

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 19 OCTOBER 2021
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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
TUESDAY, 19 OCTOBER 2021 AT 1400 HOURS IN THE MAIN HALL,
BIRMINGHAM & MIDLANDS INSTITUTE, 9 MARGARET STREET,
BIRMINGHAM, B3 3BS**

PRESENT:-

Councillor Grindrod in the Chair;

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

NOTICE OF RECORDING/WEBCAST

- 372 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) 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

- 373 There were no apologies submitted.
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DECLARATIONS OF INTEREST

- 374 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.

The Chair notified the Committee he had attended a session delivered by the Council around declarations of interests. He found this very useful and recommended Members to consider attending a future session.

EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

Members agreed there were no items on the agenda that contained exempt information.

Upon consideration, it was:

375 **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 – 30 SEPTEMBER 2021

The Committee were reminded Councillor Jenkins challenged the wording in the 26 July meeting minutes - (Minute 350 - under the contractual details for the Interim Director for Education and Skills, as part of the Assurance Session Cabinet Member Education & Skills). Subsequently, the amended wording had been noted in the 30 September meeting minutes.

376 **RESOLVED:-**

That the public minutes of the last meeting having been circulated, were agreed by the Committee.

ASSURANCE SESSION – THE DEPUTY LEADER'S PORTFOLIO

The Chair welcomed the Deputy Leader to the Assurance Session. The Deputy Leader introduced Peter Bishop, Director of Digital and Customer Services, Suzanne Dodd, Acting City Solicitor and Monitoring Officer and Rebecca Hellard, Director of Council Management.

The Deputy Leader gave an update on the following areas of her portfolio;

Part 1: Portfolio Overview

Efficiency and improvement for the Council – including governance and performance of third parties - There were two large programmes being co-ordinated within this area. These were noted as;

- i) Modernisation Programme – This was a large programme for change in many departments of the Council which was linked to the budgetary aspirations i.e. early intervention and saving money etc. The objectives were to save money and transform the services to make them more fit for

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purpose by having more joined up working. Business cases around each programme would be shared with Cabinet in the coming months.

In relation to the Deputy Leader's Portfolio, the Customer Services Business case would be shared including a new Customer Services Strategy to ensure the 12,000 services provided by the Council were accessible to the public online, in person etc. In addition, to receive feedback to see how well Customer Service was performing and to make further improvements.

- ii) **Performance** – From November 2021, Performance Star Chambers would be reintroduced across the Directorates of the Council. These would look at the Performance indicators to Cabinet as well as external judgments against different services. It would consider external scrutiny, Local Government Ombudsman, risks in different areas. There would be a holistic view of performance in various areas and reviews would take place to see what could be done to intervene in areas which were underperforming.

Whistleblowing and Corporate Complaints Procedure and Legal – On a regular basis, the Deputy Leader was appraised on the key legal cases coming through the Council by the Acting City Solicitor and Monitoring Officer and her team. In additions, she was briefed on what the risks were associated with the cases.

The Corporate Complaints procedure was a key indicator to identify where things were going wrong within the organisation. Previously, there was no clear visibility of where the Council were underperforming however, this was now being addressed and interventions were being placed.

Emergency Planning – Due to Covid-19, this area had been very busy. Other areas of emergencies were also being responded to e.g. power outages etc. In conjunction with the Leader, the Deputy Leader Chaired the Contest Board which overlooks the Council's response to emergencies. There was full sight of emergence planning.

Brexit – Planning also came under the Deputy Leader's portfolio and work was taking place to see how Planning would be affected as a result of Brexit i.e. increase demand as a result of Brexit and Covid-19. Issues were being assessed and priorities established on a risk profile basis.

Focus was being made on the European Union Settlement Scheme (EUSS) where EU Nationals were registering for their right to remain in the Country. The Deputy Leader was currently looking at the recovery from Brexit coupled with economic recovery from Covid-19.

Part 2: Digital and Customer Services

The following presentation from the Director, Digital and Customer Services was shared with the Committee: -

(See document No.1)

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The Director, Digital and Customer Services gave a comprehensive overview on the following areas; Assurance Model for Digital and Customer Services (3 line of defence model); Information Assurance Framework; Information Security; Complaints Management; Internal Audit; Revenues, Benefits and Rents; COVID Business Grants and External Audit.

