

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 27 SEPTEMBER 2023

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY, 27 SEPTEMBER 2023 AT 1400 HOURS IN COMMITTEE
ROOM 3 & 4, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1
1BB**

PRESENT:-

Councillor Fred Grindrod in the Chair;

Councillors Shabrana Hussain, Meirion Jenkins, Miranda Perks, and Paul Tilsley

NOTICE OF RECORDING/WEBCAST

645 The Chair advised and the Committee noted this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

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

APOLOGIES

646 Apologies were submitted on behalf of Councillor Shafique Shah for his inability to attend the meeting.

DECLARATIONS OF INTEREST

647 Councillor Tilsley declared his standing declaration. He is a Non-Executive Director for Birmingham Airport (Non-pecuniary).

EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

The Chair advised there would be a possible private discussion for a number of items on the agenda under Exempt paragraph 3 of schedule 12A of the Local Government Act 1972. These were noted as:

Audit Committee – 27 September 2023

- Item 5 - Private minutes - Audit Committee 15 September 2023 (Exempt paragraph 3 of schedule 12A of the Local Government Act 1972).
- Item 7 - Response from the Interim Director of Finance (Section 151 Officer) to the External Auditors Report.

The Chair requested for the City Solicitor and Monitoring officers to alert him if there was a need to move into private session on any other areas of the agenda.

Upon consideration, it was:

648

RESOLVED

That in accordance with Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation order) 2006, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

MINUTES – AUDIT COMMITTEE EXTRAORDINARY 15 SEPTEMBER 2023

649

It was noted the private minutes had been reviewed by the City Solicitor and Monitoring Officer. During the private session, members sought assurances from the Chief Executive in relation to aspects of Oracle and Equal Pay which had been highlighted in the report issued by External Audit.

Points advised by the City Solicitor & Monitoring Officer:

- Assurances were sought around managing effective risk and security measures to support ongoing use of Oracle.
- Assurances were sought from the Chief Executive relating to the actions being taken to address historic implementation and governance issues.
- Assurances were sought from the Chief Executive relating to robust Contract Management of Oracle.

Private minutes were available to all members of the Council in the private section.

There were no issues or matters arising from the private minutes.

That the public and private minutes of the meeting, 15 September 2023 having been circulated, were agreed by the Committee as a full set.

ROLES & RESPONSIBILITIES FOR AUDIT COMMITTEE (FOLLOWING SECTION 114 NOTICE)

Following consultation with the Director for Finance (Section 151 Officer), the Independent Technical Advisor and the City Solicitor and Monitoring Officer it was felt the Audit Committee received independent training and advice on the role of Audit Committee, and the role going forward, to support the Council during the Section 114 notice and introduction of robust spend controls.

It was important the Audit Committee received independent support and advice. This would assist in the work programmes for future meetings in addition the need, or not, for extraordinary meetings as and when issues arise.

A summary of the work by Dr Robert Milford was shared with the Committee. Points made by Dr Milford:

- A short brief training had been offered to the Committee Members prior to this meeting taking place.
- More focussed training sessions would take place on Section 114 and other Governance Reviews.
- Support through training, mentoring, techniques for seeking assurance would be provided.
- Dr Milford was conducting a Governance Review himself which would be shared with the Committee to improve the Governance Framework for the organisation.

The Chair added that members who were able to attend the training session this morning appreciated the discussions. These discussions would be shared with the other Political Group Leaders of the Council. This would help to ensure all members of the Committee actively engage.

Dr Milford would be arranging direct meetings with each member of the Committee.

The Chair was grateful for the continuous support from the City Solicitor and Monitoring Officer as well as the Independent Technical Advisor for the Committee.

Upon consideration, it was:

650

RESOLVED

The Audit Committee to note the training session on the roles and responsibilities following the section 114 Notice.

