

# BIRMINGHAM CITY COUNCIL

**AUDIT COMMITTEE  
20 JUNE 2017**

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
TUESDAY, 20 JUNE 2017 AT 1400 HOURS IN COMMITTEE ROOM 6,  
COUNCIL HOUSE, BIRMINGHAM**

**PRESENT:-**

Councillor M Khan in the Chair;

Councillors M Jenkins, Quinnen, Rice, Robinson, Spencer and Tilsley.

\*\*\*\*\*

**NOTICE OF RECORDING/WEBCAST**

- 964 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.

---

**APOLOGIES**

- 965 Apologies were submitted on behalf of Councillor Shah.

---

**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**

The Chairman pointed out that, following the meeting of the City Council held on 23 May 2017 appointing the Committee, Chair and Members, at the meeting of the City Council held on 13 June 2017 Councillor Spencer was appointed to serve on the Committee in place of Councillor Pocock for the remainder of the period ending with the Annual Meeting of the City Council in May 2018.

966

**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 2018 be noted:-

**Labour Group**

Councillors M Khan (Chair), Pocock, Quinnen, Rice and Shah.

**Conservative Group**

Councillors M Jenkins and Robinson

**Liberal Democrat Group**

Councillor Tilsley.

- (ii) that it be noted that at the meeting of the City Council held on 13 June 2017 Councillor Spencer was appointed to serve on the Committee in place of Councillor Pocock for the remainder of the period ending with the Annual Meeting of the City Council in May 2018;
- (iii) that Councillor Spencer 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 2018.

---

**FUNCTIONS**

The following schedule was submitted:-

(See document No 1)

967

**RESOLVED:-**

That the schedule of functions be noted.

---

**DECLARATIONS OF INTEREST**

968

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.

There were no declarations.

---

**MINUTES**

969

**RESOLVED:-**

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

---

**STATEMENT OF ACCOUNTS 2016/17**

The following report of the Interim Chief Finance Officer was submitted:-

(See document No 2)

Martin Stevens, Head of City Finance Accounts, introduced the report and, in response to a comment, drew Members' attention to Note 18 concerning usable reserves.

970

**RESOLVED:-**

That the draft statement of accounts for 2016/17 and the arrangements for the audit of the accounts and public inspection be noted.

---

**BIRMINGHAM AUDIT – ANNUAL REPORT 2016/17**

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

(See document No 3)

Sarah Dunlavey, Assistant Director, Audit and Risk Management, Craig Price, Principal Group Auditor, Steve Powell, Assistant Director, Corporate Finance and Phil Jones, Grant Thornton, responded to Members' comments including an explanation regarding the reduction in the number of audit days, the implications of the Future Operating Model, a high risk report issued on VAT, the annual review of internal audit programmes and management of the IT infrastructure.

971

**RESOLVED:-**

- (i) That the report be noted and the annual assurance opinion for 2016/17 be accepted; further that reasonable assurance is reported;
  - (ii) that approval be given to the internal audit charter as set out in the report now submitted;
  - (iii) that approval be given to the annual internal audit plan as set out in the report now submitted.
-

**2016/17 ANNUAL GOVERNANCE STATEMENT**

The following report of the Interim Chief Finance Officer was submitted:-

(See document No 4)

Martin Stevens, Head of City Finance Accounts, and Mike O'Donnell, Interim Chief Finance Officer, responded to Members' comments including an explanation of the role of the Cabinet Committee – Group Company Governance regarding partnership working and the importance of continuity and stability, particularly with regard to senior leadership within the Council.

972 **RESOLVED:-**

- (i) That the Annual Governance Statement, which will be included in the 2016/17 Statement of Accounts, be approved;
- (ii) that it be noted that the arrangements for the management of the items set out in Section 6 of the Annual Governance Statement are due to be reported to the Audit Committee during the year.

---

**GRANT THORNTON – PROGRESS REPORT**

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

(See document No 5)

Phil Jones and Tess Barker, Grant Thornton, introduced the report and responded to Members' comments including details of the accounts closure timeline and deadlines for 2017/18, an outline of the audit year and the housing market.

973 **RESOLVED:-**

That the report be noted.

---

**DATES AND TIME OF MEETINGS**

974 **RESOLVED:-**

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

**2017**

25 July  
26 September  
21 November

**2018**

30 January  
27 March

---

**OTHER URGENT BUSINESS**

The Chairman was of the opinion that the following item should be considered as a matter of urgency in view of the need to expedite consideration thereof and instruct officers to act:-

**External Auditor’s Statutory Recommendation – Follow-Up Letter**

The following report of the Interim Chief Finance Officer was submitted:-

(See document No 6)

Mike O’Donnell, Interim Chief Finance Officer, and Phil Jones, Grant Thornton, introduced the report and responded to Members’ comments including the delivery and structure of the budget, details of a review and base-lining meetings, the creation of two separate departments to deal with adults and children’s services including the appointment of a Corporate Director for Adults and the implementation of the Future Operating Model.

975 **RESOLVED:-**

That the letter, received from the External Auditor dated 15 March 2017, and current arrangements for the management of the City Council’s finances, including plans for further reporting, be noted.

---

**AUTHORITY TO CHAIRMAN AND OFFICERS**

976 **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 1519 hours.

.....  
CHAIRMAN