Members were informed, the Director, Digital and Customer Services was the Senior Information Risk Owner (SIRO) for Birmingham City Council (BCC). The SIRO focused on managing information risk for the entire organisation.

Internal Audit had moved the internal rating of the Directorate from 0.5 out of 5 (approximately 2-3 years ago) to 2/3 out of 5 more recently which was positive progress.

Cyber security – There were risks associated with the Commonwealth Games and this was a key priority and focus for the Directorate. Previously, there were attempts of cyber-attacks however, BCC was able to protect the website and put in place all the primarily scanning required.

Cabinet had approved a Cyber Strategy earlier in the year. This was now in process of implementation to further improve the Council's risk within this area.

Complaints – Members across the Council had been involved via various routes to ensure BCC were on top of the learning required to improve the quality of the services, staff, processes. This work was undertaken to ensure the cycle of continuous failures was broken. There was a significant increase in the volumes of complaints compared to 2020 and throughout Covid-19 which was being worked through.

City Operations complaints – Significant volume of 2834 complaints.

In addition, work was taking place to catch up on the backlogs from various service areas. The main areas of complaints were around housing repairs, refuse collections and council tax. Improvements were being made in the turnaround times and dealing with these complaints however, there was more work to take place.

The Deputy Leader highlighted the backlog had been inherited from the previous complaints system. There was now visibility of these complaints as previously they were going to Directors, Officers inboxes which were not officially counted as complaints or enquiries. These were now being actioned and extensive Audit arrangements were in place.

Over the last 18 months, many business grants had been processed - £379 million had been distributed through various small business grants, retail, hospitality, leisure etc. It was highlighted there was some element of fraud and error which was being addressed. The data collection to process the grants was a huge challenge as Birmingham was a large area to cover.

Members response

The Committee then asked questions to the Deputy Leader and the Director, Digital and Customer Services. These were around; what was a Caldicott Guardian; how to achieve consistency of customer services across the council – how engagement was taking place with officers working in the teams;

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Members to be assured response times to complaints dealt with in a timely manner and logged; risk around priorities associated with the transformation and moderation programme – BCC to be a less risk averse Council and to achieve their agenda (e.g. Fly tipping issue – new CCTV to be installed and wall of shame) – the approach was taking a long time to implement – look at the risk issue and develop a less risk averse approach; Customer services – protocols within the system – e.g. the service area were responding faster to complaints than the complaints process itself - many residents were going directly to the services area than the complaints system itself. This approach was taken as residents did not have confidence in the system which could have an impact to the standing of local councillors - how does the complaints system deal with repeated issues or problems relate to the same areas?

Further comments and questions were made by the Members around; Continuous improvement - ensuring the areas were delivered right the first time as this would eliminate the bureaucracy; Emergency Planning, resilience – Interim Chief Executive was the Gold Commander for the Council however, there should be an elected member role involved given the size of Birmingham. There were queries around Cyber Security and a whistle-blower email – Members to be assured BCC were not one click away from a cyber-attack.

Caldicott– This was a named individual at a Director level who had responsibility to act in a certain way for the care of the most vulnerable - (Children's Social CARE/ Social Care).

Customer satisfaction - Engagement with officers and achieving consistency, response times to complaints – Complaints was an area which demonstrated driving improvement through performance. Teams were embedded within the service areas where training, processes, tools were now in place. In order to ensure there was transparency, reporting was in place and each Directorate would feed to the Performance Star Chamber. The Director, Digital and Customer Services recognised there was still a wider need to place customers central at every level across the Council. Depots was another example where improvement in engagement visible. Basic awareness and training would be undertaken by all employees of the Council to ensure the Customer experience improves.

The Director, Digital and Customer Services assured Members complaints enquiries were being measured and these were currently operating on a 53/54% turnaround time. He recognised this was not good enough however, this was actively being managed. Volumes of complaints had increased as some of the enquiries received from Councillors had to be dealt with manually by officers having to input the information on their behalf.

Risk, priorities associated with the transformation and moderation Programme – The Deputy Leader recognised the Modernisation Programme had been very challenging however, she assured Members she had been exploring different ways of working. It was noted as a Council there was a limit to what could be done under this area however, the political will was there, and various routes were being explored.

