

Open

Audit Committee

Agenda

6pm
Wednesday, 23 November 2022
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Audit Committee

Members of Committee:

Chairman: Councillor R H Coleman
Vice-Chairman: Councillor P W M Young

Councillor B Brookes

Councillor B S Dawes

Councillor N J Desmond

Councillor P Dyke

Councillor A Totty

Councillor L Whitehouse

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to request to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of "Exempt Information" for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of this constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

For further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finpoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Wyre Forest District Council

Audit Committee

Wednesday, 23 November 2022

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 28 September 2022.	5
5.	External Audit Finding Report for WFDC 2021-22 Accounts To receive a report from the Grant Thornton.	To follow
6.	Statement of Accounts 2021-22 To receive a report from the Head of Resources and s151 Officer.	To follow
7.	External Audit – Annual Audit Certificate for WFDC 2020-21 Accounts To receive the Annual Audit Certificate from Grant Thornton	8

8.	<p>Internal Audit Monitoring Report Quarter Ended 30th September 2022</p> <p>To receive a report from the Audit Manager that presents the Internal Audit Monitoring Report for the Quarter ended 30th September 2022.</p>	11
9.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
10.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“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 the paragraph 1 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2

Not open to the Press and Public

11.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY,
KIDDERMINSTER

28 SEPTEMBER 2022 (6PM)

Present:

Councillors: R H Coleman (Chairman), P W M Young (Vice-Chairman),
B Brookes, N J Desmond, P Dyke, C Rogers, A Totty and L Whitehouse.

Observers

Observed remotely: Councillor J Byng

AUD.18 Apologies for Absence

Apologies for absence were received from Councillor: B S Dawes.

AUD.19 Appointment of Substitutes

Councillor C Rogers was appointed as a substitute for Councillor B Dawes.

AUD.20 Declarations of Interests by Members

No declarations of interest were made.

AUD.21 Minutes

Agreed: The minutes of the meeting held on 6 July 2022 be confirmed as a correct record of the meeting and signed by the Chairman.

AUD.22 External Audit – Audit Progress Report and Sector update

Zoe Thomas, Manager, Grant Thornton provided an update. She advised there were no matters to bring to the attention of the Committee. All other planned work is progressing to deadlines.

Councillor Desmond said it was excellent news to have good bill of health. Recent changes mean that not all authorities can sign off their accounts, but we have been able to even though we are not a top tier authority.

Agreed: The report was noted

AUD.23 Draft (Pre audit) Statement of Accounts 2021-22 Report

The Principal Accountant led members through the Statement of Accounts highlighting the narrative on page 3 of the report, the statement of responsibilities, the annual governance statement, the core statements, the

Agenda Item No. 4

notes, and the supplementary statement.

Councillor Desmond said that overall, it is not a bad position in these challenging times; £3 million in reserves which is excellent. Working balance of under £1 million. £15.3 million earmarked reserves

The Head of Resources advised that half are section 31 grants that need to be paid back.

Councillor Desmond said that picture overall isn't as bleak as one would think. S151 officer done an excellent job in building up reserves. Questioned why there is such a spike at the time of revised budgets with the outturn being so different. Can we do anything differently internally?

The Head of Resources advised that she did not have the answers in front of her but will have a look at the amounts. Some of the variance is down to not anticipating the speed of recovery in quarter 4. The Head of Resources confirmed that work was being done with service managers to reassure them that overspends would be dealt with so that significant decisions are not being made based on overspends.

Agreed: The report was noted

AUD.24 Internal Audit Monitoring Report Quarter Ended 30th June 2022

The Audit Manager led members through key parts of the report including payroll compliance overview with some assurance, performance against the plan to date and updates around ad hoc advice and consultancy requests.

Agreed: The report was noted

AUD.25 Counter Fraud Arrangements 2022-23

The Audit Manager led members through the annual report. The Audit Manager noted that a lot of the work was down to the compliance officers around the work on government funding for the pandemic and the ICT team in particular the weekly updates advising of latest scams and the continuous programme of training. She drew members' attention to the drop in alerts and, again, referenced the work of the ICT team in terms that has impacted on reducing the number of alerts through to Corporate Fraud

Agreed: The report was noted

AUD.26 Risk Management ~ Corporate Risk Register 2022-23 {Update}

The Head of Resources led members through the report as at the 30th June.

