

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

HELD REMOTELY

28TH OCTOBER 2020 (6PM)

Present:

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

Bodrul Zzaman – Independent Person

Observers:

Councillors G W Ballinger, Councillor H E Dyke, Councillor P Dyke, Councillor C Edginton-White, and Councillor F M Oborski MBE attended as observers.

The Chairman thanked Councillor Sarah Rook for her contributions as Vice Chair of the Audit Committee and welcomed Councillor Peter Young who was stepping into the position. He also welcomed Councillor Roger Coleman to the Committee.

AUD.49 Apologies for Absence

There were no apologies for absence.

AUD.50 Appointment of Substitutes

No substitutes were appointed.

AUD.51 Declarations of Interests by Members

No declarations of interest were made.

AUD.52 Minutes

Agreed: The minutes of the meeting held on 22nd July 2020 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.53 Sector Update

The Committee received a sector update from Grant Thornton (GT). The Engagement Lead took Members through the report identifying key points. He explained that this would usually also be a progress report but as this would be covered by agenda item 6 this report solely concentrated on the sector update from GT and other relevant organisations. There was detailed discussion around the Redmond review which looked at the effectiveness of the local audit market within the public sector with Members asking questions of the Engagement Lead around the review.

The Audit Sector Update was noted by the Committee.

AUD.54 Audit Findings Report for Wyre Forest District Council – 2019/20 Accounts

The Committee received an audit findings report setting out the main findings of the external audit of accounts for 2019/20 from Grant Thornton. The Engagement Lead informed Members that the deadline for the report had been extended due to Covid-19 but he was pleased to say that the report was due to be completed before the deadline, despite the challenges faced, and he thanked Wyre Forest District Council (WFDC) Officers for their co-operation and support throughout the audit. The purpose of the audit was to offer an opinion on the accounts and a value for money conclusion. The criteria by which the audit is conducted is due to change from 2021 and Members will be fully briefed on those changes at a later date. The Engagement Lead updated Members on the key messages and remaining issues arising from the audit and said that it was expected that all outstanding issues would be satisfactorily concluded to enable an unqualified opinion on the Council's financial statements to be issued by the deadline.

The Engagement Lead discussed the key area of property plant and equipment as more questions had been asked around this area during the audit in order to offer confidence as a result of Covid-19 and the material uncertainty around this area, which is an issue across the country and not just Wyre Forest specific. GT concurred that WFDC was a going concern and the accounts could be prepared on this basis and there were no material uncertainties that changed this assumption.

The Audit Findings Report for Wyre Forest District Council – 2019/20 Accounts were noted by the Committee.

AUD.55 Statement of Accounts 2019-20

The Committee received a report from the Chief Financial Officer on the Statement of Accounts 2019-20. She offered her thanks to the GT team and the WFDC finance team for their support during a very difficult year. She informed Members that the recommendation was slightly different this year and the Committee were being asked to approve the accounts but authorise the Chief Financial Officer to make any minor changes necessary to finalise the accounts. This is unusual compared to other years due to current circumstances as the external audit is not yet complete. All Members of the Audit Committee had received a copy of the statement of accounts showing the changes and the Chief Financial Officer was pleased that GT had indicated they would issue an unqualified opinion subject to finishing the audit.

The overview of the Statement of accounts will be made available on the website providing a simplified format for easier reading.

The Audit Committee agreed:

1.1 The Audited Statement of Accounts for 2019/20 be approved and authorised the Corporate Director: Resources to make any minor changes that were appropriate as part of resolution of the final external audit queries should this be necessary.

1.2 The Letter of Representation for 2019/20 attached at Appendix 1 of the report be approved.

AUD.56 Internal Audit Monitoring Reports for Quarters 1 and 2 Against 2020-21 Audit Plan

The Committee received a report from the Audit Manager which informed Members of the internal monitoring reports for quarters 1 and 2 against the 2020-21 audit Plan. The two quarters were brought to the Committee following the rescheduling of a previous meeting. She updated Members on the progress of the work of the Audit Team against the Audit Plan and walked Members through the information detailing the summary of reports that had been issued for the quarter to date which showed full assurance with no recommendations to be made in those areas. The Audit Manager updated Members on the current work being carried out by the team and informed them that although the team were slightly behind on performance against the plan, due to annual leave and training for the internal auditor, this was not a concern and she was confident that the target of 95% of the plan would be completed for the year.. Staff resources have been allocated to the checking of the Covid-19 business grants payments which had taken additional time but offered confidence that they were being administered correctly for the Council.

The Audit Committee considered the Internal Audit Monitoring Report for the six months ended 30th September 2020 as detailed in the Appendix to the report.

AUD.57 Counter Fraud Arrangements 2020-21

The Committee received an update from the Audit Manager on the current counter fraud arrangements in place. This annual provided Members with an update on the work of the Compliance Officers within the Revenues & Benefits team, the corporate fraud resource aligned to the Audit Team and the ICT work around cybercrime. The Audit Manger took Members through the report in detail expanding on the key issues including the Fighting Fraud & Corruption Local Government Agenda and the Fraud Alert System. She expanded on the work done by the ICT Team to stop potential attempted frauds and highlighted that the ICT Manager and his team had obtained the Cyber Essentials Certificate accredited from the National Cyber Centre. In addition, the Audit Manager explained WFDC participation in the National Fraud Initiative and the information provided by WFDC to protect public funds.

The Audit Manager updated the Committee on the impact of Covid-19 and the areas that currently required extra focus to prevent fraud. In answer to a Members question she said that it was difficult to put an exact figure on the money saved by detecting frauds however, it was evident that savings were made by preventing these frauds and errors.

The Audit Committee considered and noted this report on the counter fraud arrangements within the Council.

AUD.58 Risk Management – Corporate Risk Register

The Committee received a report from the Section 151 Officer informing Members of the current Corporate Risk register and the budget Risk Matrix. She informed Members that risk management was well embedded at WFDC and each Committee report contained a risk management section to keep Members informed, and specific risk management logs were kept separately for larger

Agenda Item No. 4

projects and Officers worked to keep these updated with a red, amber, green (RAG) rating that Members were familiar with. She explained that budgetary control reports covered financial risk and these had recently been dominated by Covid-19 and the resultant budget deficit. Cyber risk is also recognised as a significant risk. The Section 151 Officer then went through each page of the Corporate Risk Register 2020/21 answering questions as they arose on each of the identified risks.

The Audit Committee considered and noted the Corporate Risk Register and the associated mitigating actions as at 30th September 2020 and the 2020-23 Budget Risk Matrix.

There being no further business, the meeting ended at 7:21pm.