RESPONSE FROM THE INTERIM DIRECTOR OF FINANCE (SECTION 151 OFFICER) TO THE EXTERNAL AUDITORS REPORT

The Chair reminded the Committee, a detailed report from the External Auditor was provided at the last meeting (from Mark Stocks) on the current issues impacting the Council. The response was provided to this by the Interim Director of Finance Section 151 Officer.

The following report of the Chief Executive (Head of Paid Service) & Interim Director of Finance (S151 Officer) was submitted:

(See document No.1 of the agenda pack)

The following summary was provided by the Interim Director for Finance on Equal Pay and Financial Sustainability;

Equal Pay

The historic potential liability for Equal Pay was estimated at between £650 - £760 million, accruing at a rate between £5 million to £14 million a month (after 1st April 2025). It was thus important to put in place an effective job evaluation methodology to stem the flow of the liability following the implementation in April 2025.

A decision would be taken at a full City Council meeting rather than a Council Business Management Committee (CBMC) meeting.

The Financial model had been shared with the External Auditors, Grant Thornton, which takes the equal pay liability model up to the 31st of March 2020. It was hoped by week ending 29 September 2023, the other three years, 2020 – 2021, 2022-2023 and 2022-2023 would be finalised so the full model can be passed onto the External Auditor. The model was split between General Fund Housing Revenue Account and the Dedicated Schools Grant. A detailed split would be shared.

The timelines had started to be consolidated by Legal colleagues back to 2012 to equal pay activities. The timeline was shared with Department for Levelling up Housing and Communities (DLUHC). Trade Unions engagement had continued, and will continue, alongside the implementation of the newly agreed Job Evaluation methodology. This was superseded by the issuing of Section 5 statement and the Section 114 subsection 2 on the 21st of September 2023.

The External Auditors had indicated the accounts for 2020-21 and 2021-22 need to be closed. As a result, the S151 Officer will need to produce a going concern statement for those years and be satisfied with the accounts for the year 2022-23 prior to submission to External Auditors for review. These going concern statements could not be issued by the Section 151 Officer until these figures were available and a pay equity model agreed to cap the liability.

The accounts for 2022-23, officers were working to get an outturn position as soon as possible and report to Cabinet by October/ November 2023. At the

previous meeting, the External Auditors had highlighted there was a potential to do a 2 stage External Audit of the accounts, members were made aware of a stage zero (i.e., to sign off the accounts by the S151 officer) which is a key part of the process, the Section 151 Officer needs to be assured that to ensure the systems and controls in place support the Accounts).

Financial Sustainability

This was related to the issue around reserves. There was £383 million of earmarked reserves and £230m of unearmarked reserves. Some of this money was to be used to cover the extra cost of Oracle implementation as well as balance the 2022-23 outturn (reported at period 10) – which was reported to Overview and Scrutiny as well as Cabinet.

An outline to the financial challenges was shared with the Committee. These were noted as:

- An Equal Pay liability of between £650-£760m;
- An in-year budget gap for financial year 2023-24 of £87m;
- A two-year budget gap to the end of financial year 2024-25 of £164.8m (based on the Q1 MTFP refresh that went to Cabinet in July. This is addressed by two strands of work: i) Development of in-year savings and ii) Financial Recovery Plan (response to S114 Notice). Details around this was shared with Committee members.

The following summary was provided by the Chief Executive on Oracle;

The Chief Executive introduced this item by firstly acknowledging and noting the concerns raised by the External Auditors around the risk and weakness in the governance and management of the programme presents risks to the effective uses of the resources.

The report submitted to the Committee outlines the current governance arrangements and changes to better align the workstreams with business processes and Oracle solution.

Details around the Optimisation phase and the Cabinet report in November 2023 were shared. Governance arrangements would be looked at to see if they were fit for purpose. Work would be taking place with the External Auditors to ensure a robust process was in place.

The Chief Executive assured the Committee continuous work was taking place with the External Auditors.

The Chair recognised there were two aspects of mitigating the Equal Pay Risk (i – understanding job evaluation process ii) equal pay issue raised through Task and Finish).

Councillor Perks raised that discussions around this would require a private session as there were legal proceedings around this area.