Councillor Coleman asked what we are going to do about the £1 million funding gap.

The Head of Resources advised that there are some factors that will contribute to the reduction of the funding gap including higher bank rates so anticipating a

Agenda Item No. 4

better return on treasury investments and the revaluation of the pension fund will also contribute to reducing the gap. The Head of Resources advised that the Q2 report will provide a clearer picture of where we expect to be at the end of the financial year.

Councillor Desmond queried the parameters of the scoring of some of the risks. The Head of Resources referred him to page 90 of the report which details the guidelines.

Councillor Desmond asked if there is going to be a Strategic Review Panel.

The Head of Resources advised she would send some suggested dates to the Principal Committee and Member Services Officer.

Councillor Peter Dyke asked about the impact of costs of utilities for our budgets.

The Head of Resources advised that the Q1 report included assessment of what additional costs could be. Since heard of measures and are waiting to hear from our providers. Anticipating that it will not be as high as originally thought in Q1 so should have a clearer picture by Q2 report.

Agreed: The report was noted

There being no further business, the meeting ended at 6.45pm.

Our ref: GT/WFDC/PB/ZT/21

Grant Thornton LLP
55-61, Victoria Street,
Harbourside,
Bristol
BS1 6F

Helen Ogram
S151 Officer
Wyre Forest District council
Wyre Forest House
Finepoint Way
Kidderminster
Worcestershire

(Sent by email)

15 September 2022

Dear Helen

Wyre Forest District Council: Closure of the audit for 2020/21

Further to our opinion on your 2020/21 financial statements dated 30 September 2021 we are pleased to be able to advise you that we have now completed our work on your arrangements for securing economy, efficiency and effectiveness in your use of resources and our work on your Whole of Government accounts for the year ended 31 March 2021.

We issued our Auditor's Annual Report to the Authority on 21 April 2022. Please ensure you publish this report on your website.

Our auditor's report, including our report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, and our certificate of completion of the audit for the year ended 31 March 2021 is attached. Please publish this auditor's report and certificate on your website alongside the audited statement of accounts (which incorporates our auditor's report thereon). Please ensure that you do not reproduce the signature of the auditor in any electronic format for any other purpose.

Please note that Regulation 16(1) of The Accounts and Audit Regulations 2015 requires the Authority to publish (which must include publication on its website) a statement:

- that the audit has been concluded
- that the statement of accounts has been published
- of the rights of inspection conferred in local government electors by section 25 of the Act and the address at which, and the hours during which, those rights may be exercised.

This statement can now be published.

Please feel free to contact me if you would like clarification on any point.

Yours sincerely

Peter Barber, Key Audit Partner
For Grant Thornton UK LLP

Independent auditor's report to the members of Wyre Forest District Council

In our auditor's report issued on 30 September 2021 we explained that we could not formally conclude the audit and issue an audit certificate for the Authority for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- Completed our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.
- Completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the year ended 31 March 2021. We have now completed this work.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 30 September 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the

arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Wyre Forest District Council for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

15 September 2022

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
23rd NOVEMBER 2022

INTERNAL AUDIT MONITORING REPORT
QUARTER ENDED 30TH SEPTEMBER 2022

OPEN	
CABINET MEMBER	Councillor Mary Rayner: Finance & Capital Portfolio
RESPONSIBLE OFFICER	Helen Ogram, Head of Resources And {S151 Officer} Extension 2907 helen.ogram@wyreforestdc.gov.uk
CONTACT OFFICER:	Cheryl Ellerton, Extension 2116 cheryl.ellerton@wyreforestdc.gov.uk
APPENDIX	Appendix 1 Internal Audit Monitoring Report for the Quarter ended 30 th September 2022

1. PURPOSE OF REPORT

- 1.1 To present the Internal Audit Monitoring Report for the Quarter ended 30th September 2022, attached as Appendix 1.

