

**WYRE FOREST DISTRICT COUNCIL**  
**AUDIT COMMITTEE**  
**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY,**  
**KIDDERMINSTER**  
**20TH MARCH 2017 (6PM)**

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**Present:**

Councillors: A T Hingley (Chairman), T L Onslow (Vice-Chairman), S Miah, J A Shaw, S J Williams and K Henderson.

**AUD. 32 Apologies for Absence**

Apologies for absence were received from Councillor Sally Chambers.

**AUD. 33 Appointment of Substitutes**

Councillor Chris Rogers attended as an observer. Councillor Stephen Williams was appointed as a substitute for Councillor Sally Chambers.

**AUD. 34 Declarations of Interests by Members**

No declarations of interest were made.

**AUD. 35 Minutes**

**The minutes of the meeting held on 28<sup>th</sup> November 2016 be confirmed as a correct record of the meeting and signed by the Chairman.**

**AUD. 36 Audit Update**

Grant Thornton led Members through the report on progress in delivering responsibilities as external auditors.

Councillor Shaw commented that he hoped the Council would be proactive regarding “fixing the broken housing market” and the associated new responsibilities for district councils.

Councillor Shaw asked about the most recent redirection of funds and any potential impact to New Homes Bonus. The Chief Financial Officer advised that the further guidance and information regarding New Homes Bonus is still awaited from Government.

Councillor Shaw also asked about the reference to Personal Service Companies in the section of the report regarding “Off-Payroll working and salary sacrifice in the public sector”. The Chief Financial Officer advised that IR35 could apply but not significantly. Advice has been taken from PWC regarding the impact.

Councillor Miah queried the reference to “work completed” and “most of work

completed” on page 11 of the report. Grant Thornton confirmed that the completed work referred to the interim work and the “most of work completed” referred to the Final Accounts in June.

Councillor Onslow asked for clarification regarding the phrase “Integrated Thinking”. Grant Thornton advised this phrase relates to current work to bridge the gap between reporting the financial position of an authority at the end of the year and what “value” has been achieved through project outcomes.

**Agreed: The update was noted.**

**AUD. 37 Certification Report**

Grant Thornton led Members through the letter regarding the certification work for Wyre Forest for year ended 31<sup>st</sup> March 2106. Grant Thornton highlighted the revision to the fee as per page 28.

Councillor Onslow queried why there was a variation to the fee. Grant Thornton advised that an indicative fee is set at the beginning of the year and this fee is based on the fee from 2 years prior to the current year. The fee will change depending on the amount of follow up work undertaken as a result of initial findings. On this occasion, additional work was undertaken by Grant Thornton due to staffing resource shortages within the benefits team.

**Agreed: The report was noted.**

**AUD. 38 Informing Risk Assessment**

Grant Thornton led Members through the report regarding informing the audit risk assessment.

Councillor Shaw queried the answer of yes to the question “does the Council have sufficient staff in post?” Does this mean staffing levels were over sourced previously? The Chief Financial Officer confirmed that answering “yes” to this question would always be a tentative “yes”. If a gap in staffing levels is identified, it would be bridged using the Innovation Fund. Councillor Shaw passed on his compliments to staff as they continue to take on additional workloads and responsibilities.

Councillor Miah asked if it was getting harder to attract people to work for the authority. The Chief Financial Officer confirmed that recent recruitments have been very positive and have attracted strong candidates.

Councillor Hingley agreed that the points Councillors Shaw and Miah raised were valid and that this would need to be monitored going forward.

**Agreed: The report was noted.**

**AUD. 39 Audit Plan**

Grant Thornton led Members through the Audit Plan for the year ending 31<sup>st</sup> March.

Councillor Hingley commented that the layout of the report made it extremely easy to read and digest.

**Agreed: The report was noted.**

**AUD. 40 Internal Audit Plan 2017/18**

The Chief Financial Officer/Audit Manager led Members through the report which has been prepared in accordance with the UK Public Sector Internal Audit Standards and the Internal Audit Charter.

Councillor Shaw asked about the reference on page 80 as to the ongoing audit of the benefits section. Are the changes from DWP the reason for continued staffing changes? The Audit Manager confirmed several audit days are allowed for that service area as it is a key area for the External Auditors.

Councillor Miah asked for examples of what would be considered minor/major amendments to the plan. The Audit Manager gave the example of making slight amendments to the number of days assigned to certain areas which would be considered minor, where as a restructure within the Audit team would be considered major affecting the available audit days and a revised plan would be brought back to Committee.

Councillor Onslow asked for reassurance that the Internal Audit team are sufficiently experienced in the new issues that are likely to arise in the future around income generation etc. The Audit Manager confirmed that she has a very experienced Internal Audit team, three of whom have undertaken audits within the private sector. If ever a gap in knowledge/experience was identified, the necessary steps would be taken and resourced.

**Agreed: The Audit Committee:**

**Considered and approved the Internal Audit – Annual Audit Plan 2017/18, attached as Appendix 1.**

**Approved that the Chief Financial Officer as Section 151 may amend the plan in consultation with the Audit Manager in light of developments arising during the year as described in paragraph 3.6 of this report.**

**AUD. 41 Internal Audit Monitoring Report**

The Audit Manager led Members through the Internal Audit Monitoring Report for the Quarter ending 31<sup>st</sup> December 2016.

Councillor Onslow queried which of the recommendations relating to Cyber Security controls referred to on page 97 was still outstanding. The Audit Manager confirmed that work on the Disaster Recovery Plan was still being undertaken and this will be reviewed as part of the 2017/18 Audit Plan.

**Agreed: The report was noted.**

**AUD. 42 Annual Governance Statement**

The Chief Financial Officer led Members through the report to present the current position in relation to the action plan which was developed to address the issues identified within the 2015/16 Statement of Accounts

**The progress against the Annual Governance Statement Action Plan 2015/16 was agreed.**

**AUD. 43 Risk Management**

The Chief Financial Officer led Members through the report to inform them of the current Corporate Risk Register and the Budget Risk Matrix.

Councillor Shaw queried the collection of Council Tax and Business Rates figures. The Chief Financial Officer confirmed that the Council Tax collection rate figure was for the whole of the billed amount rather than the district council portion. The Business Rate cash collection is higher, despite the lower percentage rate, as there may be less rate relief etc resulting in an increase in the total Council Tax collectible.

**Agreed: The report was noted.**

**The meeting ended at 7.25pm.**