Audit Committee – 27 September 2023

The Chair felt it was important to address the issues raised by the external Auditors in the public domain recognising where there was sensitivity this would then move into a private session.

The Strategic Director of City Operations provided a summary around Task and Finish. Points noted;

- The Strategic Director for City Operations joined the Council in mid-April 2023. He had been made aware by the Interim Strategic Director (Mark Wiltshire) that parts of the Council believed parts of the council still had Task and Finish operating but not substantiated.
- The Interim Strategic Director had spoken to all officers in the Waste Service and advised if Task and Finish was happening, this must be stopped and managers to ensure this was enforced.
- Mid-April 2023, the Strategic Director for City Operations was clear that managers had not taken the advice given to brief their staff. Training and support had not been provided to staff to give them assistance.
- A meeting took place with Trade Unions and the expectations around Task and Finish to conclude. The Strategic Director met with managers to make this position clear too.
- The Strategic Director for City Operations wrote to all members of staff and explained his expectations (i.e. any practice around Task and Finish in place to come to an end).
- Written assurances were submitted to the Strategic Director of City Operations by all managers within the service areas that from their perspective Task and Finish had ceased in their respective areas.
- The Strategic Director for City Operations sought assurances through Internal Audit and undertaking a Management Review. This was to provide further assurance the Director for Street Scene and Waste (Darren Share) and his team were in line with operating procedures.

At this juncture, the City Solicitor and Monitoring Officer advised the Chair comments made in the public domain by the Strategic Director for City Operations should have satisfied the Committee and any further debate should take place in private.

The Chair accepted the advice provided however sought assurance in public Task and Finish had stopped now.

The City Solicitor and Monitoring Officer advised assurances had been provided from the Strategic Director for City Operations that direct instruction had been issued to stop the practice of Task and Finish. In addition, the Chief Executive provided comments at the last Audit Committee around her instructions. It was advised any further debate should be discussed in private especially when there was a risk to name officers.

Councillor Perks supported the legal advice provided and she was in favour to move to a private session and if any detail was able to go back into the public domain was undertaken.

Councillor Tilsley suggested to possibly discuss the other reports as part of the agenda from the Interim Director of Finance and discuss these before moving to a private session.

Councillor Jenkins opposed a private session and requested for this to be voted upon. He voted against a private session, and this would be minuted. The Chair noted comments raised by Members of the Committee and highlighted the private session was not restricting members of the committee to hear the content. A vote would be taken at the end of the report following questions for the public questions being addressed.

Councillor Tilsley noted comments made by Councillor Jenkins however, highlighted once discussions start taking place on Equal Pay, there was the risk of naming officers and for this reason a private session would be preferred.

(Note: Due to the number of questions raised by members, these have been grouped in a section within the minutes followed by responses by officers).

Members raised questions and made the following comments;

- Earmarked reserves of £383 million pounds and unearmarked of £230 million pounds, it was questioned if this was the net reserves which take account of £87 million deficit projected to have in this year's budget and £36 million pounds Cabinet agreed to Oracle subsidiary from reserves?
- Concerns were raised on council tax and business rates. External Auditors had previously raised concerns around bank reconciliation and security controls.
- How long would it take to complete the Safe and Compliant stage?
- Oracle – why were some BCC staff coming into work 4am to resolve these issues?
- Bank Reconciliation – questions around the kit that was required to work were raised.
- Question was raised on what work were the 30 employees doing on the bank reconciliation if the piece of kit for the system was doing this?
- Task & Finish – Councillor Jenkins thought this was a good idea as employees would work harder and faster then leave earlier from work. Measure output than input – allow people to work harder but faster.

In response to members question the Interim Director of Finance (Section 151 Officer), the Assistant Director for Financial Strategy and the Chief Executive made the following points:

- The £87 million pounds was not funded through reserves. This had to be from savings efficiencies. This did not have the 2023-24 usage in. The £46.5 million pounds for Oracle was used against the £230 million.
- Some of the debt had accumulated from business rates; cost of living crisis; post covid – inability to chase the debt. The Finance Team were following this up. The S151 Officer receives a monthly update from the Revenues Manager. This information was also shared amongst Finance Overview and Security and can be shared with Audit Committee.
- Any transactional work such a bank reconciliation was a concern.