2. RECOMMENDATION

The Audit Committee is asked to CONSIDER:

- 2.1 **The Internal Audit Monitoring Report for the Quarter ended 30th September 2022 as detailed in the Appendix to the report.**

3. BACKGROUND

- 3.1 The management of the authority are obliged to safeguard public funds and use them in a way which provides value for money and thereby best value. An effective internal audit service is vital in helping management to meet these important duties as it is an independent appraisal function for the review of the entire internal control system.
- 3.2 The Audit Committee approved the operational Annual Audit plan 2022~23 in March 2022. This plan considers changes in priorities and risk and provides the overall direction for the Internal Audit service working in partnership with the External Auditors to minimise the overall audit cost to the authority. The approved plan for 2022~23 reflects the current staffing resource following a mini restructure of the Internal Audit Team in April 2019.
- 3.3 Actual performance of the Internal Audit service is monitored against the Audit Plan each quarter during the year by way of this quarterly monitoring report to the Audit Committee, Corporate Leadership Team and to the External Auditors.
- 3.4 The Report attached as an Appendix contains 5 sections which are:

Section 1	Follow up reviews undertaken in the quarter, incorporating recommendations in progress
Section 2	Final Internal Audit Reports issued
Section 3	Draft Internal Audit Reports issued
Section 4	Work In Progress to include draft reports issued following completion of 2021~22 Annual Audit Plan
Section 5	Performance Statistics & Additional Assurance work undertaken

Several reviews are currently in progress. To support the work in progress, a summary of **action plans** issued is detailed within section 4 for Member information. In addition to the managed audits, within the audit plan resources are allocated to **consultancy and advice** for which a summary of the requests dealt with by Internal Audit is included within the performance statistics.

- 3.5 The audit reports referred to in the Appendix are those where testing has been undertaken on an element of the internal control environment. It should be noted that the findings are on an **exception basis** i.e., reported if an internal control was found not to be operating satisfactorily, so giving rise to a control weakness and therefore an area for improvement. The findings of audit reviews in the report do not list those internal controls which were found to be operating satisfactorily. This approach has been adopted to enable the output of the review to focus on those areas considered by Internal Audit to require management’s attention. The final audit report will recognise those areas of improvement and recommendations promptly actioned during the audit, in order to raise the overall level of assurance given by Internal Audit at the completion of the full review.
- 3.6 The Internal Audit review process is published on the Council’s Intranet. This details the process whereby **Draft** internal audit reports arising from audits are forwarded to the respective Corporate Leadership Team member and their nominated service manager{s} for agreement to recommendations and timescales for implementation prior to the preparation of **Final** internal audit reports.
- 3.7 The Internal Audit Charter requires an annual opinion on the Council’s internal control environment. This considers the findings of the audit reviews that have been undertaken relating to the financial year in question. These findings are taken together and considered to give an overall view of the Council’s internal control environment, which is reported to the Audit Committee early in the municipal calendar to align with the final accounts’ closedown.
- 3.8 The terminology within the reports presented to members is in line with that used by many other Internal Audit Teams of public authorities, private and public companies, and external auditors.
- 3.9 Every organisation operates in the real world and errors/omissions/system weaknesses (manual or computerised) are inevitable. Management has to manage these known risks through the use of internal controls.
- 3.10 It may be that an operational decision has been taken by management to accept the risk of the non-operation of an internal control. Where Internal Audit is reviewing the area in such an instance the weakness and any associated recommendation would be reported. Management would record within the service’s risk register the processes in place to mitigate the risk.

- 3.11 The Corporate Leadership Team have confirmed that action would be taken immediately should an internal audit review report a significant weakness which could lead to a potentially serious issue.

