

**WYRE FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

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

**24<sup>TH</sup> JUNE 2013 (6.00PM)**

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**Present:**

Councillors: P Dyke, J Greener, M B Kelly, N Knowles, D C H McCann,  
J W Parish, J Phillips and S J Williams.

**Observers:**

Councillors H E Dyke and B McFarland.

**AUD.01 Appointment of Chairman for the meeting and Apologies for Absence**

**Agreed: Councillor D McCann was elected as Chairman for the meeting.**

Apologies for absence were received from Councillor C Rogers.

**AUD.02 Appointment of Substitutes**

Councillor S J Williams was appointed as a substitute for Councillor C Rogers.

**AUD.03 Declarations of Interests by Members**

No declarations of interest were made.

**AUD.04 Minutes**

**Agreed: The minutes of the meeting held on 18<sup>th</sup> March 2013 be confirmed as a correct record of the meeting and signed by the Chairman.**

**AUD.05 Audit Committee Update Report**

The Committee received a report from Grant Thornton in relation to audit progress and update for 2012/13. The paper was introduced by Gill Edwards from Grant Thornton.

Members were advised of the work that had been undertaken and that work had commenced on the 2013 Final Accounts. In relation to questions from Members, the Committee were advised of the following:

- The wording at the front of the report was standard to all Grant Thornton reports.
- The Value for Money conclusion was planned to be presented to the Audit Committee in September 2013.

**Agreed: The report be noted.**

**AUD.06 Internal Audit Monitoring Report Quarter Ended 31<sup>st</sup> March 2013**

The Committee received a report from the Section 151 Officer and the Principal Auditor which informed Members of the Internal Audit Monitoring Report Quarter ended 31<sup>st</sup> March 2013.

The Principal Auditor highlighted reports which had been finalised in the quarter, all of which had achieved “full” or “some” assurance. Reports with “some” assurance had been explained in detail in the report.

Members were concerned to note that a fraudulent payment request had been raised in the name of Wyre Forest District Council and were advised that this did not relate to a Wyre Forest District Council employee but a member of the public trying to access the Council website. This had been identified in time. It was also confirmed that the wording would be looked at for future reports.

In relation to the reconciliation of benefits, Members were advised that work was being done to review and change the process for the future and were given reassurance that things would be carried out.

In response to a Member query, the Principal Auditor replied that all recommendations for the Management of the Town Hall and Civic Hall were to be implemented.

**Decision: The Internal Audit Monitoring Report for the Quarter Ended 31<sup>st</sup> March 2013 be considered.**

**AUD.07 Internal Audit Annual Assurance Report 2012/13**

The Committee received a report from the Section 151 Officer and Principal Auditor which asked for approval of the Internal Audit Annual Assurance report.

The Director of Resources informed Members that she was happy that adequate internal controls were in place.

In response to a Member query, the Director of Resources confirmed that joint working with other organisation’s auditors would be shared if and when it became necessary.

Members were reassured that any future financial problems would be presented to the Audit Committee.

**Decision: The Internal Audit Annual Assurance report for 2012/13 as per Appendix 1 of the report to the Audit Committee be approved.**

**AUD.08 Annual Governance Statement**

The Committee received a report from the Director of Resources which asked for approval of the Annual Governance Statement and Annual Governance

Action Plan 2012/13 for inclusion within the Statement of Accounts.

Members were taken through the report and were advised that some of the main issues the Council faced in the coming year were the leisure project, continued recovery of the “Icelandic” investment and maintaining financial resilience.

In response to a query on the effectiveness of the governance framework, Members were informed that weaknesses came from a range of places but were not always apparent.

A Member thought that the Council needed to decide what services it wished to retain and the public needed to be kept informed of any decisions made. It was noted that the Strategic Review Committee had been set up to look at these issues and Members of this Committee would have to make some important decisions over the next few months to shape the future of the Council.

**Decision: The Annual Governance Statement as attached at Appendix 1 of the report to the Audit Committee be approved.**

**AUD.09      Statements of Accounts 2012/13**

The Committee received a report from the Director of Resources which asked the Committee to consider a pre-audit copy of the Council’s Statement of Accounts for the financial year 2012/13.

Members were led through the report by the Financial Services Manager and she informed Members that this was the first year that the Council had used their new auditors, Grant Thornton. Members attention was drawn to the creation of a reserve for Municipal Mutual Insurance (the Council’s former insurers).

Members were referred to the Statement of Accounts and the following points were highlighted:

- a. Property related savings were achieved due to having no repairs or maintenance carried out.
- b. The amount the Council still had outstanding for the “Icelandic” investments was just under £3 million.
- c. Payments had been made to benefits claimants who should not have received them and by the Council being successful in recovery of these payments, it had resulted in an extra income of £114K.
- d. There was no indication yet as to the impact the applications for planning development would have on the reduced income for planning fees.
- e. It was confirmed that the Council had agreed a scheme for Members allowances and there should not be any other payment outside of this scheme. The scheme for IT was separate and this could change in the future. Petty cash came under the rule of Member allowances, which was subject to rules and conditions.

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- f. There was a civic protocol budget for the current financial year.
- g. The Council had agreed free parking initiatives over some of their car parks for the Christmas period and this could be one of the reasons there was a reduced income.

In response to a Member query on the working balance, it was unknown how much the Council would need, especially if a national disaster occurred.

### **Decision:**

- 1. The pre-audit Statement of Accounts approved by the Director of Resources be endorsed.**
- 2. The Director of Resources be authorised to make minor changes to the copy of the Statement of Accounts as endorsed in (1) above prior to the statutory pre-audit deadline of the 30<sup>th</sup> June, 2013 should it be necessary.**

The meeting ended at 6.50pm.