

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

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

28TH SEPTEMBER 2015 (6PM)

Present:

Councillors: J Phillips (Chairman), T A Muir (Vice-Chairman), P Dyke,
A T Hingley, J A Shaw and J D Smith.

Observers:

Councillor N Knowles attended as an observer.

AUD.11 Apologies for Absence

There were no apologies for absence.

AUD.12 Appointment of Substitutes

There were no substitutes appointed.

AUD.13 Declarations of Interests by Members

No declarations of interest were made.

AUD.14 Minutes

Agreed: The minutes of the meeting held on 29th June 2015 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.15 Audit Findings Report for Wyre Forest District Council – 2014/15 Final Accounts

The Panel received a report from Grant Thornton regarding the findings of the Audit of Accounts for 2014/15.

The Audit is now complete subject to the official adoption of the accounts.

The Engagement Lead of Grant Thornton advised that the accounts were of good quality and the officers had been very diligent in the work that they had undertaken.

It was highlighted that a number of adjustments to the draft accounts were agreed with the Chief financial Officer:

- Leisure Centre Asset Valuation adjustments
- Accounting re-designation of Business Rates earmarked reserve to a

- provision
- An increase in the provision for Business Rate appeals due to Valuation Office Agency decision on GP surgeries

The Value for Money conclusion was also positive with all significant risks given a green rating and an unqualified Value for Money conclusion.

Councillor Shaw requested clarification on the comprehensive income and expenditure table and queried what these figures signify in terms of capital and revenue that Members are used to seeing. The Engagement Lead advised that item 1 in the table is revenue and does affect the balance sheet whereas items 2 and 3 are accounting adjustments in relation to balance sheet presentation of property, plant and equipment and do not impact on the accounts “bottom line”.

Councillor Hingley queried the reference to Wyre Forest District Council having a relatively high net spend per head and also not choosing outsourcing as a response to poor service delivery. Both the Engagement Lead and the Senior Manager confirmed that these were highlighted in the benchmarking data as ways in which we differ to other local authorities and not necessarily negative factors.

Councillor Shaw reminded the Committee that a detailed document had been made available to them at a previous meeting with Grant Thornton that showed significant variations in how funds were allocated.

Agreed: The report was noted by the Committee.

AUD.16 Statement of Accounts 2014/15

The Chief Financial Officer led Members through the report and advised that approval was sought for both the accounts (following the adjustments to the draft accounts agreed with Grant Thornton) and the Letter of Representation as set out at Appendix 1.

The Chief Financial Officer thanked the Principal Accountant and the finance team for their work to finalise the accounts, particularly in relation to the technical post audit adjustments. It was very pleasing to achieve an unqualified audit opinion for this challenging year.

The Chief Financial Officer highlighted that the change to the Business Rate Appeals for GP Surgeries had impacted on the “bottom line” in comparison to the Leisure Centre and NNDR changes which are technical changes to the accounts presentation.

The Chief Financial Officer highlighted to Members that a simplified version of the accounts is available. This will be made available in leaflet form at the Hub and on the website.

Councillor Hingley thanked staff for their work on the accounts this and also commented that the accounts did highlight what a challenging position local authorities find themselves in, especially as the reserves needed to be called

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upon to meet the extra costs as a result of the Business Rates appeals for GP surgeries.

Councillor Shaw also commented on the reliance of reserves and the subsequent level of uncertainty. He would welcome an item at Members' Forum on the Business Rates Retention System. The Chief Financial Officer advised that she would ensure a briefing is given to Members in a suitable format either at Members Forum or as part of the budget process.

Councillor Knowles questioned a reference to the creation of a Kidderminster Town Council and asked how this would mitigate risk. The Chief Financial Officer confirmed that Kidderminster Town Council will be a form of localism and partnership working to improve services to the public whilst generating savings.

Councillor Knowles also requested further explanation as to how the GP Surgery refund situation occurred. The Chief Financial Officer explained the background to this and also confirmed that it was a national change by the Valuation Office Agency and not specific to Wyre Forest.

**Decision: The revised Statement of Accounts for 2014/15 be approved.
The Letter of Representation for 2014/15 be approved.**

AUD.17 Internal Audit Monitoring Report Quarter to 30th June 2015

The Audit Manager led Members through the Quarter 1 update and highlighted the key areas within the report as a positive outcome there were no limited assurances on final audit reviews.

Councillor Knowles queried the actual against plan figure which for Quarter 1 was 88.42% which is slightly down on the target of 95%. The Audit Manager advised that this was due to some of her time being used for Corporate Projects and therefore not allocated to the work set out in the audit plan.

Agreed: The Internal Audit Monitoring Report for Quarter ended 30th June 2015 as detailed in the Appendix of the report to the Audit Committee be noted.

AUD.18 Risk Management Corporate Risk Register

The Chief Financial Officer led Members through the report and our current risks.

The Chief Financial Officer advised that Risk Management is well embedded throughout the authority as a whole. The Risk Register is updated quarterly and reported at least twice a year which is important as risks do change and develop over time.

Councillor Hingley asked about the Members Induction Programme that forms part of our suite of mitigating actions. Councillor Hingley noted the relatively high number of new Members following the May election and queried if the Induction Programme could be managed better to try to increase participation

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rates. The Chief Financial Officer confirmed that she would pass this comment on to the Head of Transformation and Communications who manages the Induction Programme.

Councillor Shaw requested clarification to H20 as referred to in an update note. The Chief Financial Officer confirmed this was a company working on our behalf.

Councillor Hingley raised concern about the update note regarding Bromsgrove Street Foyer and how it is potentially under threat. The Chief Financial Officer confirmed that the Strategic Housing Services Manager is monitoring the situation very carefully due to current funding pressures. The Chief Financial Officer also reminded Members that any future pressures will be reported as part of the budget strategy.

Councillor Shaw also expressed his personal view that out of all of the risks identified, the Housing risk may be the one that could increase. He advised he would support a referral to Overview and Scrutiny Committee where hopefully a revised policy position would be available.

Councillor Knowles requested clarification on the Budget Risk Matrix and the items listed in Quadrant 4. He queried whether the Devolution Debate and the “Realignment of Area” were of a very similar topic and also asked where Wyre Forest District Council stood on the issue of the Devolution Debate. The Chief Financial Officer advised that the Council is actively involved in emerging issues to keep up to date and engage with this very significant topic.

Agreed: The report was noted by the Committee.

AUD.19 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 item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

As part of agenda item 5, the meeting was taken into “exempt” due to a question raised by a Member. A discussion ensued regarding the Valuation of the Leisure Centre where Grant Thornton provided further details.

The meeting ended at 7.05pm.