The Acting City Solicitor and Monitoring Officer added legal services assist the Council in finding solutions for the citizens of Birmingham as well as protect the

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Council from challenges. In relation to concerns raised by Councillor Bridle around Fly tipping, there was a change in legislation in 2018 with GDPR Data Protection Act. Those who were implementing the 'Wall of Shame' had to review their policies and procedures. Advice was being sought to ensure BCC were delivering this correctly to ensure a robust defence was in place should there be a challenge.

Customer Services – Protocols - The complaints system was developed as result from a request made by Overview and Scrutiny - previously there were three different complaints systems.

Repeated incidences were being worked though as there was the ability to take actions now and to identify the root cause of the repeated issues. Examples around housing applications was shared. Residents were encouraged to self-serve, highlight issues through the website. It was difficult when residents go directly to the service areas for response to be made and it was important to have clear visibility of performance in order to drive improvements.

Cyber Security – Whistle-blower email - The Director, Digital and Customer Services was aware of the email referred to by Councillor Morrall and Councillor Jenkins. However, this was being dealt via the Whistleblowing procedures. He emphasised there was a need to make some key remedial actions to protect the Council especially with the Commonwealth Games as Birmingham would be in the spotlight of Global attention. Cabinet made the decision to make the appropriate investment in cyber security to ensure BCC were protected.

Emergency Planning, resilience – The Leader, Deputy Leader were briefed by the Gold Commander when any major incidents occurred. In addition, the relevant Ward Councillors affected by the major incident would be contacted e.g. floods, black out etc.

At this juncture, the Chair requested for a briefing to be offered to all Members of the Council on Cyber Security, GDPR and roles related to data processing. In addition, a briefing note to be provided to the Audit Committee around the learnings from Coordinating O&S Committee and Audit Committee. This would include assurances around Customer Services Management i.e. meeting the 10-day response turnaround; Members enquiries – what would be a responsible timescale for members to be confidently assured.

The Chair thanked the Deputy Leader and the Director, Digital and Customer Services for their attendance.

Upon consideration, it was:

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RESOLVED:-

That the Audit Committee;

- (i) Noted the updates received on the Deputy Leader's portfolio.
- (ii) Agreed for a briefing to be offered to all Members of the Council on Cyber Security, GDPR and roles related to data processing.

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- (iii) Agreed for a briefing note to be provided to Audit Committee on the shared learnings of the Complaints area from both from Audit Committee and Coordinating O&S Committee.
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EXTERNAL AUDITORS AUDIT FINDINGS REPORT 2020/21

The following report of the External Auditors was submitted: -

(See document No.1)

The Key Audit Partner, Grant Thornton made introductory comments. Key points made;

- BCC accounts were one of the largest and most complex.
- The External Auditors recognised BCC officers had a serious approach to their reporting responsibilities as not all Councils had this approach.
- Across the Country, by 30 September 2021, only 9% of Local Authorities had completed their accounts. The statement of completion for Birmingham was well advanced than other Local Authorities.
- The External Auditors were at this stage proposing an ‘unqualified’ opinion which was a sign of a successful audit. The Value for Money work was progressing well and audit findings would be shared in the Annual Auditors Report at a future meeting.
- BCC accounts had undergone an independent and thorough technical skilled audit.
- It was noted there had been some findings during the audit around IT. This would be shared at the next Audit meeting however, there was no need for the IT report to be shared in order to complete the opinion on the accounts. Members were made aware of these findings. The Audit Committee had been appraised on the audit routinely at its meetings.

The Senior Manager, Grant Thornton added there was only additional change in the accounts (since last Committee) around the pension fund. The Council had to share the £90 million-pound valuation adjustment in the pension fund as this was above the performance materiality threshold. Following discussion with the Pension Fund Audit Team, the External Auditors proposed BCC to amend the accounts and reflect this error. As a result, £20.9 million-pound adjustment was made which increased the Councils share of pension assets. The External Auditors highlighted this error was common across all West Midland Pension Fund Local Authorities.

Outstanding items were highlighted on page 6 of the report to which Officers were providing information on.

