

**Minutes of a meeting of the Birmingham Organising Committee for the 2022 Commonwealth Games Limited Audit and Risk Assurance Committee**

Held on 30 March 2022 at 1pm to 5pm at Swimming Meeting Room,  
B2022 Offices, 6 Brindley Place, Birmingham / MS Teams

**Members:**

Simon Ball (SB)	Commonwealth Games England Nominee (Chair)
Gill Ball (GB)	Ex-Officio Member
Hiren Dhimar (HD)	Deputy Director, DCMS
Rebecca Hellard (RH)	Chief Financial Officer, Birmingham City Council
Chantal Henderson (CH)	Ex Officio Member (by MS Teams)
Nick Timothy (NT)	Independent Board Member (by MS Teams until end of 2022/03-007(b))

**In Attendance:**

Lyndsey Jackson (LJ)	Independent Board Member (Observer, by MS Teams)
David Grady (DG)	Chief Financial Officer, B2022
Caroline McGrory (CM)	Chief Legal Officer & Company Secretary, B2022
Annie Hairsine (AH)	Director of Programme Management & Integrated Planning, B2022 (until end of minute 2022/03-007(f))
Sarah Tromans (ST)	Director of Financial Control & Contract Management, B2022
Gemma Bourne (GBo)	Assistant Company Secretary, B2022 (Secretariat)
Alison Breadon (AB)	Internal Audit Partner, PwC
Gill Collins (GC)	Internal Audit, Senior Manager, PwC
Ian Coates (IC)	GIAA (by MS Teams)
Greg Wilson (GW)	Audit Director, National Audit Office (by MS Teams)
Cathy Chapman (CC)	Head of IT Services Delivery, B2022 (minute 2022/03-003(b))
Jess Fidler (JF)	Head of Sustainability, B2022 (minute 2022/03-004)
Joanna Leigh (JL)	Sustainability Co-ordinator, B2022 (minute 2022/03-004)
Dharm Patel (DP)	Data Protection Officer, B2022 (minute 2022/03-006)
Francess Lusack (FL)	Head of Accreditation, B2022 (minute 2022/03-006)
Euan Forbes (EF)	Head of Financial Planning, B2022 (minute 2022/03-009(a)-(d))
Jack Spooner (JS)	Senior Finance Manager, B2022 (minute 2022/03-009(a) onwards)

**Apologies:**

Ian Reid (IR)	Chief Executive
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	<b>Item</b>	<b>Action Owner</b>
<b>2022/03-001</b>	<b>Welcome, Apologies &amp; Declarations of Interest</b>	
	The Chair welcomed all attendees to the meeting. Apologies had been received from IR.	
	The Committee members present had no relevant interests to declare.	
<b>2022/03-002</b>	<b>Actions and Minutes</b>	
<b>(a)</b>	<b>Approval of Minutes from 03 February 2022</b>	
	The minutes of the meeting held on 03 February 2022 were approved as a true and accurate record of the meeting.	

<b>(b)</b>	<b>Action Log &amp; Matters Arising</b>	
	<p>It was noted that most actions on the log had been closed and open actions were being progressed.</p> <p>The action log was received by the Committee.</p>	
<b>2022/03-003</b>	<b>Risk</b>	
<b>(a)</b>	<b>Top 10 Risks</b>	
	<p>AH delivered a presentation on the top 10 risks. The Committee held a detailed discussion on the top 10 risks.</p> <p>The Committee received the top 10 risks report.</p>	
<b>(b)</b>	<b>Cyber-Security Update</b>	
	<p>CC was welcomed to the meeting. The cyber security update report was taken as read and the Chair invited questions from the Committee members. The Committee discussed aspects of the report.</p> <p>The Committee received the cyber-security report.</p> <p>CC left the meeting.</p>	
<b>2022/03-004</b>	<b>Sustainability: Carbon Footprint and Offset Calculations</b>	
	<p>JF and JL joined the meeting.</p> <p>For the benefit of the ex-officio members, SB provided an overview of the OC's sustainability strategy.</p> <p>JF and JL delivered a presentation on how the carbon footprint and offset calculations were being reached.</p> <p>The Chair thanked JF and JL for their clear presentation and invited questions from the Committee. RH welcomed the approach undertaken. GB commented that from her other roles, she was aware engagement between schools and Severn Trent for the tiny forest had been positive.</p> <p>The Chair asked how the calculations would be concluded for spectator travel as spectators would be unlikely to make arrangements until closer to the Games. JL explained that the OC would not be aware of how every single individual would travel but the same structure would be used. The key metric to refine would be the number of tickets per journey. Work was being explored with the Accreditation Team on how the OC understood different groups and how they may travel. The results of spectator surveys would also be taken into account with surveys issued before and post Games. These surveys would ask about how spectators intended to travel, the method of travel and how long they intended to stay in Birmingham.</p> <p>CMcG added that the OC had reviewed its sustainability pledges in view of the Green</p>	

