

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY,
KIDDERMINSTER

29TH MAY 2019 (6PM)

Present:

Councillors: A Totty (Chairman), S E N Rook (Vice-Chairman), V Caulfield, B S Dawes, N J Desmond, A L L'Huillier, C Rogers and P W M Young.

Observers: G Ballinger, C Edginton-White and F Oborski

AUD.01 Apologies for Absence

Apologies were received from B Zzaman, Independent Member and Zoe Thomas, Grant Thornton.

AUD.02 Appointment of Substitutes

There were no appointment of substitutes.

AUD.03 Declarations of Interests by Members

No declarations of interest were made.

AUD.04 Minutes

Agreed: The minutes of the meeting held on 25th March 2019 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.05 Internal Monitoring Report 31st March 2019

The Committee considered a report from the Audit Manager which informed Members of the Internal Audit Monitoring Report for the quarter ended 31st March 2019.

The Audit Manager took members through the report in slightly more detail than usual as there were a number of new members on the Committee. She explained that for most of the Audit Reports issued in the quarter ended 31st March 2019 she could give full assurance except for Housing Benefit and Council Tax Reduction Scheme. The Audit Team do a lot of testing in these areas but due to the high volume of work that is done you would expect some errors to occur therefore, she cannot give full assurance. The Audit Manager also explained to members how the Team performed against the audit plan. The target is for 95% completion but this had not been met in the last financial year as the Senior Auditor and the Trainee Auditor had both moved on to other jobs. The Audit Manager confirmed that if the plan had been adjusted for the manpower that was available during the final quarter, the team would have

been on target.

Agreed: The Internal Audit Monitoring Report for the Quarter ended 31st March 2019 as detailed in the Appendix to the report be noted.

AUD.06 Internal Audit Annual Assurance Report 2018-19

The Committee received a report from the Audit Manager which sought approval of the Internal Audit Annual Assurance Report for 2018-19. The Corporate Director: Resources advised Members that the report would feed into the Annual Governance Statement which was published as part of the Statement of Accounts. The Corporate Director: Resources said that she agreed with the assurance given by the Audit Manager.

The Audit Manager led Members through the report and advised that it was her personal opinion that reasonable assurance could be given on the effectiveness of the Council's internal control environment.

The Audit Manager advised that the annual assurance report had also been revised in line with the external assessment of the internal audit service completed in May 2018 to clearly define the organisational independence of the Audit Manager.

Councillor Young asked what would happen if things were not quite right. The Audit Manager confirmed that if they found anything of concern it would have been included in this report and referenced against the audit opinion. The Audit Manager confirmed that the report does consolidate the work of the Internal Audit team and also evidences the effectiveness of the system of internal audit.

Agreed: The Internal Audit Annual Assurance report for 2018-19 attached as Appendix 1 of the report be approved.

AUD.07 Annual Governance Statement 2018-19

The Committee received a report from the Corporate Director: Resources which sought approval of the Annual Governance Statement and Annual Governance Action Plan 2018-19 for inclusion in the Statement of Accounts.

The Corporate Director: Resources led Members through the report which presented the current position in relation to the action plan which had been developed to address the significant governance issues identified for 2018-19 to be addressed in 2019-20.

Members considered each of the seven issues in turn and were advised that the final Statement would be presented to the Committee for approval in July 2019.

Agreed: The Annual Governance Statement 2018-19 attached at Appendix 1 of the report be approved.

AUD.08 Statement of Accounts 2018-19

The Committee received a report from the Corporate Director: Resources

which asked Members to consider a pre-audit copy of the Council's Statement of Accounts for the financial year 2018-19.

The Corporate Director: Resources apologised that the full Statement of Accounts was not issued until Friday afternoon but she was not expecting members to have read all of the detail. She outlined the contents of the report and advised Members that there was no statutory duty to bring the pre-audit copy to Committee for endorsement. The Council's external auditor, Grant Thornton (GT) has until 31st July 2019 to complete the audit when a further report will be brought to the Audit Committee.

In future years the full Statement may not be brought to Members until the July meeting in line with other Worcestershire Councils.

The Corporate Director: Resources advised members that a Strong Leader Report had been issued on the 23rd May 2019 following Annual Council on the Provisional Final Accounts Outturn 2018-19. This reported the very welcome saving of £100k for 2018-19 after replenishing a number of risk reserves to protect the Council's position going forward and fund future transformation to help close the £2.2m funding gap. The repayment of this Council's share of the former Worcestershire Business Rates Pool Risk Reserve of circa £533k was also noted.

The Corporate Director: Resources thanked her team for their hard work in preparing the Statement of Accounts.

The Financial Services Manager led Members through the Statement and gave a detailed summary of the key issues.

Councillor Desmond thanked the Corporate Director: Resources and her team for their excellent work to help achieve the savings and efficiencies reported for 2018-19. He also congratulated the Finance Team for the very healthy position the Council was in. He queried why the process for reporting the Provisional Final Accounts Outturn was a Strong Leader route rather than a full report to the Cabinet this year. The Corporate Director: Resources explained that it could have gone to June Cabinet but it was mutually agreed, that as it was good news, it would be done as a Strong Leader Report.

Agreed:

- 1.1 The pre-audit Statement of Accounts approved by the Corporate Director: Resources, be endorsed.**
- 1.2 The Corporate Director: Resources be authorised to make minor changes to the copy of the Statement of Accounts endorsed in 1.1 above, prior to the statutory pre-audit deadline of the 31st May, should this be necessary.**

AUD.09 External Audit Fee Letter 2019-20

The Committee received a report from Peter Barber, Grant Thornton on the External Audit Fee for 2019-20.

He said that the letter was self explanatory and sets out the proposed fee for

2019-20 would be £37,681 which is the same as the current year.

Agreed: The External Audit Fee Letter for 2019-20 be noted

There being no further business the meeting ended at 6.55pm.