

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 15 MARCH 2016
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**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE HELD ON TUESDAY
15 MARCH 2016 AT 1400 HOURS, IN
COMMITTEE ROOM 6, COUNCIL
HOUSE, BIRMINGHAM**

PRESENT: - Councillor Sam Burden in the Chair;

Councillors Paul Tilsley, Barry Henley and Fergus Robinson.

APOLOGIES FOR ABSENCE

863 Apologies were received on behalf of Councillors Muhammad Afzal and Ken Wood.

MINUTES

864 **RESOLVED:-**

That the public minutes of the Committee meeting held on 26 January 2016 be confirmed and signed by the Chairman.

Matters Arising

A. Date of next meeting

865 The Chairman advised that the next meeting of the Audit Committee will not be held on 28 June 2016 as previously notified. A rescheduled date will be circulated to Members and officers in due course.

866 B. The future role of Audit Committee

The Chairman proposed and it was agreed by Members present that the Deputy Leader be invited to attend the next meeting of this Committee to give advice and guidance on the way forward and highlight any potential risk factors, particularly financial risks.

The Chairman advised that he would circulate an update / Information note to all Members of the Committee in due course.

SCHOOLS PRIVATE FINANCE INITIATIVE

The following report of the Head of Contracts Management, Education and Infrastructure was submitted:-

(See Document No. 1)

Mike Jones, Head of Contracts Management, Education and Infrastructure introduced the report, highlighted the salient points and responded appropriately to comments and questions raised by Members.

It was

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RESOLVED:-

- i) That the information contained in the report outlining the current financial pressures impacting the Council in connection with long-term schools PFI contracts be noted;
- ii) That the progress being made on addressing the Council's 'affordability gap' over the period January 2015 to January 2016 be noted.

CORPORATE RISK REGISTER UPDATE

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

(See Document No. 2)

The officer introduced the report and requested that the following amendments be made to the risk schedule:

- a) merge risks 2 and 23
- b) risk 03 (page 13) – reword PFI changes to schools.

The following comments were raised by Members:

- Consideration be given to a new corporate risk around the Birmingham Education Partnership failing to effectively deliver the required school improvements. Issue to be initially raised with officers from the Directorate.
- Consideration be given to adding a risk around the impact of a potential pension deficit.
- Risk 2015/16.14 to include the risk associated with the delivery of savings.
- It was requested that a brief description / summary of each risk be recorded in the schedule

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RESOLVED:-

That the report be noted and that approval be given to the list of recommendations as outlined in the report.

RISK MANAGEMENT PROCESS

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

(See Document No. 3)

Craig Price, Acting Assistant Director, Audit and Risk Management introduced the report and highlighted the salient points.

It was -

RESOLVED:-

869 Members agreed to continue to support the risk management process.

BIRMINGHAM AUDIT – PROPOSED INTERNAL AUDIT PLAN 2016/17

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

(See Document No. 4)

Members requested:

- A report on the school audit programme. Report requested for next meeting.
- Recruitment within schools be considered in the risk assessment for the 2016/17 Internal Audit Plan

RESOLVED:-

- 870 (i) Noted progress being made in the development of the 2016/17 internal audit plan;
- (ii) Agreed to consider and approve the detailed plan at the next meeting of the Audit Committee.
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ANNUAL GOVERNANCE STATEMENT - PROGRESS

The following report of the Strategic Director, Finance and Legal was submitted:-

(See Document No. 5)

Sarah Dunlavey, Assistant Director, Financial Services introduced the report and highlighted the main points.

It was -

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RESOLVED:-

That the report be noted.

GRANT THORNTON – THE AUDIT PLAN FOR BIRMINGHAM CITY COUNCIL 2015/16

The following report of the external Auditor was submitted:-

(See document No. 6)

Phil Jones and Richard Percival, Grant Thornton introduced the Audit Plan and responded appropriately to comments raised by Members.

It was -

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RESOLVED:-

That the Audit Plan report be noted.

INFORMING THE AUDIT RISK ASSESSMENT FOR BIRMINGHAM CITY COUNCIL

The following report of the external Auditor was submitted:-

(See Document No. 7)

Phil Jones and Richard Percival, Grant Thornton introduced the report and responded appropriately to comments raised by Members.

It was -

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RESOLVED:-

That the report be noted.

GRANT THORNTON – BIRMINGHAM CITY COUNCIL PROGRESS REPORT AND UPDATE YEAR ENDED 31 MARCH 2016

Report of the External Auditor was submitted:-

(See Document No. 8)

Phil Jones and Richard Percival, Grant Thornton introduced the report and responded appropriately to comments raised by Members.

It was -

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RESOLVED:-

That the report be noted.

ADOPTION OF ACCOUNTING POLICIES FOR 2015/16

The following report of the Strategic Director, Finance and Legal was submitted:-

(See Document No. 9)

The officer introduced the report and it was -

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RESOLVED:-

- i) That the Audit Committee approve and adopt the accounting policies for the determination of the Council's accounts for 2015/16;
 - ii) That the implications for future years accounts arising from the changes in accounting standards be noted.
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LEARNING FROM COMPLAINTS

The following report of the Service Director, Customer Services was submitted:-

(See Document No. 10)

Members welcomed the report but felt that further attention should be given to the work undertaken in the depot in relation to the work undertaken in the call centre.

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RESOLVED:-

That the report be noted.

RISK BASED VERIFICATION FOR HOUSING BENEFIT AND COUNCIL TAX SUPPORT CLAIMS

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The following report of the Service Director, Customer Services was noted:-

(See Document No. 11)

FUTURE AGENDA ITEMS

Role and Functions of the Audit Committee

Members agreed that the Deputy Leader be invited to attend the next meeting to give advice and guidance on the way forward and highlight any potential risk factors, particularly financial risks.

878 **RESOLVED:-**

That the points raised in the preamble be noted.

OTHER URGENT BUSINESS

879 No other urgent business was raised.

AUTHORITY TO CHAIRMAN AND OFFICERS

880 **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

881 **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:-

<u>Agenda Item etc</u>	<u>Paragraph of Exempt Information Under Revised Schedule 12A of the Local Government Act 1972</u>
Minutes – 26 January 2016 (Private)	3 and 4
Risk Based Verification for Housing Benefit and Council Tax Support Claims	3 and 4
Other Urgent Business (Exempt Information)	3 and 4