4. KEY ISSUES

- 4.1 Internal Audit make recommendations to management on potential improvements to the internal control environment of the system under review. It is management's responsibility to take the necessary action to implement recommendations as agreed in the final internal audit report.
- 4.2 The Quarterly monitoring report contains details of internal audit reports issued in the quarter together with follow up reviews. The format of internal audit reports has been designed to enable management and members to focus on those areas that Internal Audit wishes to draw to its attention. The format of the audit briefs and formal reports is also devised to evidence the associated corporate risk and those risks considered against expected controls. The quarterly monitoring report is presented to the Audit Committee in accordance with the Internal Audit, Quality Assurance & Improvement Programme to ensure on-going monitoring of the performance of the internal audit activity.
- 4.3 The Internal Audit Team operate in accordance with recognised Internal Audit Standards. Procedures are monitored to ensure that the Internal Audit Team procedures remain compliant.
- 4.4 The Internal Audit Charter requires an annual opinion on the Council's internal control environment and governance arrangements. This considers the findings of the audit reviews that have been undertaken relating to the financial year in question. These findings are taken together and considered to give an overall view of the Council's Internal Control environment and governance arrangements, which is reported to the Audit Committee.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. There may however be financial implications if the audit recommendations made within audit reports are not implemented on a timely basis or if a control environment requires strengthening with the introduction of additional procedures/processes.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Accounts and Audit Regulations 2015 regulation 5(1) require that:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

7. RISK MANAGEMENT

- 7.1 In order to manage risk, internal controls are used to mitigate and manage the identified risks to an acceptable level. Any weakness in the operation of internal controls therefore impacts directly on the management of risk.

- 7.2 Risk management issues could arise when weaknesses in internal controls are identified during the audit review process and management delay or defer implementation of the recommendations made.
- 7.3 The Internal Audit service is one element of the Council's assurance/internal control framework.
- 7.4 A relevant member of the Internal Audit Team will continue to be involved in future Wyre Forest Forward reviews to oversee and advise on proposed system changes to ensure Key Controls are not compromised. This work will be resourced as part of the Consultancy and Advisory role detailed within the Internal Audit Plan.
- 7.5 Key audit risks are evidenced against expected controls for all internal audit briefs. This presentational change as recommended by the external review helps to increase focus on risk management issues throughout the delivery of each specific audit review.

8. CONCLUSION

- 8.1 The work undertaken by the Internal Audit Team in the quarter ended 30th September 2022 is reported within Appendix 1. This information is presented to members in accordance with the Internal Audit Charter for the Internal Audit Team and the Quality Assurance & Improvement Programme as requirements of the UK Public Sector Internal Audit Standards

9. CONSULTEES

- 9.1 Corporate Leadership Team

10. BACKGROUND PAPERS

- 10.1 23rd March 2022 ~ Audit Committee ~ Internal Audit Annual Plan 2022~23
28th November 2018 ~ Audit Committee ~ Quality Assurance & Improvement Programme
30th July 2018 ~ Audit Committee ~ Internal Audit Charter {Updated}
Accounts and Audit Regulations 2015 {SI 234}



INTERNAL AUDIT

INTERNAL AUDIT MONITORING REPORT

**QUARTER ENDED
30th September 2022**

INTERNAL AUDIT
QUARTERLY AUDIT REPORT
QUARTER ENDED 30th September 2022

INDEX	PAGE
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SECTION 2 Final Audit Reports issued in the Quarter	8
SECTION 3 Draft Audit Reports issued in the Quarter	9
SECTION 4 Work In Progress {Including Action Plans/Progress Reports Issued} & Draft reports following the completion of the 21~22 Internal Audit Annual Plan	10
SECTION 5 Performance against Annual Plan for the Financial Year 2022~23	11
Including Consultancy & Advice for the Quarter & Comparison of Consultancy & Advice for Quarter 30 th September 2021 & 30 th September 2020	13
Supporting Information for Other Internal Audit work including the Wyre Forest Forward reviews, process designs.	14
 <i>Cheryl Ellerton</i> AUDIT MANAGER	
 <i>Helen Ogram</i> SECTION 151 OFFICER	

1st November 2022

Quarter Report to the 30th September 2022

Summaries of Follow up Reviews undertaken in the Quarter

KEY

Assurance Levels	Definition
Full	Robust framework of controls, any recommendations are advisory – provides substantial assurance.
Some	Sufficient framework of controls but some weakness identified – provides adequate assurance.
Limited	Significant lapses/breakdown in individual controls – at least one significant recommendation – provides partial assurance.
Unsound	Significant breakdown in the overall framework of controls with a number of significant recommendations – provides little or no assurance.

THERE ARE NO REVIEWS TO REPORT FOR THIS QUARTER. THIS SECTION HAS BEEN LEFT FOR CONTINUITY.