Audit Committee – 27 September 2023

- A piece of software with sat in front of the General Leger was not currently working. This had to work to ensure Birmingham was safe and complaint. Staff were currently placing the transactions into the correct place for budget monitoring. This had caused most of the delay to the Accounts.
- The largest issue for 2022-23 was the reporting of the financial position. Further details around this was shared with members.
- There was a backlog in 2023-24.
- The Chief Executive highlighted there were a few issues around compliance. However, everything was being undertaken to ensure the organisation operates safely.
- Issues around the 4am start for staff would be investigated and information around this would be shared with Committee members outside of the meeting.
- Security - Oracle Risk Management Cloud had been implemented. A number of operational problems are currently being encountered which is increasing administration workload, these issues are being worked upon. An update would be provided at the next meeting.
- March Bank reconciliation would be completed once all items were allocated to the ledger. A final year end reconciliation would be taking place.
- The 30 employees were working on the bank reconciliation and correcting transactions which the piece of software was not doing.
- Task and Finish was not a legitimate working practice. Further details would be discussed during a private session.

Further questions were raised made by members. These were noted as:

- Risk Based approach – what was this approach?
- Schools – Budgets – what was the current position on budget setting etc?
- Trade Union engagement – Decision for Job Evaluation Methodology would be shared with City Council however, members sought clarity what trade union engagement was taking place, as option 2 of the pay review had not been agreed by the Trade Unions. The addendum had not been agreed therefore outsourcing the Job Evaluation would most likely be the only option.
- If option 4 would be taken forward, what work was taking place to look at providers for this outsourcing company to avoid any delays?
- Questioned whether there were sufficient external providers available to fulfil delivery of option 4 should this option be agreed? Were officers confident there was a range of providers ready? Procurement rules would have to be adhered to (i.e. 3 potential bidders).
- Queries raised that should option 4 be selected, a desk research on the tendering process would be in place.
- Were officers confident the tendering for the 3 potential bidders would be in place?
- There were no other options left i.e., option 4 – how confident were we on the tendering process, start date and if there was a clear risk register for this. Have the risks around the procurement process been considered and if these been mitigated against the Equal Pay?

Audit Committee – 27 September 2023

- Questions were raised why viability was referred to and not assurance?
- In January 2023, there was awareness of the Equal Pay crisis however, members were informed by the Leader of the Council in June 2023. Audit Committee were not made aware of the crisis as notified at the November 2022 meeting.
- Questions were raised if in January 2023, the External Auditors were informed if the crisis of Equal Pay? Also, at any point the External Auditors were informed of the instruction of solicitors by the trade union and live litigation to the council? The External Auditors should have been informed.
- A budget had been agreed in February 2023, however, there was clear knowledge of an Equal Pay crisis however questions were raised why Equal Pay was not indicated on the risk register or budget.
- Councillor Perks indicated she was not satisfied with the information contained in the CBMC report around the risks and calculated timescales associated with the four options of the job evaluation.
- In addition to the report to CBMC setting out risks associated with the options to Job Evaluation, members requested for additional information around risks and calculated timescales associated with the four options of the job evaluation.
- What was the link between the Department risk register and overall strategic risk register presented to this Committee. Was Equal Pay listed on the Directorate Risk register? Equal Pay Risk was highlighted on the Strategic Risk Register in June 2023?

