

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

24 JULY 2024 (6PM)

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**Present:**

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

**Observer:**

Councillor D Ross.

**AUD.17 Apologies for Absence**

Apologies for absence were received from Councillors J F Byng and K Gale.

**AUD.18 Appointment of Substitutes**

Councillor P Harrison was appointed as a substitute for Councillor K Gale. Councillor K Henderson was appointed as a substitute for Councillor J Byng.

**AUD.19 Declarations of Interests by Members**

No declarations of interest were made.

**AUD.20 Minutes**

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

**AUD.21 Report on the Draft Final Accounts/Outturn 2023-24**

The Committee received a report from the Principal Accountant, which presented the draft outturn position and draft pre-audit Statement of Accounts in relation to the 2023-24 financial year.

The Principal Accountant presented the report and confirmed that the statutory deadline of 31<sup>st</sup> May had been met for the draft accounts to be authorised for issue by the Head of Resources and s151 Officer and published on the Council's website, which very few other authorities had achieved. She gave a brief overview of the Revenue Summary on page 12, as well as explaining the primary statements contained in Appendix 1. The Principal Accountant also gave an overview of the Desktop Balance Sheet Review in Appendix 2 of the report.

The Committee was given the opportunity to ask questions and they also expressed their gratitude and congratulations to the team for producing and

publishing the draft accounts before the deadline of 31 May 2024. The Head of Resources and s151 Officer and the Principal Accountant provided verbal responses to members' questions and comments, and it was pointed out that the 125-page document meets statutory CIPFA Accounting Code of Practice disclosure requirements and is a lengthy and often technical document as a result. Members were directed to the Narrative Report contained at the beginning of the document that 'tells the story' in simpler terminology. Members expressed their thanks to Officers and Cabinet for their hard work in delivering an improved reserves position at the end of the year.

**Agreed: The Audit Committee NOTED:**

- 2.1 the welcome news that the Final Accounts Outturn position for 2023-24 is a net improvement of £343k on the revised budget in the approved Medium Term Financial Strategy as reported to Cabinet. The saving in the cost of services after funding variations, but before the level of reserves and balances is considered, was £145k, with an additional £198k being released from a balance sheet provision. The saving will be used to increase the working balance in line with price inflation (September 2023) (£110k), with the remainder (£233k) being transferred to General Reserves;**
- 2.2 the proposed slippage of £13.263m from 2023-24 to 2024-25 within the approved Capital Programme;**
- 2.3 that the pre-audit Statement of Accounts for 2023-24 was authorised for issue by the Head of Resources, published and shared with Bishop Fleming on the 31<sup>st</sup> May 2024. The external audit commenced on the 8<sup>th</sup> July 2024.**

**AUD.22 Counter Fraud Arrangements 2024-25**

The Committee received the annual report from the Head of Resources, which updated Members on the Counter Fraud arrangements in place for 2023-24 and provided members with details of the Council's Fraud Response Plan for 2024-25. The report also presented a proposed update to the Council's Anti-Fraud and Corruption Policy and Strategy to reflect the CIPFA 2014 Code of Practice on Managing the Risk of Fraud and corruption and current best practice.

The Head of Resources presented the report, outlined the key issues and introduced the self-assessment against the CIPFA Fraud Standards.. Members were invited to ask questions / make comments, to which the Head of Resources responded verbally.

**Agreed: The Audit Committee APPROVED:**

- 2.1 the Anti-Fraud, Bribery, Theft and Corruption Strategy and Policy Statement presented at Appendix 2 including formal adoption of the CIPFA 2014 Code of Practice on Managing the Risk of Fraud and Corruption.**

The Audit Committee also CONSIDERED and NOTED:

- 2.2 The report on the counter fraud arrangements within the Council.
- 2.3 The updated Fraud Response Plan at Appendix 1
- 2.4 The Self-assessment against the CIPFA Fraud Standards presented in Appendix 3

**AUD.23 External Auditors Annual Report (AAR) 2021-22 and 2022-23 – Action Plan Quarter 1 Progress Update**

The Committee received a report from the Head of Resources that presented the latest progress against the Auditors Annual Report action plan, which has been developed to address the issues identified within the 2021-22 and 2022-23 Combined Auditors Annual Report.

The Head of Resources presented the report and confirmed that all but one of the due actions was now complete. Bishop Fleming will review the progress made.

Members discussed the report and congratulated officers and senior managers on implementing the recommendations. They asked questions and commented that a more robust risk strategy can only be a good thing. The Head of Resources offered verbal responses to their questions and comments.

**Agreed: The Auditors Annual Report Action Plan progress update attached at Appendix 1 be NOTED.**

**AUD.24 Internal Audit Progress Report July 2024**

Members received a report from the Internal Audit Manager – BDO, which presented the Internal Audit Progress Report attached as Appendix 1.

The Internal Audit Manager presented the report, which detailed good progress had been made with both the 2023/24 Audit Plan (including Council Tax and NNDR), which was now complete; and the Internal Audit Plan 2024-25, given that they had only been in place since November 2023.

Members observed that the report was clear and concise and were given the opportunity to ask questions.

**Agreed: The Audit Committee CONSIDERED:**

- The Internal Audit Progress Report as detailed in the Appendix to the report.

**AUD.25 Internal Audit Follow up Report July 2024**

The Committee received a report from the Internal Audit Manager – BDO, which presented the Internal Audit Follow Up of Recommendations Report attached as Appendix 1.

The Internal Audit Manager presented the report, and advised there were no overdue actions.

Members considered the report and were given the opportunity to ask questions but there were none.

**Agreed: The Audit Committee CONSIDERED and NOTED:**

- **The Internal Audit Follow Up of Recommendations Report as detailed in the Appendix to the report.**

**AUD.26 Internal Audit Annual Report and Annual Statement of Assurance 2023-24**

The Committee received a report providing a summary of the work undertaken by the Council's internal auditor (BDO) over 2023-24 and an overview of the effectiveness of the controls in place for the full year.

The Internal Audit Manager presented this final version of the report, with the addition of Council Tax and NNDR. She explained that the "moderate" assurance level is pretty standard and a great achievement, given the short timescales of November 2023 – July 2024.

Members considered the report and were given the opportunity to ask questions but there were none.

**Agreed: The Audit Committee CONSIDERED and ENDORSED:**

- 2.1 The performance of Internal Audit against the 2023-24 Internal Audit Plan.**
- 2.2 That Internal Audit have evaluated the effectiveness of the Council's risk management, control and governance processes, considering public sector internal auditing standards or guidance, the results of which can be used when considering the internal control environment and the Annual Governance Statement for 2023/24.**
- 2.3 The Head of Internal Auditor's moderate assurance, year-end opinion, that the Council's framework for governance, risk management and internal control is sound and working effectively for 2023-24 based on the work undertaken and management responses received.**

**AUD.27 Complaints to the Local Government and Social Care Ombudsman 2023/24**

The Committee received a report from the Head of Revenues, Benefits & Customer Services, which reported the outcome of complaints to the Local Government and Social Care Ombudsman in accordance with Council policy for the period of 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

The Head of Revenues, Benefits & Customer Services presented the report to the Audit Committee, which was the result of recommended changes in the Annual Audit Report.

Questions were invited, members discussed the report, and it was observed that, with the strengthening of the processes, it is more likely that the number of complaints recorded will increase.

**Agreed: The report be NOTED.**

**AUD.28 Forward Plan**

An updated Forward Plan was distributed to members, which included planned training sessions.

**Agreed: The Forward Plan be NOTED.**

There being no further business, the meeting ended at 7.11pm.