SECTION 1 FINAL AUDIT REPORTS ISSUED FOR THE QUARTER ENDED 30 th September 2022		
	ASSURANCE	PAGE
CORE FINANCIAL SYSTEM REVIEWS		
<u>Key Systems (Annual Assurance Reviews)</u>		

THERE ARE NO REVIEWS TO REPORT FOR THIS QUARTER.
THIS SECTION HAS BEEN LEFT FOR CONTINUITY.

KEY		
Assurance Level	Description of Assurance Level	What is reported in the Quarterly Audit Report
F = Full	Robust framework of controls, any recommendations are advisory ~ provides substantial assurance.	The title of the review undertaken is reported.
S = Some	Sufficient framework of controls but some weaknesses identified ~ provides adequate assurance.	Summary page of Audit Report together with any significant findings and associated recommendations where appropriate.
L = Limited	Significant lapses/breakdown in individual controls ~ at least on significant weakness ~ provides partial assurance.	Summary page of Audit Report and significant findings and associated recommendations.
U = Unsound	Significant breakdown in the overall framework of controls with a number of significant recommendations ~ provides little or no assurance. A significant internal control is one which is key to the overall framework of controls.	Summary page of Audit Report and significant findings and associated recommendations.

Quarter Report to the 30th September 2022

DRAFT AUDIT REPORTS ISSUED FOR THE QUARTER ENDED 30th September 2022	
TITLE	DATE OF ISSUE
~	~

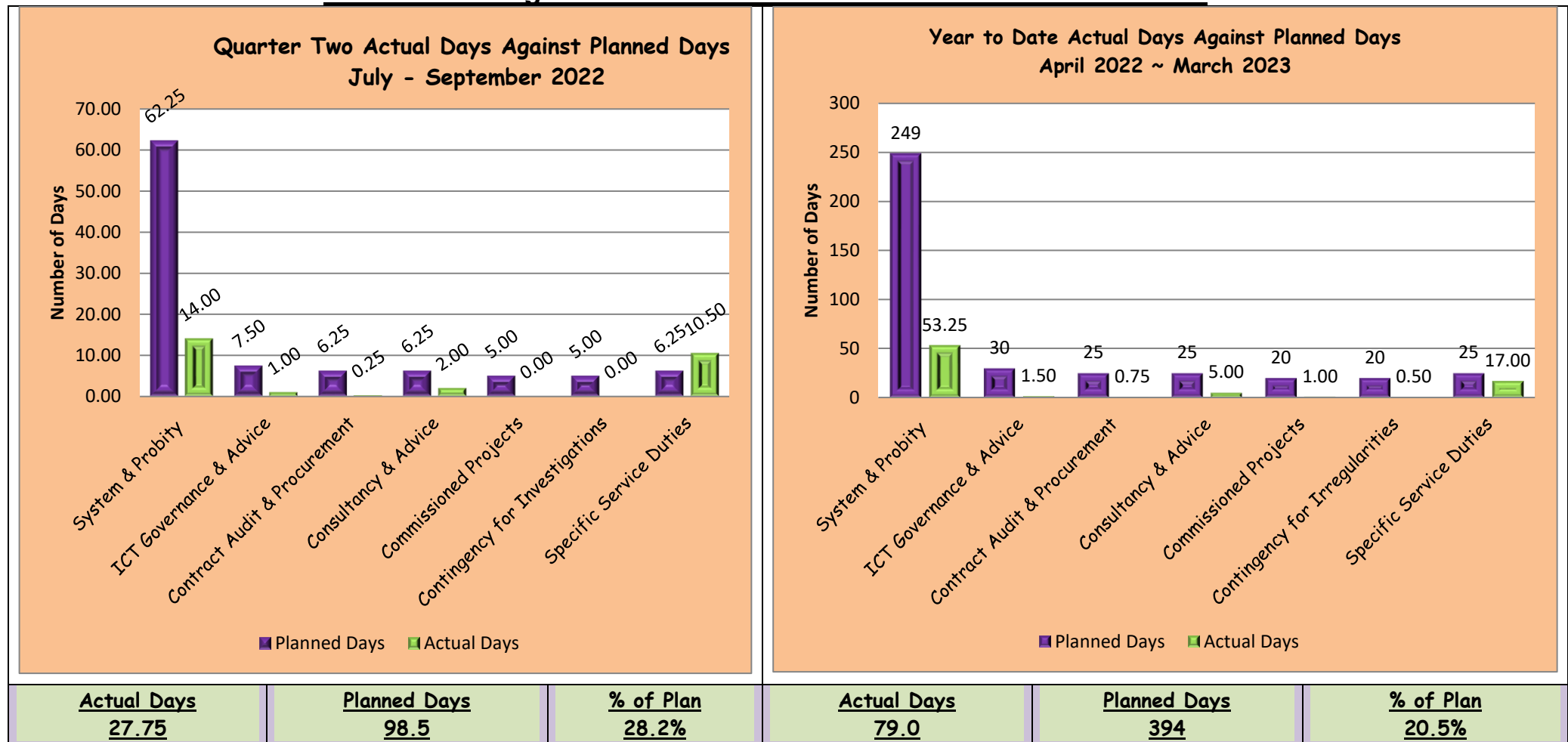
THERE ARE NO DRAFTS TO REPORT FOR THIS QUARTER. THIS SECTION HAS BEEN LEFT FOR CONTINUITY.

