

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY,
KIDDERMINSTER

20 MAY 2024 (6PM)

Present:

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

Observers:

Councillors: B Brookes and D Ross.

AUD.01 Apologies for Absence

Apologies for absence were received from Councillor N J Desmond (Chairman). Councillor G Connolly (Vice-Chairman) chaired the meeting.

AUD.02 Appointment of Substitutes

Councillor R Drew was appointed as a substitute for Councillor N J Desmond.

AUD.03 Declarations of Interests by Members

No declarations of interest were made.

AUD.04 Minutes

Agreed: The minutes of the meeting held on 20 March 2024 be confirmed as a correct record of the meeting and signed by the Chairman.

Councillor Peter Young joined the meeting at 6.03pm after the minutes had been approved.

AUD.05 External Audit Certificates 2021-22 and 2022-23

The External Audit Certificates 2021-22 and 2022-23 from Grant Thornton, were brought to the attention of the Committee by the Head of Resources and s151 Officer.

Agreed: The Audit Committee NOTED the certificates.

It was noted that, despite having been issued with an invitation to the meeting, Bishop Fleming, the External Auditors appointed on 1 April 2023, declined to attend this meeting.

AUD.06 Internal Audit Progress Report

The Panel received a report from the Head of Internal Audit – BDO, who highlighted that the 2023-24 audit plan had been completed, with the exception of one audit that was still in progress, and that was a very positive position, given that work had only started in November 2023. The Internal Audit Manager - BDO presented the reports on Risk Management Audit, Accounts Receivable and Debt Recovery Procedures Audit and the Sector Update.

The Committee reviewed the report and were invited to ask questions to which the Head of Internal Audit, Internal Audit Manager and the Head of Resources and s151 Officer were able to provide verbal responses. The Head of Resources and s151 Officer clarified that the Debt Recovery process is being brought up-to-date and formalised so that there is one single process across the Council. The Head of Internal Audit and the Internal Audit Manager also explained that as time progresses, samples will increase, and more detail will be available.

Agreed: The report be NOTED

AUD.07 Internal Audit Follow up of Recommendations Report

The Committee received the draft Internal Audit Follow up of Recommendations Report from the Internal Audit Manager, who highlighted that one (medium) recommendation had been completed since the last Audit committee meeting, and five remain not yet due. Of these, two are due at end May 2024, and a report will be provided on these at the next meeting.

The Committee were invited to ask questions but there were none.

Agreed: The report be NOTED.

AUD.08 Internal Audit Annual Report and Annual Statement of Assurance – Draft

The Head of Internal Audit presented the report, drawing members' attention to the summary on page 40. He explained that it is a draft report because there is one review outstanding.

The Committee discussed the report, and it was agreed that it was a good audit result which had been greatly assisted by good management engagement and the teams at WFDC and BDO working well together. Members were advised that any issues they are aware of should be raised with the management team in order that they can be addressed and publicised for transparency.

Agreed: The report be NOTED.

AUD.09 Annual Governance Statement 2022-23 – Action Plan Progress Report

The Head of Resources and s151 Officer presented a report to inform Committee members about the current position in relation to the action plan, which was developed to address the issues identified within 2022-23. It reported on progress against the action plan during 2023-24 focussing on

seven areas of Corporate Governance. She emphasised that this would be a tool for improvement.

The Committee were invited to ask questions but there were none.

Agreed: The Audit Committee NOTED the progress against the Annual Governance Statement Action Plan that attached to the report at Appendix 1.

AUD.10 Annual Governance Statement

The Panel received a report from the Head of Resources and s151 Officer, which presented the Draft 2023-24 Annual Governance Statement (AGS) attached at Appendix 1 of the report. The Statement has been produced following completion of the annual review of the Council's governance arrangements and systems of internal control providing a review of performance against the Governance Framework.

The Committee reviewed the report and were given the opportunity to ask questions, to which the Head of Resources and s151 Officer provided verbal responses. She agreed to amend Ref. 2 of the AGS (page 75) to include Parish Councils as well as Town Councils.

Agreed: The Audit Committee NOTED and COMMENTED on the contents of the draft 2023-24 Annual Governance Statement (AGS).

AUD.11 External Auditors Annual Report (AAR) 2021/22 and 2022/23 – Council Management Response and Action Plan

The Committee received report from the Head of Resources and s151 Officer, which presented the Auditors Annual Report action plan. This had been developed to address the issues identified within the 2021-22 and 2022-23 Combined Auditors Annual Report, as requested by the Committee in March 2024. Implementation of the action plan will be monitored by the Committee and progress will be reported in the 2023-24 Auditors Annual Report. A list of the improvement actions could be found at page 89-90 of the report.

Councillor Ben Brookes left the meeting at 6.48pm

Members were invited to ask questions and the Head of Resources and s151 Officer responded accordingly by going through the Action Plan (Appendix 1) page by page.

Agreed: The Audit Committee NOTED the Auditors Annual Report Action Plan attached at Appendix 1.

AUD.12 Risk Management – Corporate Risk Register

The Head of Resources and s151 Officer delivered a report to members, which presented the latest Corporate Risk Register following review by CLT and the progress made in implementing the updated Risk Management Strategy, which was considered at the March meeting of the committee and approved for adoption by Cabinet on 9 April 2024.

The Committee reviewed the report and were given the opportunity to ask questions. It was requested that to make the report more comprehensive, initials of Action / Risk Owners are replaced by names or positions in future.

Agreed: The Audit Committee CONSIDERED AND NOTED:

The Corporate Risk Register 2024-25 the associated risk categories, mitigating controls and risk scores; AND

The progress made in implementing the updated Risk Management Strategy.

AUD.13 DRAFT Audit Committee Annual report to Council 2023-24

Members of the Audit Committee received a report, which presented them with the draft annual assurance report to Council to review. The report will be presented by the Chair of Audit Committee to Council on the 17 July 2024.

The Head of Resources and s151 Officer presented the report, which had been reviewed by the Chair of the Audit Committee.

Members were invited to comment and ask questions but there were none.

Agreed: The Audit Committee CONSIDERED AND NOTED the annual assurance report attached at Appendix 1 of the report.

AUD.14 There were no further items that might require publicity.

AUD.15 Decision: 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.

AUD.16 Internal Audit Progress Report – Confidential

The IT Auditor – BDO delivered a confidential report to members on the Cyber Security Audit, which highlighted the areas of strength and areas of concern. The Head of Internal Audit added a further comment to explain why the marking was “moderate”.

Members were invited to make comments and ask questions and it was acknowledged that, in the current climate, WFDC response to cyber security is on a par with the rest of the sector.

Thanks were extended to BDO for their work on the Internal Audit.

Agreed: The report be NOTED.

There being no further business, the meeting ended at 7.12pm.