

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE

31 JANUARY 2024

SCHEDULE OF OUTSTANDING MINUTES

Note: As of 30 September 2021 – Responses to outstanding actions to be made within a 2 month period unless there is an exceptional reason.

- Completed & discharged
■ Approaching 2 months
■ 2 months +
■ Ongoing action

MINUTE NO./DATE	SUBJECT MATTER	COMMENTS
575 28/03/2023	<u>GROUP COMPNY GOVERNANCE – INFORMING THE AUDIT RISK ASSESSMENT</u> <u>Additional Action:</u> (ii) An offline briefing session to be arranged for Committee Members to understand the work undertaken by Cabinet Committee Group Company Governance.	Alison Jarrett/ Mohammed Sajid/ Committee Services Dr Rob Milford to programme briefing sessions into the training timetable for the Committee.
577 28/03/2023	<u>APPROVAL OF THE STATEMENT OF ACCOUNTS 2020/21 AND 2021/22</u> <u>Additional Action:</u> (vi) Officers to arrange an offline briefing via the Treasury Advisor for committee members to gain a better understanding on affordable borrowing.	Contact made to David Green on 08.06.2023. Dates to be explored before sharing with Committee Members. Mohammed Sajid/ Committee Services Dr Rob Milford to programme briefing sessions into the training timetable for the Committee.
	(ii) Noted a briefing session to be delivered by the External Auditors on Equal Pay and Oracle.	External Auditors Dr Rob Milford to programme briefing sessions into the training timetable for the Committee.

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642 15/09/2023	<p><u>REPORT ON ORACLE</u></p> <p><u>Additional Action:</u></p> <p>(ii) A list of ongoing reviews to be logged and shared with the Committee</p>	<p>Marie Rosenthal / Fiona Greenway</p> <p>Final report on Oracle presented at the 31 Jan 2024 meeting.</p> <p>COMPLETED & DISCHARGED</p>
666 06/10/2023	<p><u>ASSURANCE SESSION – THE LEADER’S PORTFOLIO</u></p> <p>The Audit Committee agreed to reconvene the Leader’s Portfolio Session.</p>	<p>This will be considered as part of the new work programme for the Committee (as part of the Assurance Sessions). Dr Rob Milford to programme this.</p> <p>COMPLETED & DISCHARGED</p>
675 18/10/2023	<p><u>INTERNAL AUDIT UPDATE</u></p> <p><u>Additional Action:</u></p> <p>(ii) Noted the report on the work from KPMG on segregation of duties would be shared with members.</p>	<p>Response circulated via email to Committee Members on 08/12/2023.</p> <p>COMPLETED & DISCHARGED</p>
676 18/10/2023	<p><u>STRATEGIC RISK REGISTER – RISK MANAGEMENT UPDATE</u></p> <p><u>Additional Action:</u></p> <p>(ii) Noted there was a root and branch review taking place to review the strategic risks.</p>	<p>A report on Risk Management is scheduled on the 31 Jan 2024 Committee agenda.</p> <p>COMPLETED & DISCHARGED</p>
678 18/10/2023	<p><u>UPDATE FROM EXTERNAL AUDIT</u></p> <p><u>Additional Action:</u></p> <p>(ii) agreed for the section 151 officer to provide a high-level briefing or report on the Equal Pay Model.</p>	<p>Fiona Greenway/ Mohammed Sajid</p>

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679 18/10/2023	<p><u>ASSURANCE SESSION – CABINET MEMBER CHILDREN, YOUNG PEOPLE & FAMILIES PORTFOLIO</u></p> <p><u>Additional Action:</u></p> <p>(iii) Noted the responses to questions raised by Councillor Yip would be circulated to the Committee Members;</p>	<p>Responses to Councillor Yip’s questions emailed to Committee Members on 21/11/2023.</p> <p>COMPLETED & DISCHARGED</p>
679 18/10/2023	<p><u>ASSURANCE SESSION – CABINET MEMBER CHILDREN, YOUNG PEOPLE & FAMILIES PORTFOLIO</u></p> <p><u>Additional Action:</u></p> <p>(iv) Information on the actual costs for spend for Contracts to be provided;</p>	<p>Outstanding (Mike Smith – Head of Category – Procurement)</p>
679 18/10/2023	<p><u>ASSURANCE SESSION – CABINET MEMBER CHILDREN, YOUNG PEOPLE & FAMILIES PORTFOLIO</u></p> <p><u>Additional Action:</u></p> <p>(v) Noted the internal audit reports referred to the Children and Young People’s Travel Service to be shared;</p>	<p>Email giving information to a secure repository of reports was circulated to Committee Members on 20/11/2023</p> <p>COMPLETED & DISCHARGED</p>
679 18/10/2023	<p><u>ASSURANCE SESSION – CABINET MEMBER CHILDREN, YOUNG PEOPLE & FAMILIES PORTFOLIO</u></p> <p><u>Additional Action:</u></p> <p>(vi) Noted risk & hidden/missing children to be discussed at a future meeting; and</p> <p>(vii) Noted that value for money rather than compliance to be discussed at a future meeting.</p>	<p>Outstanding</p> <p>Outstanding</p>
690 29/11/2023	<p><u>NEW TERMS OF REFERENCE – AUDIT COMMITTEE</u></p> <p>That the Audit Committee;</p>	