In response to members questions the Interim Director of Finance (Section 151 Officer), Acting Director for People and Corporate Services and the Chief Executive made the following points:

- 2022-23 accounts – As Oracle was not producing information and reports, work had to take place outside of the system and forecast where they would be for the rest of the year, based of risk-based assessment.
- A written update would be provided to the Committee around Schools budgets and their current position.
- At present there was no work taking place to engage with an external provider (outsource for option 4) of the Job evaluation. A decision had not been made. It was noted once the decision to pursue with option 4 (delivery of the Job Evaluation Scheme) methodology takes place , then the options for providers would be explored.
- The report to Cabinet in July 2023 set out the procurement process for the job evaluation. This would only be actioned once the decision on the option was made. The Acting Director for People and Corporate Services was confident there was a range of companies available to deliver option 4.
- Engagement with Trade Unions – CBMC paper and meeting, selected option 2 on the provision of the collective agreement would be signed by a deadline. Between the suggested date of sign off by the Trade Union a series of meetings had taken place chaired by Chief Executive and Deputy Leader up to the deadline.
- Research had taken place on providers available within the market and what they provided. In addition, which other providers were delivering job

evaluation across the country. There were several leading providers that were already undertaking this. A plan had been shared with Cabinet. This would take approximately a month to be in place.

- CBMC report set out the risks attached to all four options of the job evaluation.
- The last 3-4 months in depth work had taken place around option 4. A steering Governance Board chaired by the Chief Executive took place which monitored progress. Governance monitoring the risk register was in place.
- Representation had taken place by Trade Unions that they had opposed to option 4. Both option 2 and 4 were viable to meet the April 2025 deadline and provide a robust delivery. This highlighted the role of Audit Committee as part of this process.
- There was risk with all the options. Opposition had been provided by trade unions and the use of option 4. A Dispute resolution process was in place as well as a mitigation plan.
- The emerging figures of the potential Equal Pay liability were not available in January 2023, and it was a crisis as there were disputes with two of the trade unions.
- The Corporate Director would need to check which colleagues had communicated to the External Auditors about the claims.
- Option 3 was unlawful – as indicated in the report to CBMC meeting. The report of the CBMC meeting set out the risks associated for all four options.
- Officers provided further detailed breakdown of the stages of the Job Evaluation process.
- Equal Pay was placed high on the Directorate Risk Register. Governance around this had to be raised into this.

Further debate and discussions ensued around the job evaluation process and options that were available for the council.

The Chair of the Committee, and Councillors raised additional concerns during the debate.

The External Auditor notified the Committee, both officers and members knew about the Equal Pay position in February 2023. It was a duty from both officers and members to declare this issue. The External Auditors were informed in March 2023. Details around the options presented to CBMC were shared. It was noted the Council had to now had to decide which option it will pursue with.

The Chair wanted the Audit Committee to be assured before a decision was made at full council on the Job Evaluation decision. He reassured the public that the Committee placed as much information in the public domain to remain open and transparent however, aware the legal and sensitive implications.

A minute would be taken of the private session which was available to all Councillors and information that can be placed into the public domain, this would be read out in the next meeting.

A vote was taken on moving to a private session.

Upon being put to a vote it was 3 in favour, 1 against and 1 abstention.

At 1540 hours, the Committee moved to a private session.

(Note: Minute 651 is in private)

RE-ADMITTANCE OF THE PUBLIC

652

At 1620 hours, following discussions on item 7, Response from the Interim Director of Finance (Section 151 Officer) to the External Auditors Report, the Committee moved back into the public meeting.

(The Committee moved back to Item 7 on the agenda)

RESPONSE FROM THE INTERIM DIRECTOR OF FINANCE (SECTION 151 OFFICER) TO THE EXTERNAL AUDITORS REPORT

The private minute would be reviewed, and relevant sections would be placed back into the public domain.

Points made during the private session and placed back into the public minutes:

- The Strategic Director for City Operations (Craig Cooper) had 5 areas of responsibility. These were noted as Community Safety; Highways and Infrastructure; Neighbourhoods; Enforcement, Street Scene and Waste Services.
- There were three Assistant Directors and two Directors across the five areas.
- There was a system of Governance and Management within the Council and operating procedures in place.