The following Action Plans have been issued to Managers. In addition, the table below shows the status of reviews currently in progress to cover the current on ~ going testing within the 2022~23 Annual Audit Plan for which formal reports will be presented to the Audit Committee in due course.

WORK IN PROGRES AS AT 30 th September 2022		Status	Action Plans/Progress Report			DATE OF COMPLETION OF FIELD WORK
RISK ASSESSMENT	AUDIT REVIEW	As At 30.09.22	DATE OF ISSUE Action Plan No 1	DATE OF ISSUE Action Plan No 2	DATE OF ISSUE Action Plan No 3	
	Core Financial Systems (Annual Assurance Reviews) ~ 2022~23 Annual Audit Plan					
RA40	Accounting Cash To Bank Bank Reconciliation	Stage 1	-	-		
	Income to Bank {WFH, HUB, Green Street & T.I.C}	Stage 2	-	-		
RA55	Benefits {Inc Council Tax Discounts (Local Scheme)} Council Tax Reduction {Local Scheme} ~ Compliance	Stage 2	-	-		
	Housing Benefit {Allowances}	Stage 1	-	-		
	Housing Benefit ~ Overpayment Debtor Accounts ~ Reconciliations	-	-	-		
RA21	Council Tax Ctax Reconciliations ~ {To include Gross Debit}	Stage 6	23.06.22 {FR}	N/A		
	Ctax Reconciliations ~ {Valuation Office/Monthly Finance Control}	Stage 1	-	-		
	Ctax Compliance/Recovery	Stage 3	-	28.10.22		
RA44	Creditors (Accounts Payable) Creditors {Accounts Payable} ~ Compliance	Stage 1	-	-		
	Creditors {Accounts Payable} ~ Reconciliation	Stage 3	-	07.09.22		
RA51	Debtors (Accounts Receivable) Debtors {Accounts Receivable} ~ Compliance	Stage 1	-	-		
	Debtors {Accounts Receivable} ~Reconciliations	Stage 3	-	06.10.22		
RA82	Establishment Establishment Reconciliation	Stage 1	-	-		
	Establishment {Staff Record Forms}	Stage 1	-	-		
RA21	National Non-Domestic Rates NNDR ~ Reconciliations ~ {To include Gross Debit}	Stage 6	23.06.22 {FR}	N/A		
	NNDR ~ Reconciliations ~ {Valuation Office/Monthly Finance Control}	Stage 1	-	-		
	NNDR ~ Compliance	Stage 2	-	-		
RA51	Payroll (Including Mileage & Subsistence Claims) Payroll ~ Compliance (WFDC Accountancy Team & RBC Payroll Team) ^	Stage 3	-	17.10.22		
	^ Field Work includes Local Government Pension Scheme & Local Pay Award					
	Payroll ~ Reconciliations {WFDC Accountancy Team} ~Parameter	Stage 3	-	13.09.22		
RA29	Treasury Management {Strategy, Reporting & Reconciliations}	Stage1	-	-		
KEY	Stage 1 ~ Field Work In Progress ~ {With Individual Auditor} Stage 2 ~ Phases 1 & 2 & 3 Field Work Complete for Peer Review Stage 3 ~ Phases 1 & 2 & 3 Field work Complete with Action Plans/Progress Report to Service Manager	Stage 4 ~ Audit Complete ~ Reviewed {Audit Manager} Stage 5 ~ Draft Report Issued Stage 6 ~ Final Report Issued {FR}				

