

# BIRMINGHAM CITY COUNCIL

<b>AUDIT COMMITTEE</b> <b>29 NOVEMBER 2021</b>
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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
MONDAY, 29 NOVEMBER 2021 AT 1400 HOURS IN THE MAIN HALL,  
BIRMINGHAM & MIDLANDS INSTITUTE, 9 MARGARET STREET,  
BIRMINGHAM, B3 3BS**

**PRESENT:-**

Councillor Grindrod in the Chair;

Councillors Bore, Bridle, Jenkins, Morrall, Quinnen and Tilsley

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**NOTICE OF RECORDING/WEBCAST**

- 388 The Chair advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's You Tube site ([www.youtube.com/channel/UCT2kT7ZRPFCXq6\\_5dnVnYlw](http://www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw)) 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.**

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**APOLOGIES**

- 389 Apologies were submitted on behalf of Councillor Akhtar for her inability to attend the meeting.
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**DECLARATIONS OF INTEREST**

- 390 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.
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**EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

The Chair noted that there was a private item in that agenda Item 11 - External Auditors IT Audit Report contained Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime under Schedule 12, Part 1, section 7.

Upon consideration, it was:

391 **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.

Agenda Item 11 - External Auditors IT Audit Report - Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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**MINUTES – AUDIT COMMITTEE – 19 OCTOBER 2021**

392 **RESOLVED:-**

That the Minutes of the last meeting held on 19 October 2021 were confirmed and signed by the Chair.

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**ASSURANCE SESSION - CABINET MEMBER FINANCE & RESOURCES PORTFOLIO**

The Chair welcomed the Cabinet Member Finance and Resources and appropriate officers to the Assurance Session..

The Cabinet Member Finance and Resources gave an update on his portfolio.

Members of the Committee commented and asked questions which the Cabinet Member Finance and Resources and Officers responded to.

The Chair thanked the Cabinet Member Finance and Resources and Officers for their attendance and asked the Committee to note the updates given.

Upon consideration, it was:

393 **RESOLVED:-**

That the updates received on the Cabinet Member Finance and Resources and Officers's portfolio be noted.

**TREASURY RISK MANAGEMENT ARRANGEMENTS & DRAFT TREASURY MANAGEMENT STRATEGY 2022/23**

The following report of the Director of Council Management was submitted: -

(See document No.1)

Officers spoke to the report.

Upon consideration, it was:

394 **RESOLVED:-**

That the Audit Committee notes and considers the Council's treasury risk management arrangements as set out in the attached draft 2022/23 Treasury Management Policy, Strategy and Treasury Management Practices.

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At this point in the meeting the Chair proposed and it was agreed to allow consideration of Agenda Item 11

The Chair noted that Committee would move to private session for the item due to the sensitive nature of the content of the report which if revealed in public may potentially pose cyber intrusion risks to our BCC systems

**EXCLUSION OF THE PUBLIC**

395 **RESOLVED:-**

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

Exempt Paragraph 7 - Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

**EXTERNAL AUDITORS IT AUDIT REPORT**

The following private report of the External Auditors was submitted: -

(See document No.2)

Following discussions on External Auditors IT Audit Report, the Committee moved back into the public meeting.

396 **RESOLVED:-**

To note the report from the External Auditors and to accept the recommendations within the exempt report.

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**BIRMINGHAM AUDIT - HALF YEAR UPDATE REPORT 2021/22**

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

(See document No.3)

Sarah Dunlavey Assistant Director, Audit & Risk Management, made introductory comments relating to the report and responded to questions from Members.

Upon consideration, it was:

397

**RESOLVED:-**

That the level of audit work undertaken and assurances provided be noted.

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**CORPORATE ASSURANCE FRAMEWORK**

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

(See document No.4)

Sarah Dunlavey Assistant Director, Audit & Risk Management, made introductory comments relating to the report and responded to questions from Members.

Upon consideration, it was:

398

**RESOLVED:-**

That the development of a Corporate Assurance Framework and the ongoing work through its stages of maturity be noted.

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The Chair advised that the next agenda item is an Equal Pay update from the Deputy Monitoring Officer in relation to MOU signed with the Unions in March of this year. Matters that relate to on ongoing legal negotiations between legal officers and a separate group of Equal Pay claimants represented by a firm of no-win-no-fee solicitors are legally privileged and unable to be discussed in public or private session.

**EQUAL PAY UPDATE**

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The Assistant City Solicitor and Deputy Monitoring Officer gave a verbal update on Equal Pay and responded to questions and comments from Members.

The Chair indicated that further updates should be brought forward to the Committee in line with what had previously been requested by the Committee

and the Assistant City Solicitor and Deputy Monitoring Officer undertook to do that.

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**EXTERNAL AUDITORS PROGRESS REPORT**

Jon Roberts and Laurelin Griffiths of Grant Thornton gave a brief verbal update and responded to questions from Members.

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**RESOLVED:-**

To note the update from the External Auditors.