MINUTE NO./DATE	SUBJECT MATTER	COMMENTS
	<p>(i) Commented on the new terms of reference for Audit Committee and proposed the following amendments to be made by the Interim Director of Finance, Section 151 Officer and the Milford Research & Consultancy Limited.</p> <p>a) Point 14.2 - Reflect on the CIPFA guidance and ensure the committee had a robust arrangement for value for money; improving public reporting on transparency, accounting and embedding ethical values and counter fraud.</p> <p>b) Point 14.4 - The Annual Governance Statement to be reviewed via the Corporate Governance Group (CGG);</p> <p>c) Point 14.4 – The department of Internal Audit to be referenced rather than the individual officer;</p> <p>d) Point 14.6 – Membership (Co-opted members) – The Independent Technical Advisor would be appointed via a skills-based route and identifying where the gaps in knowledge were to support members.</p> <p>e) The Chair of the Audit Committee to have the ability to place an item, attend and speak to it if there are significant issues arising that needs Cabinet and City Council to give specific attention to the issue;</p> <p>f) The Chair of the Audit Committee to write the City Solicitor and Monitoring Officer requesting for these powers to be embedded into the Constitution review.</p> <p>g) The requirement for openness and transparency by all parties servicing the Audit Committee including, Council officers, Internal Audit and External Audit;</p> <p>(ii) Noted the new requirements and responsibilities the requirement for the committee to conduct an annual review of its compliance with the CIPFA Position Statement 2022; and</p> <p>(iii) Subject to the inclusion of the above amendments at point (i), the Audit Committee approved the terms of reference for consideration and approval by Full Council as necessary to amend the constitution: Part B Roles, Functions and Rules of Procedure May 2023 B14 Audit Committee.</p>	<p>The Terms of reference were approved by City Council on 09 January 2024 and reflected in the Constitution.</p> <p>COMPLETED & DISCHARGED</p>

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<p>691 29/11/2023</p>	<p><u>CORPORATE GOVERNANCE GROUP ASSURANCE REPORT</u></p> <p><u>Additional Actions</u></p> <p>That the Audit Committee;</p> <p>(i) Commented on the new terms of reference for the Corporate Governance Group and proposed the following amendments to be made by the Interim Director of Finance, Section 151 Officer and the Managing Director, Milford Research & Consultancy Limited.</p> <p>a) The Membership of Corporate Governance Group (CGG) to include the Lead officer for legal;</p> <p>b) To include the option of inviting Audit Committee members to the CGG once the group stabilises to provide a member’s perspective;</p> <p>(ii) Commented on the new work schedule for the Audit Committee and Corporate Governance Group and proposed the Annual Governance Statement to be programmed into the work schedule.</p> <p>(iii) Noted the new requirements for the Corporate Governance Group to report to this Audit Committee as set out in the schedule; and</p>	<p>Marie Rosenthal/ Dr Milford</p> <p>The first meeting of the new Corporate Governance Group took place 16/01/2024.</p> <p>The agenda for the next meeting has been agreed and scheduled to take place 07 February 2024. The Annual Governance Statement will be looked at this meeting.</p> <p>A report on the AGS plan is scheduled for Audit Committee on 21 February 2024.</p>
	<p><u>CORPORATE GOVERNANCE GROUP ASSURANCE REPORT</u></p> <p>(iv) Guidance to be shared with Committee on information that was accessible to Audit Committee and Corporate Governance Group Members.</p>	<p>Marie Rosenthal/ Dr Milford</p> <p>Guidance on access to information will be shared at the 21 February 2024 meeting.</p>

