

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

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

27TH JUNE 2016 (6PM)

Present:

Councillors: C Rogers (Chairman), A T Hingley (Vice-Chairman), S Miah,
J A Shaw, J D Smith and R J Vale.

AUD.1 Apologies for Absence

There were no apologies for absence.

AUD.2 Appointment of Substitutes

Councillor N J Desmond attended as an observer.

AUD.3 Declarations of Interests by Members

No declarations of interest were made.

AUD.4 Minutes

Agreed: The minutes of the meeting held on 21st March 2016 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.5 Audit Update Report

The Committee received a progress report and update on the external audit for 2015/16.

Richard Percival, Associate Director, Grant Thornton presented the report and advised that the team were where they wanted to be in terms of the audit plan and the interim audit work had been completed.

Member's attention was drawn to page 15 of the report which set out the significant risks identified for the Council. Richard Percival advised that in line with audit practice across the country, the valuation of pension fund net liability had been added to the identified risk list; however there was no cause for concern.

Agreed: The update report be noted.

AUD.6 External Audit Fee Letter 2016/17

The Committee received an update report from Grant Thornton in relation to the planned audit fee for 2016/17.

Agreed: The update be noted.

AUD.7 Internal Audit Monitoring Report Quarter Ended 31st March 2016

The Committee received a report from the Audit Manager which informed Members of the Internal Audit Monitoring Report for the quarter ended 31st March 2016.

The Audit Manager led Members through the report and appendix, and highlighted the additional assurance work undertaken by the team in addition to the planned work. This work included supporting teams with the Council's Wyre Forest Forward Programme and interventions.

A Member expressed concern that the Internal Audit service performance target had not been achieved. The Audit Manager advised that the team had achieved 93.99% against a 95% target, which had been set as a stretch target. Previously this had been set at 90%, which was in line with other Internal Audit teams, and had been regularly exceeded. The Chief Financial Officer assured the Committee that there was no cause for concern and that throughout the year the team had responded to requests for advice and consultancy outside of the work listed in the annual plan.

Agreed: The Internal Audit Monitoring Report for the Quarter ended 31st March 2016 be noted.

AUD.8 Internal Audit Annual Assurance Report 2015/16

The Committee received a report from the Section 151 Officer and Audit Manager which sought approval of the Internal Audit Annual Assurance report for 2015/16.

The Section 151 Officer advised that she was required to give a personal opinion on the overall adequacy and effectiveness of the Council's internal control environment. The Audit Manager and her team were thanked for their hard work, and Members were asked to support the report.

Agreed: The Internal Audit Annual Assurance report for 2015/16 be approved.

AUD.9 Internal Audit Review of Counter Fraud Arrangements for 2015/16

The Committee considered a report from the Section 151 Officer and Audit Manager which gave an update on the progress and outcomes in respect of the counter fraud arrangements in place within the Council for 2015/16.

The Section 151 Officer led Members through the report and outlined the change of focus for local authorities following the result of the Government's Welfare Reform Agenda and the housing benefit fraud investigation work being transferred to the Department for Works and Pensions (DWP), Single Fraud Investigation Service (SFIS). She added that the Council had appointed Compliance Officers within the Revenues and Benefits Team who will be the

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primary liaison between the Council and SFIS, and a Corporate Fraud/Debt Recovery Officer post which has been aligned to the Internal Audit Team.

The Audit Manager took Members through the appendices of the report and advised that no frauds had been detected within the Council during 2015/16. Members were assured that work would continue on the prevention and deterrence of fraud and the Committee would receive further updates at future meetings.

Agreed: The report on the counter fraud arrangements within the Council be noted.

AUD.10 Annual Governance Statement

The Committee received a report from the Chief Financial Officer which sought the approval of the Annual Governance Statement 2015/16 for inclusion in the Statement of Accounts.

The Chief Financial Officer took Members through the statement and advised that the Council was required to conduct an annual review of the effectiveness of internal control and publish the findings accordingly. In response to a Member question, the Chief Financial Officer advised that the Council always undertake due diligence to ensure there are robust governance frameworks in place before entering into any partnership arrangements.

Agreed: The Annual Governance Statement be approved.

AUD. 11 Statement of Accounts 2015/16

The Committee received a report from the Chief Financial Officer which asked Members to consider a pre-audit copy of the Council's Statement of Accounts for the financial year 2015/16.

The Chief Financial Officer led Members in depth through the report and gave a detailed summary of the key issues. A discussion ensued and Richard Percival offered to provide Committee Members with a copy of a Grant Thornton publication 'A guide to local authority accounts', which was designed to help Members discharge their responsibilities for the financial statements.

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 30th June, should this be necessary.**

There being no further business, the meeting ended at 7.23pm.