Additional points made in response to members question the Strategic Director for City Operations made the following points:

- If an employee worked 7.2 hours per day, their job role was evaluated by looking at how long it took to undertake the waste run. i.e. how much time was required to remove, empty and place back bins. The outputs and outcomes that were being delivered would be looked at. An assessment from a health and wellbeing perspective had been taken.
- 330 tonnes of residual waste was collected and weekly collections took place whereas most parts of the country had fortnightly collections. Recycling collection was lower for Birmingham.
- The workforce was spilt across three depots working to standard practices.
- A waste collection round was assessed by looking at the amount of time required for the round. There was time when rounds were accelerated, or two bins were collected at the same time rather than one.

- Details around missed bin collections across various Councils was shared.
- The Strategic Director was committed to work with the lead Cabinet Member to reset the strategy for waste by putting an Improvement Plan in place. This was to ensure the Council were clear what they would like to achieve from residual waste collection. In addition, to be clear on the target for recycling; understand how to deal with bulk waste and commercial waste.
- This work would establish new ways of working for the Waste Service to improve the outcomes for the residents for Birmingham.
- Work had to be undertaken within the service to get to where they had to be. The Strategic Director was committed to working with the Council and Members to deliver an effective service for citizens of Birmingham.

At this juncture, the Chair notified the Committee he had received a letter from the Leader of the Council that due to the meeting running over time, he was no longer able to attend. On this basis, agenda item 9 was removed off the agenda and the Chair called for an extraordinary meeting for the committee to have discussions with the Leader of the Council.

Councillor Jenkins had concerns around the attendance of Committee Members and holding extra meetings. Most members were part time representatives and holding extra meetings was not feasible.

The Chair emphasised the importance of the work the Audit Committee had to undertake and the assurances they had to provide to the wider Council hence the extra meeting had to take place. This would be a single agenda item with a specific view of speaking to the Leader and the current situation.

Upon consideration, it was:

653

RESOLVED:-

The Audit Committee;

- (i) Noted the response from the Interim Director of Finance to the External Auditors Report presented to this Committee at its meeting on Friday 15th September 2023.
- (ii) Noted officers would provide a response to outstanding queries raised by the Committee on;
 - Issues around the 4am start for staff.
 - Security - an update on Oracle Risk Management Cloud
 - Risks and calculated timescales associated with the four options of the job evaluation process.
 - A written update would be provided to the Committee around Schools budgets and their current position.

UPDATE FROM THE INTERIM DIRECTOR OF FINANCE (SECTION 151 OFFICER) TO THE SECTION 114 NOTICE

The following report of the Chief Executive (Head of Paid Service) & Interim Director of Finance (S151 Officer) following the Extraordinary Meeting of the Council was submitted:

(See document No.2 of the agenda pack)

The Interim Director of Finance informed the Committee the Extraordinary City Council meeting took place 25 September 2023. The Section 114 notice and Financial Recover Plan had been accepted.

The Emergency Budget would now be presented at a City Council meeting in late October.

Upon consideration, it was:

654

RESOLVED:-

The Audit Committee noted the updates from the Interim Director of Finance (Section 151 Officer) to the Section 114 Notice.

ASSURANCE SESSION – THE LEADER’S PORTFOLIO

The Chair informed the Committee as the meeting had run over, and significant behind schedule, he had received a letter from the Leader sending his apologies.

The Chair recommended for an extraordinary meeting to be arranged to allow the Leader Portfolio discussion to take place.

Councillor Tilsley suggested it would be useful if the Leader can come to the meeting with a timeline of his knowledge on areas, emails received and actions that had been taken of the areas of issues.

Upon consideration, it was:

655

RESOLVED:-

The Audit Committee deferred the Leader’s Portfolio Session. An extraordinary meeting to be arranged to cover areas associated with the Leader.

UPDATE FROM EXTERNAL AUDIT

A verbal update was provided by the External Auditors.