The Senior Manager, Grant Thornton mentioned at present, the final confirmed reporting from the Birmingham Children’s Trust had not been received however, regular meetings with the Audit Team were taking place.

The External Auditors concluded, subject to discussions at this meeting, the Committee could consider delegating the finalisation of the Audit process to the Chair of the Audit Committee and the S151 Officer.

In response to Members questions, the following points were made by the External Auditors;

- IT issues (page 22 & 27) – no. of deficiencies – There were some value for money findings around the transition to the new ledger (VFM risks) and security user access.
- Pension Fund (page 24) – shortfall of £20.9 million – long term effect – This made the deficit less in the accounts therefore, the position for BCC would be better.
- Partner contributions to CWG – shortfall £25 million – This would be dealt with in the Annual Audit Report from the External Auditors on value for money.
- Birmingham's accounts had been audited in an independent manner and commended officers for their efforts.

At 1513 hours, Councillor Akhtar left the meeting.

At this juncture, Councillor Jenkins opposed to any delegations to Officers.

The External Auditors noted the comments made around assurances on the procurement service – VFM. This had not been noted in the current risk assessment however, if there were any triggers or weakness, then these concerns would be factored into the planning of the next audit.

At this juncture, the Director of Council Management referred to the issue around procurement. Resources Overview & Scrutiny had set up a Task & Finish Group dedicated to procurement throughout the organisation. This covered areas such as Commissioning; Procurement and Contract Management. All three areas had to work in conjunction with each other.

Furthermore, she clarified Officer delegations within BCC.

At 1518 hours, Councillor Akhtar returned to the meeting.

Upon consideration, it was:

378

RESOLVED:-

The Audit Committee noted the report from the External Auditors and accepted the recommendations within the report.

STATEMENT OF ACCOUNTS 2020/21 & AUDIT FINDINGS REPORT

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

(See document No.2)

The Director of Council Management reminded the Committee the background to the Statement of Accounts. Members had been briefed regular at the Audit

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Committee meetings. The Director thanked the External Auditors for their responses to the Finance Team as these were taken seriously.

The Interim Head of Financial Strategy gave a summary of the technical findings of the Audit Findings Report. He highlighted the following;

Four changes to the draft accounts since the Audit Committee meeting in June. These were noted as;

- accounting treatment for the business support COVID grant
- presentation of the financial instrument's disclosures
- Streamlining of the IFRS15 (Revenue from contracts with customers) disclosures
- West Midlands Pension Fund – All Local Authorities were subject to the same adjustment (to a varying degree).

Further details were provided around how assets were valued. He highlighted there were two potential unadjusted matters around the provision for pension guarantees – this was being discussed with the External Auditors.

Councillor Tilsley referred to Lender Option Borrower Option (LOBO) within the accounts. He questioned over what length of time would the loans would stand as they could cover a long period. The Interim Head of Financial Strategy agreed to provide this information on LOBO's to Members.

At this juncture, the Chair suggested a virtual briefing to be offered to Members of the Committee, should there be any changes to the audit. He highlighted the delegation would start from this meeting on the proviso that the briefing was given. If there were any issues arising from the briefing, this would be ratified at the next meeting in November. Alternatively, he suggested if Councillor Jenkins would like an additional meeting to discuss the final accounts (only if there was a material adjustment - £34 million pound was the current material threshold).

Following discussions, the Chair sought unanimous agreement from the Committee to the delegate the sign off of the accounts to the Chair of the Audit Committee and the S151 Officer. He offered the briefing on the accounts or a list of the changes on the accounts to be provided – following this, Members could decide for a briefing or additional meeting. In addition, the External Auditors indicated the sign off the accounts could be delayed to the November meeting.

Upon consideration, it was:

379

RESOLVED:-

That the Audit Committee;

- (i) Noted the Draft Audit Findings Report from Grant Thornton and accepted the recommendations of that report.
- (ii) Approved the Letter of Representation.
- (iii) Subject to any amendments or qualifications submitted from the external auditors, the Committee agree to delegate approval of the Statement of Accounts to the Chair of Audit Committee. In the event of amendments or

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qualifications to the Statement of Accounts, Members of the Audit Committee will determine whether a further and additional Audit Committee meeting in person is required to approve the Statement of Accounts.