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692 29/11/2023	<p><u>INTERNAL AUDIT UPDATE</u></p> <p><u>Additional Actions:</u></p> <p>That the Audit Committee;</p> <ul style="list-style-type: none"> (i) Noted the Internal Audit updates and commented for the following to be included in future updates: <ul style="list-style-type: none"> a) Temporary accommodation – Update on Purchase cards and spot checks to ensure there was no fraudulent activity. b) Proposed Internal Audit to advise Overview and Scrutiny Committees on monitor Internal Audit Reviews relevant to their areas. c) Requested for additional information around next steps; themes; improvement to work practices; actions taken on Oracle (ERP) and impact on resources within Internal Audit Team to be included in the Internal Audit Reviews and relevant sections of the Internal Audit Plan. (ii) Noted the School Audit Reports and financial position to be included as a separate item for discussion on a future agenda. To include an update on the carry forward balances from the local authority. 	<p>Sarah Dunlavey</p> <p>Updates will be provided as part of the report on 31 January 2024 agenda – Internal Audit Plan update.</p> <p>Updates will be provided as part of the report on the 21 February 2024 meeting – Audit Plan Methodology Report.</p>
693 29/11/2023	<p><u>INTRODUCTION OF INTERNAL AUDIT RECOMMENDATION TRACKING</u></p> <p><u>Additional Action:</u></p> <p>That the Audit Committee;</p> <ul style="list-style-type: none"> (i) Noted the steps taken to implement a replacement audit management system and the interim solution that was sought to support the consistent tracking of internal audit recommendations across the Council; and (ii) An update on the Central SharePoint repository and the initial recommendation progress monitoring report to be reported at the next Audit Committee meeting. 	<p>Sarah Dunlavey</p> <p>Updates will be provided as part of the report on 31 January 2024 – Internal Audit Plan update.</p>

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694 29/11/2023	<p><u>ANNUAL COUNTERFRAUD REPORT 2022/23</u></p> <p><u>Additional Actions:</u></p> <p>That the Audit Committee;</p> <p>(i) Noted the Counter Fraud work undertaken during the year of 2022-23 and members drew assurances from the policies and procedures that were in place to prevent and detect fraud and error. The Committee agreed for further work to be undertaken on the impact and limitations of the ERP system.</p> <p>(ii) Agreed for the Counter Fraud report updates to include data from previous years as a comparative. In addition, to include information from other Core Cities including Manchester as a benchmark; common themes of fraud and details of the escalation process identified.</p> <p>(iii) Agreed for further updates on how the Council responded to staff fraud and the processes involved to be shared at a future meeting.</p>	<p>Sarah Dunlavey/ John Preston</p> <p>A report will be shared at the 21 February meeting – Audit Plan Methodology Report.</p>
695 29/11/2023	<p><u>FINANCE UPDATE – NOVEMBER 2023</u></p> <p><u>Additional Actions:</u></p> <p>That the Audit Committee;</p> <p>(i) Noted the current financial position of the Council as set out in this report;</p> <p>(ii) A further update to this report to be shared at the next meeting.</p>	<p>Fiona Greenway/ Mohammed Sajid</p> <p>A report on 31 January 2024 – Finance Update – January 2024 (point i) & ii) COMPLETED & DISCHARGED</p>
695 29/11/2023	<p><u>FINANCE UPDATE – NOVEMBER 2023</u></p> <p><u>Additional Actions:</u></p> <p>(iii) Requested for an additional briefing session to take place on the financial position of the Council;</p>	<p>Fiona Greenway/ Mohammed Sajid</p> <p>Outstanding</p>

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	<p>(iv) A written response to be provided how was Birmingham going to respond to the Equal Pay Liability and how the £760 million calculation had been calculated; and</p> <p>(v) Details on budget consequences on spend reviews for the last 6 years to be shared for Birmingham and other similar local authorities.</p>	<p>Outstanding</p> <p>Outstanding</p>
<p>696 29/11/2023</p>	<p><u>EXTERNAL AUDITORS UPDATE</u></p> <p>That the Audit Committee;</p> <p>(i) Noted the contents of the report as set out by the External Auditors; and</p> <p>(ii) Proposed for a report to be shared at the next meeting by Counter fraud and Internal Audit on the concerns on the number of issues that had been flagged on the Oracle Risk Cloud.</p>	<p>Fiona Greenway/ Mohammed Sajid</p> <p>A report will be shared at the 21 February meeting – Audit Plan Methodology Report.</p>
<p>697 29/11/2023</p>	<p><u>INTERIM ORACLE REPORT</u></p> <p>That the Audit Committee;</p> <p>(i) Noted the contents of the External Auditors letter dated 26th October 2023; and</p> <p>(ii) Requested for the Chief Executive and the Section 151 Officer to provide a response to the External Auditors letter date 26th October 2023 including other aspects of the ERP system raised by the Committee.</p>	<p>A report on 31 January 2024 – Final Report on Oracle.</p> <p>COMPLETED & DISCHARGED</p>