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**OMBUDSMAN REPORT CONCERNING A COMPLAINT ABOUT HOUSING SOLUTIONS AND SUPPORT SERVICE**

The following report of the Managing Director of the City Housing Directorate was submitted: -

(See document No.5)

The Chair noted that there had been previous comments about the use of the Committee's time, and it had been questioned if spending time on Ombudsman reports was worthwhile. He however emphasised that it was important to learn from such reports and he was considering how such reports were dealt with at Committee in the future. He suggested that the agenda could have a correspondence section where such items could be reported without presentation and Members having had advance notice of the item could indicate they had questions and would like the report to be presented on. During the ensuing discussion Members noted that previously in June annually a report on all Ombudsman cases was submitted to the Committee. Such a report could include actions taken by the Directorates to resolve the complaint as it was noted that Directorates had the responsibility to correct wrongdoings not this Committee. The Assistant City Solicitor and Deputy Monitoring Officer advised that the Constitution set out that Ombudsman reports should come to the Audit Committee and that he would discuss this issue further with the Chair.

The Assistant Director, Housing Solutions & Support Services made introductory comments relating to the report.

Upon consideration, it was:

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**RESOLVED:-**

That the Managing Director of City Housing's response to the Local Government and Social Care Ombudsman's recommendations be noted.

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**SCHEDULE OF OUTSTANDING MINUTES**

The following Schedule of Outstanding Minutes was submitted:-

(See document No.6)

402 Members were provided with updates to the outstanding actions.

- **Minute 334 29/06/2021** - Responses sent to Members however, at the 19 October meeting, Members were not content with the responses received. The Chair requested for relevant Councillors to email him with details of the additional information for a further response to be provided by the service area. The Chair received an email from Councillor Bore outlining additional information however, no email received from Councillor Morrall. Further response to the restructure of the Street Scene Service area emailed to members on 26/11/2021. However Councillors Bore and Morrall did not consider the matter completed but agreed that as far as the Audit Committee was concerned the outstanding minute could be discharged – Completed and discharged.
- **Minute 334 29/06/2021** - An update was provided at this meeting – Completed and discharged
- **Minute 350 26/07/2021** – A response had been received in relation to Councillor Jenkin's request for copy of the contract as between the former Director Education and Skills and the Council. In respect of the demographics (i.e. gender, race etc) and what was happening to re-engage children as there was a lot of gang culture and CSE's when children drop out of schools an email had not yet been sent to Members. In respect of the request for up to date figures on elective home education, children missing education and children missing from home/care, this should be provided end of October/November and it was noted that A response is being prepared by Sue Harrison (New Interim Director Education and Skills) and Andy Couldrick (Bham Children's Trust).
- **Minute 364 30/09/2021** – The Chair had written to write to the Resources Overview and Scrutiny Committee highlighting transparency issues raised on partner funding for the CWG and was awaiting a response. In terms of the request for officers to review the risk and learnings CWG partner funding linked to CIPFA's work this was Business as usual ongoing work. In respect of the Committee's agreement for a review to be shared at a future meeting around reflecting on challenges of business grants and how effective the Council was on delivering these on behalf of Government, an update provided by Peter Bishop at the 19/10/2021 meeting as part of the Assurance Session for the Deputy Leader and additionally a response was emailed to Members. Completed and discharged
- **Minute 365 30/09/2021** – A response had been emailed to Members relating to request for a further explanation as to why the remaining

## **Audit Committee – 29 November 2021**

£5.1 million of business grants was not released to businesses –  
Completed and discharged

- **Minute 377 19/10/2021** – Awaiting an update
- **Minute 379 19/10/2021** – A response to Members relating to the further information on Lender Option Borrower Option's had been sent – Completed and discharged
- **Minute 381 19/10/2021** – Part (ii) A response to Members relating to safeguarding measures Voluntary organisations and Early Year providers were expected to have in place and the support provided by BCC had been sent. Part (ix), Relating to a report being provided to the Audit Committee on its findings once the root and branch review on Procurement, Commissioning, assurances, systemic challenges were completed. A presentation had been circulated to Members outlining the approach to this work. A report on the findings will be shared with the Committee in March 2022. The Chair proposed that Parts (ii) and (ix) be discharged which was agreed - Parts (ii) and (ix) completed and discharged

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### **DATE OF THE NEXT MEETING**

- 403 The next meeting is scheduled to take place on Tuesday, 25 January 2022 at 1400 hours in the Birmingham & Midlands Institute, Main Hall.

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### **OTHER URGENT BUSINESS**

- 404 The Chair noted that the Committee's Annual Report to City Council was to be presented to the Council Meeting on 1 February 2022. He intended that the report be emailed to all Members for comment and he encouraged Members to engage with the process.

The Chair also noted that the Committee had an independent advisor and he urged Members to contact the advisor for advice if needed.

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### **AUTHORITY TO CHAIRMAN AND OFFICERS**

- 405 **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.

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The meeting ended at 1636 hours.

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CHAIR