

Birmingham City Council

Report to Audit Committee

5 March 2025



Title:	AUDIT AND SCRUTINY MEMORANDUM OF UNDERSTANDING
Lead Member:	Councillor Sir Albert Bore, Chair of Corporate and Finance OSC, Andrew Hardingham, Independent Chair Audit Committee
Relevant Overview and Scrutiny Committee:	Not Applicable
Has this report been shared with the relevant Overview and Scrutiny Committee Chair?	Not Applicable
Report Author:	Fiona Bottrill, Senior Overview and Scrutiny Manager, Legal and Governance, fiona.bottrill@birmingham.gov.uk
Authorised by:	Marie Rosenthal, Monitoring Officer and City Solicitor Legal and Governance
Is this a Key Decision?	Not Applicable
Reason(s) why not included on the Forward Plan and confirm who has authorised it to be considered:	Not Applicable
Is this a Late Report?	Not Applicable
Reason(s) why Late and confirm who has authorised it to be considered:	Not Applicable
Is this decision eligible for 'call in?'	Not Applicable
If 'call-in' has been dis-applied, please provide reason(s) and confirm who has authorised:	Not Applicable
Wards:	Not Applicable

Does this report contain exempt or confidential information?

Not Applicable

Has this decision been included on the Notification of Intention to consider Matters in Private?

Not Applicable

Reasons why not included on the Notification and confirm who has authorised it to be considered:

Not Applicable

1 EXECUTIVE SUMMARY

- 1.1 The draft Audit and Scrutiny Memorandum of Understanding (MoU) was considered at Corporate and Finance Overview on 24 January and at Audit Committee on 29 January 2025. The development of the MoU followed the Centre for Governance and Scrutiny report to Cabinet in December 2023 which recommended that there should be a strengthening of the working relationship between the Chairs of Scrutiny Committees and the Chair of the Audit Committee to lead and direct the functions.
- 1.2 The draft Memorandum of Understanding has also been developed following research on the relationship between Audit and Scrutiny in other local authorities and also participation by the Chair of Corporate and Finance Overview and Scrutiny Committee and the Independent Chair of Audit Committee in the Centre for Governance and Scrutiny Pilot.

2 COMMISSIONERS' REVIEW

- 2.1 The Commissioners have no further comments on this report. The report was previously submitted at the Audit Committee meeting in January.

3 RECOMMENDATIONS

That the Committee:

- 3.1 Agrees the Audit and Scrutiny Memorandum of Understanding attached at Appendix A.

4 KEY INFORMATION

Context

- 4.1 The Centre for Governance and Scrutiny's Governance Stabilisation Plan report considered at Cabinet on 12 December 2023 [CMIS > Meetings](#) recommended that the Council should:
- Strengthen working relationships between the Chairs of Scrutiny Committees and the Chair of the Audit Committee to lead and direct the function
 - Put in place new arrangements for the support of the internal audit function, the audit committee, and the links between audit and scrutiny
- 4.2 Since September 2024, the Chair of Corporate and Finance O&S Committee and the Independent Chair of Audit Committee have met to discuss the roles and responsibilities of the Committees the respective work programmes and also participated in the Centre for Governance and Scrutiny Pilot on Audit and Scrutiny. The Independent Chair of Audit Committee has met with the Overview and Scrutiny Chairs.

4.3 In addition to work outlined above, a draft Memorandum of Understanding (MoU) has been developed which aims to achieve an effective working relationship through a clear understanding of respective roles, effective communication and work planning. The draft MoU will be considered by both the Corporate and Finance Overview and Scrutiny Committee and Audit Committee for comment before a final draft is developed.

4.4 A draft MoU was considered at the Corporate and Finance OSC on 24 January and Audit Committee on 29 January 2025. No amendments were agreed to the draft and no further comments were received from members after the meeting.

5 RISK MANAGEMENT

5.1 The draft MoU recognises the role and responsibilities of Audit Committee and Scrutiny Committees in relation to risk governance and management.

6 MEMBER ENGAGEMENT

Ward Councillor(s)

6.1 Not applicable.

Overview and Scrutiny

6.2 Not applicable.

Other

6.3 Not applicable.

7 IMPACT AND IMPLICATIONS

Finance and Best Value

7.1 There are no financial implications arising from the recommendations in this report. The MoU set out opportunities for joint working between Audit Committee and Overview and Scrutiny Committees in relation to value for money. The work undertaken by the Audit Committee and the Overview and Scrutiny Committee will be conducted by an in-house team and will remain within funding already allocated in the budget.

Legal

7.2 There are no legal implications arising from the recommendations in this report. The MoU is a working agreement between Audit Committee and Overview and Scrutiny and does not form part of the Council's constitution or formal governance arrangements.

Equalities

- 7.3 There are no equalities implications arising from the recommendations in this report.

Procurement

- 7.4 There are no procurement implications arising from the recommendations in this report.

People Services

- 7.5 There are no staffing implications arising from the recommendations in this report.

Climate Change, Nature and Net Zero

- 7.6 There are no climate change, nature and net zero carbon implications arising from the recommendations in this report.

Corporate Parenting

- 7.7 There are no implications or opportunities in relation to the Corporate Parenting responsibility arising from the recommendations in this report.

Other

- 7.8 There are no other implications arising from the recommendations in this report.

8 APPENDICES

- 8.1 Appendix A: Audit and Scrutiny Memorandum of Understanding.

9 BACKGROUND PAPERS

- 9.1 There are no Background Papers.