

## Attendance

### Members of the Audit and Risk Committee

Cllr Alan Butt (Chair)  
Cllr Jonathan Yardley (Vice-Chair)  
Cllr Mary Bateman  
Cllr Philip Bateman MBE  
Cllr Craig Collingswood  
Cllr Andrew McNeil  
Cllr Clare Simm  
Cllr Milkinderpal Jaspal  
Mike Ager

### Conservative

Cllr Andrew McNeil

### Employees

Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
Alison Shannon	Chief Accountant
Emma Bland	Finance Business Partner
Mark Wilkes	Audit Business Partner
Ian Cotterill	Audit Business Partner
Peter Farrow	Head of Audit
Bill Hauge	Head of Service School Business and Support Services
Joanne Farley	Human Resources Business Partner
Fabrica Hastings	Democratic Services Officer
Jaswinder Kaur	Democratic Services Manager

### In attendance

Jon Roberts	Grant Thornton
William Guest	Grant Thornton

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## Part 1 – items open to the press and public

*Item No.*    *Title*

- 1 Apologies for absence**  
There were no apologies for absence.
- 2 Declaration of interests**  
Councillor Phillip Bateman declared an interest as a member of the Birmingham International Airport.

3 **Minutes of previous meeting**

That the minutes of the previous meeting held on 6 December 2021 be approved as a correct record.

4 **Matters arising**

Councillor Jonathan Yardley requested an update on the Civic Halls restoration. David Pattison, Chief Operating Officer, advised that he would defer an update until the end of the meeting, due to confidentiality.

The Chair advised the Committee of the change to the order of the agenda. Item 10 was presented in place of item 5.

5 **Strategic Risk Register**

Peter Farrow, Head of Audit, presented the Strategic Risk Register update. He advised the Committee that the register is updated on an ongoing basis, in line with the Council's corporate risk management framework. 18 risks were identified in total, that included 15 amber risks and 3 red risks.

The red risks included;

- Social Care Providers – Adults;
- Rising Unemployment;
- Medium-Term Financial Strategy.

The Committee were advised that the risks would continue to be monitored moving forward.

In response to a question raised regarding the war in Ukraine affecting the risk register. David Pattison, Chief Operating Officer, advised that the Ukraine war had created uncertainty in markets, therefore the Council would provide a future report to the Committee detailing the assurance of the risks associated.

Mike Ager, Independent Member, suggested that a more detailed report on a specific risk area could be 'called-in' at any time and be brought to the Committee.

The Chief Operating Officer advised that updates regarding flood risks, tree inspection health and safety would be added to Councillor's weekly updates.

The Head of Audit advised that he would circulate the Climate change risk: A good practice guide for Audit and Risk Assurance Committees to members.

Resolved:

1. That the latest summary of the Council's Strategic Risk Register, as at Appendix A be noted.

6 **Grant Thornton Progress Report**

Jon Roberts, Grant Thornton, presented the Grant Thornton Progress Report that outlined the planned scope and timing of the audit of the Council. He introduced the Committee the new Audit Manager, Will Guest, who would be replacing Nicola Coombe.

As part of their risk assessment procedures, Grant Thornton had asked a series of questions in relation to fraud, law and regulations, related parties, going concern, accounting estimates, as well as general enquiries of management. Management responses to these questions were included in the report.

The Committee were advised that their separate audit of the Housing Benefit Assurance Process, Teachers Pension Return and Pooling of Housing Capital Receipts, had been completed successfully with no audit concerns.

Resolved:

1. That the Grant Thornton Progress Report be noted.

## 7 **Grant Thornton Annual Audit Report**

Jon Roberts, Grant Thornton, presented the Grant Thornton Annual Audit Report. He explained that this, and the auditor's findings report (following the accounts audit) were the two key reports they produced each year.

This report covered their audit of the council's Value for Money arrangements, under the headings of financial sustainability, governance, and arrangements for improving economy, efficiency, and effectiveness.

Previously, audit were required to give a pass or fail result, but the National Audit Office now required auditors to assess the Value for Money arrangements and come up with, where relevant, recommendations.

There were three levels of recommendations: Statutory Recommendations (most significant), Key Recommendations and Improvement Recommendations.

Grant Thornton had made five Improvement Recommendations. Jon Roberts explained they had made them because, they had identified that in accordance with best practice, the council could make the changes and improve its arrangements as a result of those changes, but as an auditor they were not concerned with those areas. Management responses were provided in the report, for these.

The report ended with a section on COVID. It was not a specific requirement of the code of audit practice for them to consider COVID, but they felt it was important to incorporate into their Value for Money work to reflect on how the council had responded through its arrangements during these unparalleled times. They noted that officers and members responded very positively in very difficult and challenging circumstances.

Resolved:

1. That the Grant Thornton Annual Audit Report be noted.

## 8 **Audit and Risk Committee Terms of Reference Annual Review**

Peter Farrow, Head of Audit, presented the Audit and Risk Committee Terms of Reference Annual Review.

He advised that there were no changes since the last report and assured the Committee that this was a reflection of the work conducted by the Council.

