress and update for 2013/14.

Members were taken through the report which included details of planned work by Grant Thornton. Members were informed that the audit of the final accounts would commence in July 2014 and would be reported back to the Audit Committee in September 2014.

In response to a question raised by a Member, it was confirmed that the Audit Commission would cease to exist in March 2015.

**Agreed: The report be noted.**

**AUD.6 External Audit Fee Letter 2014/15**

The Committee received a report from Grant Thornton in relation to the planned audit fee for 2014/15.

**Agreed: The report be noted.**

**AUD.7 Internal Audit Monitoring Report Quarter Ended 31<sup>st</sup> March 2014**

The Committee received a report from the Section 151 Officer and the Principal Auditor which informed Members of the Internal Audit Monitoring Report quarter ended 31<sup>st</sup> March 2014.

Members were taken through the report. In response to a query raised, Members were informed that the number of random sample accounts for the Housing Benefit/Council Tax Discount Local Scheme was approximately 60 per annum. The External auditors confirmed that the number of samples tested was about right for internal testing.

Members were advised that in relation to audit advice given between January to March 2014, the number of queries had dropped in the main since the kiosks had finished in February 2014. With regard to the Cash to Bank for Car Parks Display Income report, tickets could be obtained from the cash machines to evidence the income and balance the cash.

**Agreed: The Internal Audit Monitoring Report for the quarter ended 31<sup>st</sup> March 2014 as detailed in the appendix to the report of the Audit Committee be considered.**

**AUD.8 Internal Audit - Compliance With The Public Sector Internal Audit Standards 2013**

The Committee received a report from the Section 151 Officer and Principal Auditor which advised the results of the Self Assessment exercise.

The Chief Financial Officer took Members through the report and the following points were clarified:

- a. The Chief Financial Officer carried out a Personal Development Review every year with the Principal Auditor and targets were set together with agreeing any training requirements. The Principal Auditor also liaised with other local authorities audit groups and attended audit seminars.
- b. The outcomes of future reviews of those areas of partial compliance would be presented to a future meeting of the Audit Committee.
- c. The Corporate Risk Register would be on a future Audit Committee agenda. Members could then decide whether they would like to invite Senior Officers to a follow up meeting.

- d. There was now a new requirement for an external assessment to be undertaken every 5 years and this could possibly be presented to the Audit Committee in December 2017. In response to a member question, the Principal Auditor confirmed that this requirement affected all local authorities, and a proposal on action for the external assessment would be considered by a future Audit Committee.

**Agreed: The completed checklist showing Internal Audit – Compliance with the UK Public Sector Internal Audit Standards 2013, as detailed in the Appendix of the report to the Audit Committee be noted and approved.**

**AUD.9 Internal Audit Annual Assurance Report 2013/2014**

The Committee received a report from the Section 151 Officer and Principal Auditor which asked for approval of the Internal Audit Annual Assurance report.

Members asked that for future reports the percentage calculation be removed from the Assurance levels table as this did not add any meaning.

**Agreed: The Internal Audit Annual Assurance report for 2012/14 as attached at appendix 1 of the report to the Audit Committee be approved.**

**AUD.10 Annual Governance Statement**

The Committee received a report from the Chief Financial Officer which asked for approval of the Annual Governance Statement and Annual Governance Action Plan 2013/2014 for inclusion within the Statement of Accounts.

The Chief Financial Officer took Members through the report and referred them to the appendix which gave a backward and a forward look.

In response to a Member question, it was confirmed that the Icelandic investment under £1m was outstanding in total, with a final payment awaited for Heritable Bank and regular repayments continued to be received for the KSF investment.

**Agreed: The Annual Governance Statement attached at Appendix 1 of the report to the Audit Committee be approved.**

**AUD.11 Report on Final Accounts**

The Committee received a report from the Chief Financial Officer which asked the Committee to consider a pre-audit copy of the Council's Statement of Accounts for the financial year 2013/14.

A copy of the actual pre-audit copy of the full Statement of Accounts was given to each Member of the Committee. The Chief Financial Officer took Members through the report.

It was confirmed that the Council tried to pay all of its bills within 30 days to ensure businesses were paid on time.

#### **Agenda Item No. 4**

With reference to money owed to the Council in Note 17 of the Statement of Accounts, Members were advised that this did not include the Icelandic investments.

#### **Agreed:**

- 1. The pre-audit Statement of Accounts approved by the Chief Financial Officer be endorsed.**
- 2. The Chief Financial Officer be authorised to make minor changes to the copy of the Statement of Accounts endorsed in (1) above, prior to the statutory pre-audit deadline of the 30<sup>th</sup> June 2014, should this be necessary.**

The meeting ended at 7.04 pm.