

# BIRMINGHAM CITY COUNCIL

**AUDIT COMMITTEE  
19 JUNE 2018**

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
TUESDAY, 19 JUNE 2018 AT 1400 HOURS IN COMMITTEE ROOM 6,  
COUNCIL HOUSE, BIRMINGHAM**

**PRESENT:-**

Councillor John O'Shea in the Chair;

Councillors Afzal, Bridle, Jenkins, Shah, Trickett, Webb and Tilsley

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**NOTICE OF RECORDING/WEBCAST**

- 31 The Chairman advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site ([www.birminghamnewsroom.com](http://www.birminghamnewsroom.com)) and members of the press/public could record and take photographs except where there were confidential or exempt items.

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**The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.**

**APPOINTMENT OF AUDIT COMMITTEE , CHAIR, DEPUTY CHAIR AND MEMBERS**

- 32 **RESOLVED:-**

- (i) That the resolution of the City Council appointing the Committee and Chair, with membership set out below for the period ending with the Annual Meeting of the City Council in May 2019 be noted:-

**Labour Group**

Councillors Afzal, Bridle, O'Shea (Chair), Shah and Trickett

**Conservative Group**

Councillors M Jenkins and Webb

**Liberal Democrat Group**

Councillor Tilsley

- (ii) that Councillor Trickett be elected Deputy Chair, for the purpose of substitution for the Chair if absent, for the period ending with the Annual Meeting of the Council in 2019.

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**FUNCTIONS – AUDIT COMMITTEE**

The following schedule was submitted:-

(See document No. 1)

33 **RESOLVED:-**

That the schedule of functions be noted.

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**DECLARATIONS OF INTEREST**

- 34 Members were reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting. If a pecuniary interest was declared a Member must not speak or take part in that agenda item. Any declarations would be recorded in the minutes of the meeting. The following non-pecuniary interests were declared:-

Councillor O'Shea (Chair) previous Director of Service Birmingham.  
Councillor Trickett previous Director of Innovation Birmingham.  
Councillor Afzal previous Director Birmingham Museums Trust.

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**MINUTES**

35 **RESOLVED:-**

That the Minutes of the last meeting be confirmed and signed.

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**ANNUAL GOVERNANCE STATEMENT OF ACCOUNTS 2017/18**

The following report of the Corporate Director – Finance and Governance was submitted:-

(See document No. 2)

Martin Stevens, Head of City Finance Accounts, introduced the report and made particular reference to the seven governance issues identified for the inclusion in the Statement for the 2017/18 Financial Year together with the mitigation and proposed actions.

He confirmed that the Annual Governance Statement would be kept under review up to the point of signing the final version of the accounts that would be submitted to 30 July 2018 Audit Committee meeting, adding that any significant events or developments relating to the governance system, would be reported at the meeting.

36

**RESOLVED:-**

- (i) That the Annual Governance Statement, which will be included in the 2017/18 Statement of Accounts, be approved
- (ii) That it be noted that the arrangements for the management of the items included in Section 6 of the Annual Governance Statement are due to be reported to the Audit Committee during the year.

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**BIRMINGHAM AUDIT ANNUAL REPORT 2017/18**

The following report of the Assistant Director, Audit and Risk Management, was submitted:-

(See document No. 3)

Sarah Dunlavy, Assistant Director, Audit and Risk Management, Craig Price, Principal Group Auditor and Clive Heaphy, Strategic Director, responded to Members' comments including an explanation regarding the merits of purchase cards, the usage and the development of the audit data warehouse and the implementation and compliance with the General Data Protection Regulation (GDPR).

At this juncture, the Chair requested that a briefing on the data warehouse be scheduled as an agenda item for a future meeting.

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**RESOLVED:-**

- (i) That the report be noted and the annual assurance opinion for 2017/18 be accepted;
- (ii) that approval be given to the 2018/19 Internal Audit Charter as set out in the report now submitted.

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**STATEMENT OF ACCOUNTS 2017/18**

The following report of the Corporate Director – Finance and Governance was submitted:-

(See document No. 4)

Martin Stevens, Head of City Finance Accounts, introduced the report.

At this juncture, it was highlighted that Members and officers had met prior to the meeting to discuss in more detail the Statement of Accounts, and as a result of this, any questions raised by members during this time had been answered by officers.

The Chair highlighted that he had spent a considerable amount of time with officers discussing the Statement of Accounts and subsequently thanked them for their support over the last few weeks.

38

**RESOLVED:-**

That the Draft Statement of Accounts for 2017/18 and the arrangements for the audit of the accounts and public inspection be noted.

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**GRANT THORNTON – PROGRESS REPORT**

The following report of the External Auditor, Grant Thornton, was submitted:-

(See document No. 5)

Phil Jones, Grant Thornton introduced the report and responded to Members' comments including an explanation of the provisions that have been set aside and the need for the City Council to be less reliant on the use of reserves to balance the budget and savings delivery.

Clive Heaphy, Strategic Director, emphasised that it was not good practice to continue using reserves and highlighted that they were working with all groups to put together balanced budgets that were going to work and minimise the use of any future reserves.

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**RESOLVED:-**

That the report be noted.

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**DATES AND TIME OF MEETINGS**

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**RESOLVED:-**

That the Committee meets on the following Tuesdays at 1400 hours in the Council House:-

**2018**

30 July (Monday)  
25 September  
20 November

**2019**

29 January  
26 March

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**AUTHORITY TO CHAIRMAN AND OFFICERS**

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**RESOLVED:-**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

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The meeting ended at 1450 hours.

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CHAIRMAN