Audit Resource Statistics

Performance Against Annual Plan For The Financial Year 2022~23

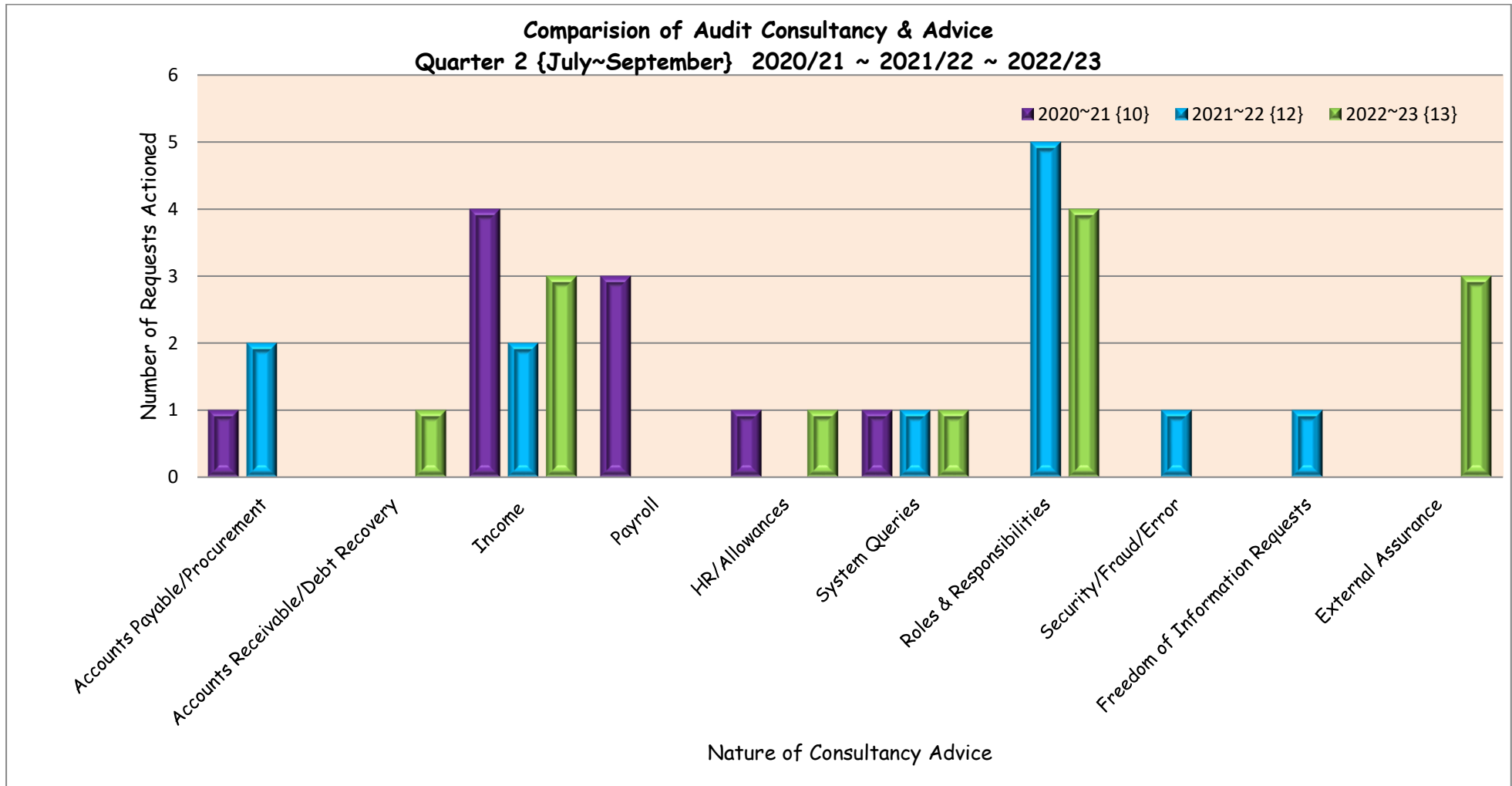


➤ For the quarter to 30th September 2022 actual against plan is 28.2 % compared to a target of 95%