- (iv) Noted further information on Lender Option Borrower Option's to be provided to Members.

ANNUAL GOVERNANCE STATEMENT

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

(See document No.3)

The Director of Council Management informed Members the Annual Governance Statement (AGS) was an assessment of the position on the Corporate Governance Framework. This looked at the compliance and highlighted any key issues. The AGS was originally shared with Members at the June meeting. This report provided an update to the June 2021 report.

No comments were made by Members of the Committee.

Upon consideration, it was:

380

RESOLVED:-

That the Audit Committee;

- (i) Approved the updated Annual Governance Statement that will be included in the 2020/21 Statement of Accounts.
- (ii) Agreed that the arrangements for the management of the items included in Section 6 will be reported to the Audit Committee during the year.

REPORT INTO ISSUES RELATED TO THE TRAVEL ASSIST SERVICE

The following report of the Interim Director of Education & Skills was submitted:-

(See document No.4)

The Chair had been notified the Assistant City Solicitor, Deputy Monitoring Officer wanted to make an opening statement at the start of this item.

The Assistant City Solicitor, Deputy Monitoring Officer gave an outline to the purpose of the item for discussion and read out his statement.

At this juncture, Councillor Jenkins questioned if this statement implied the Audit Committee could not see the unredacted copy of the Weightman's report. This was confirmed by the Assistant City Solicitor, Deputy Monitoring Officer.

Councillor Jenkins raised concerns that Councillors as well as Members of the Audit Committee did not have sight of the unredacted version of the Weightman's report. Councillor Jenkins was reminded, at present, the

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unredacted Weightman's Report could not be shared. At the last Audit meeting, the Acting City Solicitor and Monitoring Officer informed the Committee there would be a point in time when the Audit Committee could have access to an unredacted copy of the report but unfortunately, this was not yet.

The Chair invited the Interim Chief Executive to introduce this item.

The Interim Chief Executive informed Members, the report was based on the issues related to Travel Assist Service, which was commissioned by the previous Interim Chief Executive, Chris Naylor following a motion passed at full Council in September 2020. The report was produced in response to series of incidents that had occurred which led to questions around safeguarding within the service. Details to the background to the report were provided to the Committee.

The Interim Chief Executive emphasised safeguarding was a priority and to ensure all children in the city were kept safe. The Council must ensure rigorous standards were always in place. It was crucial to continually review services to ensure they were fit for purpose and learn from national best practice. Where providers had not met the high standard, swift action had been taken. Officers were always expected to provide accurate briefings and responses to questions to make sure rigorous standards were always upheld.

An overview of the four Findings and Recommendations were shared. One out the four recommendations had been completed and the other three were in progress.

A regular Safeguarding stocktake meeting brought together colleagues from the service, HR and Audit to regularly review the progress against these areas. In addition, an options appraisal was being placed together to examine the possibility of bringing together the entire DBS process in house. This would allow greater oversight of the process.

The Interim Chief Executive was aware the Home to School Service and the SEND service was a key priority for the Council and the most vulnerable children in the communities. It was recognised there was still work to be done on the recommendations. Work was taking place with Officers to ensure improvement was made. The new Director for Children Services was clear on the improvement plan and this would be her top priority.

Key points made by the Interim Director for Education & Skills around the progress made;

- The Contract & Compliance work was taking place - all providers were clear of standards expected.
- During the Audit of Provider that the Council had commissioned, the 365R would input all data onto BCC's 365 platform at the same time. This would be invaluable to support the implementation of 365 across the HTST service. Providing this was maintained, with starters and leavers, this would provide the Council constant real-time assurance that could be monitored using a performance dashboard. This work would be completed in due course. There had been delay as some providers were not contractually obliged – this had now been corrected.

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- Close work was taking place with the Interim Director of Transformation – She convenes a regular stocktake meeting that meets every 6 weeks.
- Commissioned external review of safeguarding practice with an appointment of a Safeguarding Lead to the service.

At 1547 hours, Councillor Tilsley left the meeting.