	<p>Code and the CMA's ability to undertake enforcement action against organisations making unsubstantiated claims. The OC had reviewed its responsibilities to ensure it could evidence sustainability claims.</p> <p>The Chair noted the longer life of the sustainability strategy and asked who would be responsible for this after the OC had been dissolved. HD advised this was a matter being considered between the OC and DCMS.</p> <p>SB complimented the quality of the papers submitted by JF and JL. He commented that he would relay to the OC Board that the Committee had reviewed the processes in place and had concluded those processes to be correct and thorough. The Committee supported this view.</p> <p>JF and JL left the meeting.</p>	
<b>2022/03-005</b>	<b>Covid Update</b>	
	<p>AH delivered a presentation to the Committee updating on Covid planning. She confirmed the presentation would form part of a wider discussion paper to be presented to the April 2022 OC Board meeting.</p> <p>The Chair commented on the context for Games planning, where the OC had a shorter five-year delivery timeframe, rather than the usual seven-year timeframe. In addition, the pandemic had occurred over that timescale, which was different to previous Games planning. The Chair questioned if the OC remained confident that it had sufficient funds and people to be agile. AH was of the view that the OC did have agility due to its governance structure. From a budget perspective, the most significant pressure would be the Covid testing programme.</p> <p>The Committee discussed the presentation.</p> <p>The Chair thanked AH for the update and requested the matter be added to the May meeting agenda.</p>	<b>GBo</b>
<b>2022/03-006</b>	<b>Deep Dive: Data Management</b>	
	<p>DP and FL joined the meeting. The Chair thanked DP and FL for their clear paper.</p> <p>DP and FL presented on data management.</p> <p>The Chair thanked DP and FL for their presentations and invited members to submit any further questions by email after the meeting.</p> <p>DP and FL left the meeting.</p> <p>The Committee took a ten-minute comfort break.</p>	
<b>2022/03-007</b>	<b>Internal Audit Progress Report</b>	
<b>(a)</b>	AB took the Committee through the highlights of the progress report.	