Notes to Support Performance Statistics

- ❖ The approved audit plan for 2022~23 has been based on a full establishment within the Internal Audit Team from the commencement of the financial year.
- ❖ During the first quarter of this financial year, the Senior Auditor who had previously been on long term sick leave from June 2021, opted for retirement. As a result, the Senior Auditor position become vacant from 1st August 2022. This position remained vacant throughout the second quarter of 2022~23.
- ❖ In addition, the Auditor post holder transferred to a new position within the Accountancy Finance Team in June 2022, with the Auditor position becoming vacant from 1st June 2022. Whilst this position remained vacant throughout the second quarter of 2022~23, the previous post holder has continued to provide some audit resource to assist with the 2022~23 internal audit plan. This has minimised the potential loss of available audit days during this second quarter. This support has been agreed with the S151 Officer/Head of Resources to remain in place until such time as the position can be filled.
- ❖ As referenced in the quarter one monitoring report, the vacancies within the internal audit team impacts on the potential available audit days during the 2022~23 financial year. The audit plan is considered a statement of intent, subject to change/review during the fiscal year. The reduction in the potential audit days from 1st June 2022 is currently being offset against the contingency allowance set aside within the plan for consultancy and investigations as matters arise.
- ❖ The Corporate Leadership Team formally agreed recruitment to the position of Auditor and whilst it was anticipated that this would be filled by September 2022, despite advertising the position on two separate occasions throughout the summer it has not been possible to recruit a suitable candidate and the position remains vacant.
- ❖ To ensure that a robust Audit Plan can be delivered in 2022~23, the appointment of a temporary senior auditor to the team from October ensures the continuity in the provision of an internal audit service. This resource provides for additional support to the internal audit team having previously fulfilled the role of Auditor up until her retirement in 2017 and will enable the delivery of the core financial audits outlined within the approved 2022~23 internal audit plan.

Within the time allocated in the above table, during this second quarter of 2022~23 the Internal Audit Team have responded to **13** requests for advice and consultancy as categorised in the graph overleaf, in comparison to the **12** requests received and actioned for the same period in 2021~22 and the **10** requests received and actioned for the same period for 2020~21



Additional Assurance Work Undertaken by Internal Audit

In addition to the planned work detailed above, the Internal Audit Team have also undertaken work in other areas for which a formal report is not issued, however time has been allocated within the 2022~23 Internal Audit Annual Plan approved by the Audit Committee in March 2022 as summarised below: -.

Information Communications Technology (ICT) Governance, Advice & Assistance

- Attend the ICT Strategy Board Meetings.
- Attend the Cyber Security & Information Governance Working Group.

Contracts & Procurement

Internal Audit are working with the NWDER Programme Delivery Manager in respect of the Future High Street Fund ~ Bromsgrove Street and Kidderminster Creative Hub {Former Magistrates Court} as part of the capital contract monitoring procedures.

Wyre Forest Forward ~ Interventions/Continuous Improvement Work

The Internal Audit Team continue to be involved in Wyre Forest Forward continuous improvement reviews; overseeing and advising on proposed system changes to ensure Key Controls are not compromised. The role of the Audit Team is to ensure that risk is mitigated in the event of proposed changes to current systems and maintain good governance and financial systems resilience.

Corporate Issues

National Fraud Initiative

Internal Audit continue to undertake work in connection with the mandatory National Fraud Initiative hosted by the Cabinet Office. This is a continuous programme of work, an exercise that matches electronic data within and between the Council and other public and private sector bodies to prevent and detect fraud. The 2022~23 programme of work commenced in August 2022 with the formal request to submit the required data sets to the Cabinet Office in respect of Trade Creditors {Accounts Payable}, Taxi Licences, Payroll, Housing Benefit Claimants, Council Tax Reduction Scheme, Council Tax Single Person Discount and Electoral Register.