

# Birmingham City Council

## Audit Committee

29<sup>th</sup> November 2023



**Subject:** Corporate Governance Group Assurance Report  
**Report of:** Interim Director of Finance (Section 151 Officer)  
Fiona Greenway  
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Managing Director - Dr Robert Milford

Does the report contain confidential or exempt information?  Yes  No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential :

### 1 Executive Summary

- 1.1 The previous agenda item set out the new Terms of Reference for the Audit Committee that will help to ensure its alignment with current best practices as set out by CIPFA in the '*Audit Committees: Practical Guidance for Local Authorities and Police 2022 Edition*' and in compliance with CIPFA's '*Position Statement: Audit Committees in Local Authorities and Police 2022.*'
- 1.2 The purpose of the Corporate Governance Group (CGG) is to support the Audit Committee in fulfilling its new terms of reference and therefore its governance responsibilities.
- 1.3 The CGG is to be chaired by a statutory officer (S151) and brings together various lead officers from across Birmingham City Council to review all of the key local code of corporate governance elements and lead in the development of the Annual Governance Statement (AGS). The CGG is also responsible for monitoring the implementation of actions relating to the significant issues listed in the AGS.
- 1.4 The other rationale for this group is to minimise the risk of single point of failure or losses of corporate knowledge due to staff turnover. This was an issue identified in previous Audit Committee meetings. The CGG will act as a Governance, Risk and Compliance (GRC) repository of knowledge for BCC and

ensure that the key elements of governance remain effective and continually developing.

- 1.5 To help support the Audit Committee to work effectively, the CGG and Audit Committee will have a schedule of key reports for a rolling year. This is to minimise the risk of core reports required for various regulatory and legal purposes being missed or delayed. It will also aid in the planning and timeliness of any Cabinet or Director assurance presentations or reports to the Audit Committee.
- 1.6 The CGG will also act as the first point of call for members of the Audit Committee requesting reports or other actions from officers (other than those relating to direct communication with the Head of Internal Audit or the External Auditor as set out in the new Audit Committee Terms of Reference).
- 1.7 Set out in the appendices are the new draft Terms of Reference for the CGG and a draft schedule for the Audit Committee/CGG.

## **2 Recommendation(s)**

- 2.1 That the Audit Committee makes comment on the new terms of reference for the Corporate Governance Group as necessary, including any specific amendments.
- 2.2 That the Audit Committee makes comment on the new work schedule for the Audit Committee and Corporate Governance Group as necessary, including any specific amendments.
- 2.3 That the Audit Committee notes the new requirements for the Corporate Governance Group to report to this Audit Committee as set out in the schedule.

## **3 Background**

- 3.1 CIPFA's Position Statement 2022: Audit committees in local authorities and police 2022 states that:

3.1.1 The Audit Committee is a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

- 3.2 In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.

- 3.3 The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.
- 3.4 Additionally, the CIPFA guidance for the compilation of the Annual Governance Statement identifies that there is a need to review the effectiveness of the local code of corporate governance and reported annually. However, the requirement to ensure governance is effective is an ongoing process and the CGG should enable the local code to become a 'living' document and supported by maintained and developing systems and assurance frameworks.
- 3.5 This new Terms of Reference for a Corporate Governance Group and the work schedule ensures the Audit Committee is operating to the latest information and; provides reference for both Members and Officers to ensure appropriate focus of reporting to this Audit Committee.

#### **4 Legal Implications**

- 4.1 There are no other legal implications other than those set out in the report.

#### **5 Financial Implications**

- 5.1 Good governance will aid sound financial management and help the Council meet its statutory responsibilities in relation to financial management. Good Governance should ensure resources are directed in accordance with agreed policy and according to priorities, there is sound and inclusive decision making, there is appropriate stewardship of public assets and resources and there is transparency and clear accountability for the use of resources in order to achieve desired outcomes for service users and communities.

#### **6 Public Sector Equality Duty**

- 6.1 There are no public sector equality duties arising from this report.

#### **7 Other Implications**

- 7.1 The recommendations as set out in this document will ensure the appropriate reporting and supporting structures are in place to help with the Audit Committee delivery of its responsibilities.

## **8 Background Papers**

9.1 28<sup>th</sup> June 2023 Audit Committee: Improving the Effectiveness of Audit Committee

## **9 Appendices**

9.1 New Terms of Reference for the Corporate Governance Group

9.2 The New Schedule of works for the Audit Committee and CGG