	<p>AB confirmed that the 2021-22 internal audit programme would be completed once the Games time protocols work had been concluded.</p> <p>The Committee then considered each of the internal audit progress reports.</p>	
<b>(b)</b>	<p><b><u>EDI Internal Audit Report</u></b></p> <p>GC commented that the report findings reflected the OC's EDI journey. The highest finding was around the mechanisms for monitoring, managing, and reporting activity under the EDI remit. GC highlighted that there was a gap between how activities undertaken at ground roots level underpinned priorities and KPIs.</p> <p>The Committee received the EDI internal audit report.</p> <p>NT left the meeting.</p>	
<b>(c)</b>	<p><b><u>Legacy Programme (Focusing on Social Value &amp; the Learning Programme) Internal Audit Report</u></b></p> <p>GC informed the Committee that the review had considered the activities that the OC was responsible for, namely social value and the learning programme. The review had been undertaken December 2021 to January 2022 and at that time it had been recognised by both teams that further work was required to move forwards.</p> <p>GC highlighted that a medium finding had been reached around the Social Value Portal due to the low number of commitments captured in the portal. There had also been a lack of clarity on accountabilities and definitions, for example whether the West Midlands described where a company was based or where it served. ST confirmed that the Social Value Portal had moved on with most of the top thirty contracts entered into the portal along with deliverables.</p> <p>For the learning programme, GC described that the OC had not had the time to put together programme management documents or milestones as the Programme Manager had just joined the OC. The programme had been impacted by Covid preventing access to schools. GB noted that the learning programme intended to engage with at least one million children and young people, aged 5-30. She questioned if this was achievable with only one term left until the end of the academic year. AH though that this may include the next school term too. The Chair requested a post meeting note to be added to the minutes to clarify this point.</p> <p>The Committee received the legacy programme internal audit report.</p>	<b>GBo</b>
<b>(d)</b>	<p><b><u>Value For Money (VFM) Internal Audit Report</u></b></p> <p>GC stated that the OC was building its VFM considerations into its work but there appeared to be a gap around VFM considerations at Deals Group and CAC, with a recommendation to include VFM considerations in the paperwork for the Committees.</p> <p>The value for money internal audit report was received.</p>	
<b>(e)</b>	<p><b><u>Cyber Security Internal Audit Report</u></b></p> <p>This matter had been discussed earlier in the meeting.</p>	

	The cyber security internal audit report was received.	
(f)	<p><b><u>Contract Management Internal Audit Report</u></b></p> <p>IC confirmed that the audit had considered the framework for design and during the audit, different practices were identified. The implications were a number of contracts to be signed and vacancies to fill that would take on contract management responsibilities. A further issue related to staff leaving post-Games so the contracts would need to be left in a clear state. A medium risk rating had been assigned, reflecting the life of the organisation until Games time.</p> <p>IC identified that there had been conversations with the OC around whether a stricter contract management framework should be in place but that had not been the OC's intended approach. DG commented that the contract assurance programme acted as the safety net. The Chair questioned why the framework was not mandatory. ST explained that when it the framework been brought in, the high value contracts had already been let. A detailed programme to get those suppliers to complete every form was not considered to be value for money. The framework would not be used for smaller contracts. If an inexperienced contract manager was appointed, they would be encouraged to use it and training had been delivered on the framework. DG added that the principle of good contract management was not negotiable, but the OC had some experienced contract managers and different contract types, so a one size fits all approach was not considered appropriate.</p> <p>The contract management internal audit report was received.</p> <p>AH left the meeting.</p>	
<b>2022/02-008</b>	<b>NAO Planning Document</b>	
	<p>GW confirmed that the accounts would include Festival accounts, who would be meeting the same day as the OC Board to sign off their accounts.</p> <p>GW advised that the audit fee was proposed including the audit of Festival but as the NAO was not-for-profit, if lower fees were incurred, the extra charges would not be sought.</p> <p>GW pointed the Committee to the section of the report confirming that as part of the risk assessment, the NAO had considered the factors that might increase the risk of fraud. GW provided an overview of the areas of significant risks and areas of audit focus. The audit would also look at commissioning payments which would be area of focus for Festival. GW provided an overview of materiality. GW concluded with two questions, firstly if the Committee was content with the risks identified in the audit plan and how they would be discharged, and secondly, any areas where Committee members had concerns of errors or fraud, which could be factored into the audit.</p> <p>The Chair invited DG to comment. DG confirmed that the OC was comfortable with the approach, both for the OC and the Festival. He flagged that the complexity of accounting for carbon offset would be an area that the OC would need to manage carefully.</p>	