- Continue to operate Home to School Transport Improvement Programme to steer and oversee progress with regular reporting to the Chief Executive and Lead Member.
- Following the Leaders request for a desktop audit, the Interim Director had looked at LADO records associated with a previous audit (August 2020). He compared the drivers on both audits to see if there was a connection. It was identified the number of drivers was not the same i.e. there was 73 on one and 55 on the other. Of these, 10 drivers identified had positive DBS through a panel; 2 drivers were immediately stopped from driving and other 8 passed through the panel – this was not a satisfactory situation however, action was taken. Processes were now in place and this was now in a better place.
- Investigate the option of bringing the DBS process in-house.
- Continue to work towards scoping of an Integrated Transport Unit with a proposal for this being put to Cabinet in November.
- Final Internal Audit Report completed in November 2021.

The Interim Director for Education & Skills assured the Committee safeguarding was a priority for all. He assured Members DBS systems with Home to School Transport had improved and any positive DBS providers were cleared beforehand.

Members response

The Committee then asked questions to the Interim Chief Executive and the Director for Education & Skills. These were around; issues when the new school term starts e.g. three children transported to the wrong schools – questioned when would this issue be solved; holiday and afterschool organisations (voluntary organisations) - who was responsible to ensure safeguarding for children and who checks policies were in place?

Further comments were made by Members around the wording in paragraph 3.5 of the report. Members noted the service transformation would not happen immediately however, there was a need to get to a point where the Committee were assured as at present, the Service was travelling in the right direction. This was a failure of governance - Questions were raised as to which body, Committee of the Council would provide these assurances. An example was given on contracts extended on six occasions in June 2018. Questions were raised as to why there was no focus earlier in the process and assurances were required.

Members felt it was important to listen and co-produce services with the citizens as they were the recipients of the services. A query was raised to the national picture and to what other areas of the Council were looking to fail.

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The Chair highlighted due to the history of the service area, there could be a reputational risk. Parents would not be confident with the services provided. He questioned how parents could celebrate the good work BCC for SEND children. Gold standards must be achieved in order to compensate for the reputational damage over the years.

Issues when the new school term starts - the contract with the provider had been suspended close to the start of term. It was a challenge to commission a new provider and sort routes however, it was acknowledged this was not good enough for the first two weeks of term. Staff had worked tirelessly to get to 97% of delivery of children to the right school and the right time etc.

There was a national challenge around this service area however, improvements were being made within the service. The Interim Chief Executive was confident this would improve, and BCC would be in a better position in September 2022. This was an improved service to last year. The three children referred to by Councillor Morrall were transported to the correct school and support was provided. There was a national shortage of drivers. In order for this area to be successful, services have to work together – there was a sequence of events that have to take place before routes take place.

Safeguarding - Voluntary Organisations – The Voluntary organisations and Early Year providers were responsible to ensure safeguarding policies were in place. The Interim Director would provide a written response to Committee Members indicating the standards expected.

At 1602 hours, Councillors Jenkins left the meeting.

Accountability and assurances – i) Officer performance - Members need to be provided with the right information briefings. The Interim Chief Executive would tackle any issues related to Officers involved. ii) Governance – Assistant City Solicitor, Deputy Monitoring Officer informed Members assurances would be given to the Audit Committee however, on this occasion where matters cannot be brought to the attention of this Committee, then this would depart from the governance processes. Full disclosure would be given at the appropriate time.

There were several processes which were no longer fit for purpose for the Council. The Transformation programme was shared at the last Audit Committee where a root and branch review were taking place on Procurement, Commissioning, looking at assurances, systemic challenges throughout the organisation. Members suggested once the work around the root and branch review was complete, a report to be shared with the Audit Committee to look at the findings and assure itself the work had been completed. The Chair supported Councillor Bore's suggestion and how we learn from this and apply to other areas of the Council.

Improvement Plan – The Parents and Carers forum were engaged and co-produce the Improvement Plan.

At 1610 hours, Councillor Akhtar left the meeting.

Reputational Risk and celebrating good service – the services need to gain the confidence of the parents. The systems had to be better for when applications were made to the Home to School service. This was a whole system approach with a common endeavour (including schools, special schools, Officers, Councillors). There was an opportunity for BCC to liaise with the DfE to improve the system within Birmingham through the Improvement Plan.

Engagement with Parents – Parent Carers Forum were involved co-producing the Improvement Plan. Improvements were channelled by the Improvement Board which would be periodically shared. There was a focus to make sure children who were most disadvantaged, vulnerable benefitted from the improvements.

