

## **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 Clare Simm  
Mike Ager

### **Conservative**

Cllr Andrew McNeil

### **Employees**

Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
Ian Cotterill	Audit Business Partner
Mike Wilkes	Audit Business Partner
Emma Bland	Finance Business Partner
Alison Shannon	Chief Accountant
Fabrica Hastings	Democratic Services Officer
Jaswinder Kaur	Democratic Services Manager
Darshan Singh	Head of Finance
Hayley Reid	Regulatory Governance Manager

### **In attendance**

Nicola Coombe	Grant Thornton
Jon Roberts	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 received.
- 2 Declaration of interests**  
Councillor Philip Bateman declared an interest as a member of the Birmingham International Airport.  
Councillor Craig Collingswood declared an interest as a member of the Pensions Committee.

3 **Minutes of previous meeting**

That the minutes of the previous meeting held on 26 July 2021 be approved as correct record.

4 **Matters arising**

Councillor Jonathan Yardley requested a further response on Item 5 of the minutes of the previous meeting, regarding information on the Council's supplier. It was agreed that David Pattison, Chief Operating Officer and Claire Nye, Director of Finance, would pick this up with Councillor Jonathan Yardley directly.

The Chief Operating Officer advised the Committee that Councillor Milkinder Jaspal's membership vacancy was to be appointed by full Council on 3 November 2021 and that a membership recruitment campaign was underway for an independent member.

It was agreed that an update report regarding professional conversations following the previous audit review would be brought to the next meeting.

Resolved:

1. That it be agreed that an update report regarding professional conversations following the previous audit review would be brought to the next meeting.

5 **Strategic Risk Register Update**

Hayley Reid, Regulatory Governance Manager, presented the report on the Strategic Risk Register Update.

The Committee were advised that 18 risks were identified within the strategic risk register. Two new risks identified as amber, were adult social care provision and related parties. Risk 8 – WV Living was deescalated from the Strategic Risk Register. The four risks identified within the report as red were:

- Risk 5 – Reputation and loss of public confidence;
- Risk 6 – Social Care Providers;
- Risk 12 – Risking unemployment;
- Risk 14 – MTFS.

The Committee were advised that further narrative regarding risk appetite had been included in the covering report following queries from the last meeting.

The Chief Operating Officer advised the Committee that the Strategic Risk Register would continue to evolve and highlight assurance sources where appropriate. He also advised the Committee of the invitation from Richard Lawrence, Director of Regeneration, to Members to visit the Civic Halls and that a more detailed report on the risks associated with the Civic Halls would be brought to the next meeting.

Following a discussion on a number of related risks, it was agreed that a more detailed report on how the risks regarding regeneration and unemployment were being addressed, would be brought to a future meeting.

In response to a query raised by Councillor Philip Bateman regarding the impact on the City and key workers due to fuel shortages, The Director of Finance advised the Committee that contingency arrangements and operational processes were in place to monitor the current issues.

Resolved:

1. That the latest summary of the Council's Strategic Risk Register, as at Appendix A, be noted.
2. That it be agreed that further details on the risks associated with the Civic Halls be brought to the next meeting and on regeneration and unemployment to a future meeting.

**6 Internal Audit Update**

Ian Cotterill, Audit Business Partner, presented the Internal Audit Update listing the review completed so far during the 2021-2022 year. He noted the key issues to date and provided a breakdown of the classification of audit recommendations.

Resolved:

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

**7 Audit and Risk Committee Annual Report 2020-2021**

Councillor Alan Butt, presented the Audit and Risk Committee Annual Report 2020-2021.

The Chair went through the report with members and made reference to typo errors on page 9. The Chair requested members approval of the report.

Councillor Philip Bateman requested that the key achievements be moved to the front of the document. It was agreed that any amendments made would be presented to the Chair of the Committee for approval.

Resolved:

1. That the Committee endorsed the Audit and Risk Committee Annual Report for 2020-2021 and refer it to Full Council for approval.
2. That it be agreed that any amendments made would be presented to the Chair of the Committee for approval.

**8 CIPFA Audit Committee Update**

Ian Cotterill, Audit Business Partner, presented the CIPFA Audit Committee Update. The quarterly report outlined current developments within the sector, areas of best practice and to promote courses and seminars.

The themes contained within the report included supporting improvements to the risk management arrangements, defining the relationship between the Audit Committee and Scrutiny functions, as well as the new consultation on the Redmond review.

It was also noted that the Council was in the process of recruiting a new independent member following the stepping down of John Humphries.

Resolved:

1. That the contents of the latest CIPFA Audit Committee Update which has a focus on supporting improvements to risk management arrangements, defining the relationship between the audit committee and the scrutiny function, new consultation on local audit and audit committee arrangements and a regular briefing on current issues be noted.

9        **Counter Fraud Update**

Mark Wilkes, Audit Business Partner, presented the report on the Counter Fraud Update. He reflected on the fraud activity within Local Government and highlighted current areas of concern. He advised on areas including:

- Housing Fraud;
- Single Person Fraud;
- Social Care Fraud;
- Business Rates.

He advised the Committee that the Council aimed to ensure that all eligible businesses received their Covid related support grants and that a small number were being pursued.

In response to a query raised by Councillor Andrew McNeil, regarding the benchmarking of current data. Mark Wilkes advised that the Council take part in national benchmarking activities wherever possible, including the annual CIPFA Fraud and Corruption tracker.

Resolved:

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

10       **Payment Transparency**

Mark Wilkes, presented the report on Payment Transparency.

The Committee were advised that the spend data for the Council was published online on a monthly basis and that no public information 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.

11       **Audited Statement of Accounts**

Nicola Coombe, Grant Thornton, presented the report on the Audited Statement of Accounts. She outlined the audit findings including estimates, highlighted any risks and discussed any future changes.

The Committee were advised on the new approach to the value for money conclusion and that the full annual auditors report would be completed by the end of 2021.

The Committee were advised that the approach to the going concern had slightly changed as outlined within the report. As the Group's auditors, the Groups going concern was also considered.

Grant Patterson, Grant Thornton presented the audit findings report for West Midlands Pension Fund (WMPF).

In response to a query raised by Councillor Craig Collingswood, regarding whether any funds were available to fund the any additional costs, due to covid and sought

clarification on who pays the fees, for the different organisations included within the accounts.

The Director of Finance responded that the use of Covid grants could be investigated, however, the costs of the audit have been budgeted for and can be funded from within existing budgets. It was also confirmed that the audit fees are funded by the relevant organisations. All fees are subject to the PSAA process and any increases, in fees are challenged to ensure they are reasonable and fair for the level of work being undertaken.

The Committee were advised that once the auditors had concluded their work, they would then issue their audit opinion. Grant Patterson confirmed that the pension fund accounts would need to be signed at the same time as the Council's accounts are signed.

Resolved:

1. That the formal publication of the 2020-2021 Statement of Accounts, as required by the Accounts and Audit Regulations 2015 be approved.
2. That the Director of Finance be approved to sign the draft Management Representation letter on behalf of the Council be approved.
3. That authority be delegated to the Chair of Audit Committee to agree subsequent changes to the Statement of Accounts and Management Representation letter in consultation with the Director of Finance, should there be any audit adjustments.
4. That the 2020-2021 reports to those charged with governance from the council's External Auditors, Grant Thornton be noted.