The following points were made:

2020-21 and 2021-22 Accounts (Jon Roberts - Lead)

- These must be completed. These were overdue and urgent to complete. Most of the work was undertaken in March 2023. The Equal Pay accounting model had to be rebuilt as the financial liability around Equal Pay were significantly understated.
- The team of specialist (financial modelling experts with Equal Pay experience) who were advising the auditors will have to have had sight of initial models.
- Once completed this will go to Audit Team to look at the data and assumptions.
- Accounting implications to be considered.
- Audit Committees role in significant estimates was highlighted by the External Auditors.
- Another outstanding issue was around the investment Properties. The External Auditors were comfortable with the Councils Accounting.

2022-23 Accounts (Mark Stocks - Lead)

- An outturn was expected in November and was a priority for the Council.
- Accounts would not be produced until 31st January 2024 followed by the Audit.
- Government was proposing to introduce a backstop (i.e., if accounts were not completed by a period of time, therefore a forced opinion would be disclaimed on the accounts). This would be either March 2024 or September 2024. The accounts were significantly at risk at present.

An update on the thematic reviews around Equal Pay, Oracle, and Financial Sustainability was shared with the Committee.

The External Auditors were significantly concerned the Council had failed to agree a Job Evaluation option. This was an urgent decision to be made by the Council.

In relation to Oracle, the Safe and Complaint phase was not complete. This was a concern for the Council.

Additional powers would be utilised by the auditors. The External Auditor would be issuing a set of draft statutory recommendations, these will be embargoed and released to the council by week ending 29 September 2023.

The Chair requested for the letter setting out the draft statutory recommendations to be shared with Audit Committee members. In addition, material related to the Audit Committee should be considered and shared.

Members noted the previous Section 151 Officer suggested a Section 114 notice would be issued. It was questioned why this not happened and was this raised with External Audit.

The External Auditor confirmed this had not been discussed with them.

The External Auditors were non-political.

The Chair of the Committee, Councillors Jenkins, and Councillor Tilsley raised points during the discussions and the External auditors responded hereto.

Upon consideration, it was:

656

RESOLVED:-

The Audit Committee to note the verbal update from the External Auditors.

SUMMARY OF CURRENT REVIEWS INTO FINANCIAL SITUATION & GOVERNANCE

The City Solicitor and Monitoring Officer reminded members Dr Rob Milford was undertaking a Governance Review. This would be reported back to the Committee. Training would be provided to the Committee. In addition, the establishment of a robust work programme would be in place for the Committee. A Governance review was taking place.

Recommendations would be placed forward to City Council and Audit Committee may possibly require oversight in this.

Upon consideration, it was:

657

RESOLVED:-

The Audit Committee noted the update on the current reviews into the Financial Situation and Governance.

658

SCHEDULE OF OUTSTANDING MINUTES

Information for noting.

Minute 562 14/02/2023 – Additional action (iii) - A briefing note was emailed to Committee Members by the Assistant Director Audit and Risk Assessment on 27/06/2023. Completed & Discharged

Minute 575 28/03/2023 – Additional action (ii) – The Chair suggested as there were a number of briefing sessions that the Committee required, a schedule would need to be devised and incorporated alongside the training

work Dr Milford was mapping. A timetable to be devised for the Committee. This was agreed by Dr Milford. This action was Completed & Discharged.

Minute 577 28/03/2023 – Additional action (vi) – The Chair noted the Committee had carried the work generally on these areas. On this basis completed and discharged.

Minute 603 28/06/2023 – Additional actions (ii) and (iii) - The Chair noted the Committee had carried the work generally on these areas. On this basis completed and discharged.

Actions arising from this meeting would be reflected into the schedule of outstanding minutes. The only outstanding actions to remain from the original set were around training and briefing sessions.

659

DATE OF THE NEXT MEETING

The next meeting is scheduled to take place on Wednesday, 18 October 2023 at 1400 hours in Committee Room 3 & 4, Council House.

An Extraordinary meeting would be arranged to cover a single item deferred from this meeting (Assurance Session of the Leader's Portfolio).

AUTHORITY TO CHAIRMAN AND OFFICERS

660

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.

The meeting ended at 1703 hours.

.....
CHAIR