

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 30 JANUARY 2018
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MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY, 30 JANUARY 2018 AT 1400 HOURS IN COMMITTEE ROOM 6, COUNCIL HOUSE, BIRMINGHAM

PRESENT:-

Councillor Khan in the Chair;

Councillors Jenkins, Quinnen and Robinson

NOTICE OF RECORDING/WEBCAST

- 1 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) and members of the press/public could record and take photographs. The whole of the meeting would be filmed except where there were confidential or exempt items.

APOLOGIES

- 2 Apologies were submitted on behalf of Councillors, Spencer, Rice, Shah and Tilsley for their inability to attend the meeting.

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

MINUTES

- 3 **RESOLVED:-**

That the public part of the Minutes of the last meeting held on 21 November 2017 be noted.

MATTERS ARISING

- 4 The Chair made reference to the last meeting dated 21 November 2017 and the concerns raised by the Committee regarding the Risk Register and the Improvement Panel.

She stated that as confirmed by the Interim Chief Executive, the Leader and the Chief Executive would be providing a formal response to the concerns raised and that they would converse with the Audit Committee at a future meeting. The Chair highlighted that this would provide an opportunity for the Committee to raise any questions and concerns that they may have.

THE LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REVIEW 2016/17

The following report of the Interim Chief Executive was submitted:-

(See document No 1)

Miranda Freeman, Senior Liaison Management Officer, introduced the report and responded to a Member's enquiry relating to two settlement cases. She detailed the complaints and the difficulties that had been encountered in settling the cases, and added that due to the nature of the cases, there was not the expectation that they would arise again.

- 5 **RESOLVED:-**

That the report be noted.

GRANT THORNTON – PROGRESS REPORT

The following report of the External Auditor was submitted:-

(See document No 2)

Phil Jones, Grant Thornton, introduced the report and responded to Members' comments including an explanation regarding the use of reserves to balance the budget, and the need to ensure there was sufficient capacity with the reserves to protect against liabilities that may have to be faced in the future.

He highlighted that in moving forward, it was important that there was an appropriate balance struck between delivery and balancing the budget through savings delivery and the use of reserves.

- 6 **RESOLVED:-**

That the report be noted.

GRANT THORNTON – CERTIFICATION OF CLAIMS

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

(See document No 3)

Laura Hinsley, Grant Thornton introduced the report and responded to Members' comments including an explanation on the 'real time information' (RTI) process and the types of cases that did not fall under this process which could potentially be prone to errors. She added that errors found were often through miscalculations or incorrect information fed into the system rather than time delay.

Chris Gibbs, Service Director responded to Members' comments including an explanation on the importance of claimants notifying the local authority immediately when changes of their income incurred, as this may affect their housing benefit, and could prevent overpayments being made and having to be recovered at a later stage. He added the importance of having to verify identification of all adults and their income that were in receipt of housing benefit and the need to check and re-check each time there was a change in circumstances.

He reported that housing benefit was recognised as the most complex of all welfare benefits and that all errors made had to be recognised. He referred to the inevitabilities where errors could occur, and detailed the stringent processes that were in place in order to minimise the number of errors occurring.

7

RESOLVED:-

That the outcome of the external audit certificate in respect of the Housing Benefit subsidy claim for 2016/17 be noted.

GROUP COMPANY GOVERNANCE – INFORMING THE AUDIT RISK ASSESSMENT - PUBLIC

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 and made reference to the two companies that should no longer be included within the Group Accounts, as it was considered, that the Council did not have control over the entities and had no rights over the assets of the entities.

8

RESOLVED:-

That the responses received to inform the audit risk be noted.

OTHER URGENT BUSINESS

- 9 No other urgent business was raised.

AUTHORITY TO CHAIRMAN AND OFFICERS

- 10 **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.

EXCLUSION OF THE PUBLIC

- 11 **RESOLVED:-**

That, in view of the nature of the business to be transacted, which includes the following exempt information, the public be now excluded from the meeting:-

Agenda Item etc

**Paragraph of Exempt Information
Under Revised Schedule 12A of the
Local Government Act 1972**

Group Company Governance -
Informing the Audit Risk
Assessment

3 and 4

Equal Pay Update