

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

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

20 MARCH 2024 (6PM)

Present:

Councillors: N J Desmond (Chairman), A Sutton (Vice-Chairman), J F Byng, G Connolly, K Gale, J Griffiths, M Rayner and P W M Young.

AUD.41 Apologies for Absence

There were no apologies for absence.

AUD.42 Appointment of Substitutes

Councillor D Ross attended as an observer.

AUD.43 Declarations of Interests by Members

No declarations of interest were made.

AUD.44 Minutes

Agreed: The minutes of the meeting held on 22 November 2023 be confirmed as a correct record of the meeting and signed by the Chairman.

**AUD.45 Auditor's Annual Report on Wyre Forest District Council
2021-22 and 2022-23**

The Committee received a final report from the external Audit Managers, Grant Thornton, which covered the 2 years to 31 March 2023. They highlighted recommendations for improvement, key and improvement recommendations were made. The Chair thanked Grant Thornton for their help and advice and advised that their findings had been taken seriously but the Management comments were noted. Members were then given the opportunity to ask questions, which the External Audit Managers and the Head of Resources and s151 Officer answered verbally. It was noted that progress had already been made in certain areas and things had moved on due to the elapse of time and the delay in presenting the report.

Agreed: The report be noted and the Audit Committee:

AGREED that, in the interests of transparency and openness, an Action Plan be developed and reviewed as a standing agenda item in the Audit Committee meeting each May.

AUD.46 External Audit Plan

The Key Audit Partner from Bishop Fleming introduced herself and gave a background of the company. She presented the Audit Plan to the Committee and highlighted the key risks. Members were invited to ask questions, to which the Key Audit Partner provided verbal responses.

Agreed: The report be noted.

AUD.47 Sector Update

The Key Audit Partner, Bishop Fleming provided a verbal sector update, giving attention to key issues, in order to inform members. She confirmed that she had written to Grant Thornton, requesting relevant documents and working papers, to ensure a smooth handover. Members were given the opportunity to raise questions, to which the Head of Resources and s151 Officer provided a response.

Agreed: The verbal report be noted.

AUD.48 Internal Audit Plan 2024 - 25

The Committee considered a report on the Internal Audit Plan for 2024-25. The Head of Internal Audit from BDO delivered the report and Members were offered the opportunity to ask questions. The Head of Internal Audit and the Head of Resources and s151 Officer provided verbal responses. The Head of Internal Audit confirmed that a Risk Management review is currently being undertaken. Members expressed concern about the recommendations from Grant Thornton regarding Programme Management of the major Capital schemes and discussed the possibility of substituting alternative areas of concern in the Plan, which the Head of Internal Audit from BDO agreed would be possible. The Key Audit Partner, Bishop Flemming confirmed that this and the other Improvement Recommendations made in the Grant Thornton Report would be covered in the 2023-24 Value for Money review.

Agreed: The report be noted and the Internal Audit Plan for 2024-25 approved, with the provision that members will consider the Annual Audit Report Action plan update at the next committee and if unsatisfactory progress had been made would request an additional review covering Capital Programme Management, if necessary substituting other areas from the plan.

AUD.49 Internal Audit Progress Report – March 2024

The Internal Audit Manager, BDO presented the summary of Internal Audit work, which will be a standing item in future. She informed the Audit Committee of the progress against the 2023/24 internal audit plan, which summarised the work BDO has completed in 4 areas, along with an assessment of the systems reviewed and the recommendations raised.

The Committee was then invited to ask questions and the Head of Internal Audit, the Internal Audit Manager and the Solicitor provided verbal responses.

With regard to the Governance and Ethics review, it was requested that Audit Committee members receive an update on non-attendance on mandatory training courses.

Agreed: The report be noted.

The meeting was adjourned for a break at 8.10pm.

The meeting resumed at 8.16pm

AUD.50 Accounting Policies and Estimates for 2023-24

The Principal Accountant presented a report to members, which explained the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that will be used in preparing the 2023-24 annual accounts. The Committee was invited to ask questions but there were none.

Councillor Peter Young returned to the meeting at 8.20pm.

Agreed: The report be noted and the Audit Committee:

- i) **REVIEWED and APPROVED the Accounting Policies to be used in preparing the Council's 2023-24 Statement of Accounts (Appendix 1);**
- ii) **NOTED the critical accounting judgements made and key sources of estimation uncertainty and other choices made under International Accounting Standards (IFRS)**

AUD.51 Risk Management – Corporate Risk Management Action Plan – Quarter 3 progress update

The Head of Resources and s151 Officer presented the report to the Committee which, provided a review the current update of progress against the Corporate Risk Management Action Plan, updates to the Corporate Risk scores and the Budget Risk Matrix attached as Appendices 1 and 3. The Corporate Risk Management Action Plan is considered annually, and this was the second update for the current year.

The opportunity to ask questions was provided and the Head of Resources and s151 Officer and the Head of Economic Development & Regeneration - North Worcs gave verbal responses.

Agreed: The Audit Committee:

CONSIDERED AND NOTED the progress against the Corporate Risk Management Action Plan as at 31st January 2024 and the 2024-27 Budget Risk Matrix.

AUD.52 Risk Management – Corporate Risk Management Policy and Strategy

The Committee considered a report from the Head of Resources, which

Agenda Item No. 4

presented the updated Risk Management Policy and Strategy, including Risk Impact and Scoring criteria. The report also set the context of where the Council currently stands in terms of risk maturity following external opinion on our approach to risk management. It informed members on risk management improvements proposed and described next steps for continuous improvement.

The Head of Resources and s151 Officer presented the report, which had taken into account the External Auditors' recommendations and the initial Internal Auditors' findings. The Committee were given the opportunity to ask questions and it was commented that the document should transcend the whole authority.

Recommendation: The Audit Committee considered the information in the report and

2.1 CONSIDERED AND NOTED the proposed steps to improve strategic risk management and support the ongoing schedule of continuous improvement for the Council's risk management arrangements.

The Audit Committee also

2.2 RECOMMENDED to Cabinet that the revised Risk Management Strategy is adopted.

AUD.53 Audit Committee – Annual Review of Effectiveness

The Head of Resources and s151 Officer presented a report to inform Committee members about undertaking the annual self-assessment of Audit Committee as a result of the findings of the Internal Audit Governance and Ethics report.

Members raised questions on the report and the Head of Resources and s151 Officer gave verbal responses. She agreed to send members the link to the self-assessment questionnaire as set out in the report and confirmed the deadline for completion is 31st March 2024.

Agreed: The Audit Committee:

2.1 NOTED the CIPFA position statement and the practical guide for audit committee members.

2.2 AGREED to complete the self-assessment of effectiveness questionnaire.

2.2 NOTED the 2024-25 training programme as set out in Appendix 4.

There being no further business, the meeting ended at 8.49pm.