The Chair summarised the outcomes from the discussions.

Upon consideration, it was:

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RESOLVED:-

That the Audit Committee;

- (i) Noted and accepted the update provided against each of the four recommendations identified for the Travel Assist Service.
- (ii) Noted a written response would be provided on safeguarding measures Voluntary organisations and Early Year providers were expected to have in place and the support provided by BCC.
- (iii) Noted a continual reflection and updates to be made on the actions to the responses of the recommendations in the Weightman's report.
- (iv) Agreed once the root and branch review on Procurement, Commissioning, assurances, systemic challenges were completed, a report to be provided to the Audit Committee on its findings.

BIRMINGHAM AUDIT ANNUAL FRAUD REPORT 2020/21

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

(See document No.5)

The Principal Group Auditor introduced John Preston, who was newly appointed as the Group Auditor for Fraud for Internal Audit. He would be responsible for the work which was previously led by Neil Farquharson. In future, he would be reporting to the Audit Committee on Fraud.

An overview of the report was provided by the Principal Group Auditor.

Councillor Morrall referred to the highest number of fraud cases. Members were informed there was a lot of false applications on properties being made and this was highlighted as a national problem.

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Councillor Bridle referred to the Household Support Fund and engagement with the Benefits Team. The Principal Group Auditor mentioned Birmingham Audit worked closely with the Benefits Team. Support had been previously provided to ensure the systems were robust and proactive checks were made in advance of payment being made.

Upon consideration, it was:

382

RESOLVED:-

That the Audit Committee;

- (i) Noted the work undertaken during the year and draw assurance from the policies and procedures that are in place to prevent and detect fraud and error.
 - (ii) Approved and endorsed the Anti-Fraud and Corruption Policy.
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RISK MANAGEMENT UPDATE

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

(See document No.6)

The Assistant Director Audit and Risk Management made introductory comments. Previously, the Audit Committee challenged the positioning of the Commonwealth Games risk and this was the catalyst for the whole review. As a result, two workshops had taken place with CLT in which 11 risks were removed from the Strategic Risk Register. Any risks removed were managed by either the Directorate Risk Registers or framed differently or split between Directorates. CLT could now focus on the top 20 Strategic Risks and this allowed the opportunity for more meaningful descriptions on the heatmap.

The Chair referred earlier safeguarding discussions and queried the weighting to the SR5.6. The Assistant Director highlighted a lot safeguarding risk sat with the Birmingham Children's Trust.

Upon consideration, it was:

383

RESOLVED:-

Audit Committee Members:

- (i) Noted the progress in implementing the Risk Management Framework and the assurance and oversight provided by the Council Leadership Team (CLT).
- (ii) Reviewed the strategic risks and assess whether further explanation / information was required from risk owners in order to satisfy itself that the Risk Management Framework has been consistently applied.

SCHEDULE OF OUTSTANDING MINUTES

384 Members were notified, following the September Audit Committee, outstanding actions were now colour coded indicating the timeframe and urgency for responses to be made.

Members were provided with updates to the outstanding actions.

- **Minute 334 29/06/2021** – A response was emailed to Members on 15/10/2021. Councillor Bore and Councillor Morrall were not content with the response received. The Chair requested for an email to be sent to him indicating the detail and information Councillors would want to see. This would not be removed from the schedule.
- **Minute 350 26/07/2021** - A response was emailed to Members on 18/10/2021. However, there was outstanding action in respect of the request for up to date figures on elective home education, children missing education and children missing from home /care. This information should be provided by the end of Oct/ Nov.
- **Minute 351 26/07/2021** – A response was emailed to Members on 18/10/2021 – Completed & discharged.

385 **DATE OF THE NEXT MEETING**

The next meeting is scheduled to take place on Monday, 29 November 2021 at 1400 hours in the Birmingham & Midlands Institute, Main Hall.

OTHER URGENT BUSINESS

386 **RESOLVED: -**

On behalf of the Audit Committee, the Chair congratulated Rebecca Hellard for her permanent post as the Director of Council Management.

AUTHORITY TO CHAIRMAN AND OFFICERS

387 **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 1634 hours.

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CHAIR