In response to a suggestion raised by Councillor Andrew McNeil, regarding the requirement where further oversight may take place. David Pattison, Chief Operating Officer, advised that separate reports from other assurance providers would be bought to future meetings where appropriate.

Resolved:

1. That the terms of reference for the Committee in line with recognised best practice be approved.

9 **Internal Audit Plan 2022-2023**

Peter Farrow, Head of Audit, presented the Internal Audit Plan 2022-2023 Report. He explained the audit planning process that had been followed, and that the focus of internal audit reviews was based on an assessment of assurance need.

In response to a question raised by Councillor Craig Collingswood, regarding Covid-19 impacting on audit. The Head of Audit explained that while there had been an impact in 2020-2021 with members of the audit team helping out in other areas across the Council impacted during the pandemic, the delivery of the audit services was now back on track.

In response to a question raised by Councillor Milkinder Jaspal, regarding ICT controls and sensitive information. The Head of Audit advised that the Council continued to have a strong ICT framework. The Committee were advised that that the outcome of a cyber security review would be reported to a future Committee meeting.

Resolved:

1. That the risk based internal audit plan for 2022-2023 be approved.

10 **Internal Audit Progress Report**

Peter Farrow, Head of Audit, presented the Internal Audit Progress Report that provided the Committee with a summary of the internal audit reviews completed to date, and the levels of assurance assigned to each such review. A narrative was also provided regarding any key issues identified.

The Committee were advised that the Lawnswood Campus Pupil Referral Unit, had identified management/ documenting issues, such as incomplete declarations of interest made. The Committee were assured that improvement actions are being put in place as a response.

Jo Farley, Human Resources Business Partner, advised the Committee on the progress made with regards to the professional conversations process, resulting in an improvement in employee uptake. The Council had incorporated equalities recommendations to report templates following recommendations, to strengthen the Council's equalities process.

In response to a question raised regarding the financial risks associated from the findings from the previous Internal Audit Report on the Professional Conversation process. The Head of Audit and the Human Resources Business Partner, advised that significant improvements had been made as the process became more embedded.

Resolved:

1. That the contents of the latest internal audit update as at the end of quarter three be noted.

11 **Counter Fraud Update**

Mark Wilkes, Audit Business Partner, presented the Counter Fraud Update and updated the Committee on the number and type of Covid-19 related business support grant payments that had been made.

Following a series of post payments checks on the above grants, a small number of invoices had been raised to recover payment for ineligibility.

Also, grants where an invoice has been raised to recover the payment, plus several other applications where a payment was not made but potential fraud was suspected, had been reported to the National Anti-Fraud Network (NAFN). BEIS has appointed NAFN to collate details of all potentially fraudulent activity in relation to the Covid-19 Business Grants. The information is also used by Crime Agencies to identify potential criminal activity and organised crime.

The Audit Business Partner also updated the Committee on actions taken to help combat tenancy fraud within the City.

The Council have both a regional and national role in counter fraud by, for example participating in a local fraud group, the Cabinet Office's National Fraud Initiative and various National Anti-Fraud Network Exercises. The Council received regular bulletins with information regarding emerging fraud patterns and tackling fraud.

Councillor Craig Collingswood was pleased with the report and thanked the Audit Business Partner for the important work conducted.

Resolved:

1. That the contents of the latest Audit Services Counter Fraud Update be noted.

12 **Payment Transparency**

Peter Farrow, Head of Audit, presented the Payment Transparency update. He advised the Committee that spend data continues to be published online for public inspection and that no armchair auditor requests have been received since the last meeting.

Resolved:

1. That the Council's current position with regards to the publication of all its expenditure be noted.

13 **Measures to Improve Local Audit Delays**

Emma Bland, Finance Business Partner, presented the Measures to Improve Local Audit Delays. She outlined the complex factors contributing to audit delays that included:

- Increasing workload;
- Regulatory pressure;
- Staff changes.

In response to the Redmond Review, the Government had taken steps to address the issues associated with the audit delays that included:

- Extended deadlines for the accounts sign off;
- Additional funding to local authorities to help meet the anticipated rises in audit fees.

On 16 December 2021, DLUHC published a paper, setting out a range of additional measures committed to by government and other key stakeholders, to support improved timeliness and the wider local audit market.

She reminded the Committee that the deadline for the draft accounts for 2022 will be at the end of July 2022, but that the Council are aiming for the 1 July 2022 and the end of September 2022 for the audited accounts.

Resolved:

1. That the measures published by the Department for Levelling Up, Housing and Communities, to improve local audit delays, be noted.

14 **Exclusion of press and public**

[To pass the following resolution:

That, in accordance with section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A to the Act.]

15 **Civic Halls Programme**

David Pattison, Chief Operating Officer, presented the Civic Halls Programme update. He advised the Committee of the progress made regarding the Civic Halls restoration. He advised that the Civic Halls was scheduled for reopening in 2022, but that an official date would be shared with the Committee in due course.

Resolved:

1. That the Civic Halls Programme update be noted.