	<p>The Chair considered GW's two questions. He asked the Committee if they were content with the risks identified. HD agreed to provide any comments to the Chair by the end of the week, after discussing with DCMS. The Chair suggested the balance sheet valuation in a non-going concern environment could be an area to be picked up. GW commented that the balance sheet values would be to some extent dependent upon how items were valued or moved through the government (or another government department/organisation, which was more common). Provided there was evidence of it, the amount would normally carry forwards. GW commented that the NAO would be in a position a little later down the line to predict the items to be on the closing balance sheet and could then look at disclosure. GW's preference would be to do this before Games time. GW commented that managing public money expectations should be borne in mind to ensure assets were not being sold to reduce that oversight. GW also commented that by the time of the accounts being signed, the staff members usually providing assurances would no longer be employed by the OC. GW was in discussions with ST on how to deal with this.</p> <p>In respect of GW's second question, if there were any areas of concern of errors or fraud, the Chair asked Committee members to email GW with their comments.</p> <p>The Committee endorsed the proposed audit approach of the 2021-22 financial statements.</p>	
<b>2022/03-009</b>	<b>Finance</b>	
<b>(a)</b>	<b>Financial Reporting</b>	
	<p>EF and JS joined the meeting. The paper was taken as read with EF confirming the headroom position was broadly consistent with the position reported over the last few months.</p> <p>The financial reporting paper was received.</p>	
<b>(b)</b>	<b>Year-End Governance</b>	
	<p>ST highlighted the relevant points from her presentation confirming that the accounts would cover an eighteen-month period. The annual governance assurance memorandum was scheduled for the May Committee meeting. ST advised that the OC was undertaking advance work for the consolidated financial statements to ensure information was gained before relevant individuals left the business in-line with the dissolution plans.</p> <p>GW confirmed that once ST and DG had agreed with the plan, it would be shared with DCMS.</p> <p>The year-end governance paper was received.</p>	
<b>(c)</b>	<b>Annual Fraud Action Plan</b>	
	Due to timing, this matter was deferred to the May 2022 meeting.	<b>GBo</b>
<b>(d)</b>	<b>Financial Management</b>	
	<p>The report had been included in the pack for information purposes only and was taken as read.</p> <p>The Chair requested that the financial management paper (including insurance) be</p>	<b>GBo</b>

	discussed in greater detail at the next meeting, with more time allocated on the agenda.  EF left the meeting.	
<b>2022/03-010</b>	<b>Dissolution Update</b>	
	<p>JS provided the Committee with an overview of the phase 3 dissolution activity and the key risks to dissolution. CMcG informed the Committee of the plans for the post-Games governance structures which had been discussed with the Chair of the Board and were being considered by DCMS. CMcG explained the intention to reduce the size of the Board post accounts until liquidation in February 2023. The changes would require amendments to the OC's Articles.</p> <p>RH commented that dissolution had been raised at the Finance Directors' Group where one organisation had indicated six-week turnaround of information. She suggested that the timescale for information should not be underestimated. The Chair commented that Games were required to be wound up by 31 March 2022 with the February date identified to provide some contingency. Any outstanding reconciliations would be adopted by DCMS.</p> <p>GB asked who would be accountable, post dissolution, if something had gone wrong. The Chair stated that this point had been raised for the legacy report with KPMG as by the time the legacy report was issued, the OC would be dissolved. The Chair felt it was most likely to be DCMS Ministers who would be accountable.</p> <p>The Chair noted the budget for Games time and dissolution. JS commented that costs would be incurred during dissolution (such as gifting to charity), but the net position was not expected to be a significant amount. The Chair suggested that prior to the paper being issued to the OC Board, an appendix identifying the financials for dissolution was included.</p> <p>The Chair and HD expressed a wish to meet the liquidator at some point. The Chair requested this be arranged and for any other interested Committee members to be included.</p> <p>CH suggested that grossing out the budget could be useful to educate others about the process, particularly around any assumptions made about giving assets to charity. The Chair agreed and commented that assets should be distributed nationally, not just the West Midlands, and where assets were re-homed was of importance.</p> <p>CH suggested that a process post Games should be in place for contacting staff after they had left. CH also recommended that linking to the Games time protocol was important to ensure logging of items. The Chair suggested that JS met with CH.</p> <p>The Committee endorsed the approach, subject to suggested amendments.</p>	<p><b>JS</b></p> <p><b>JS</b></p> <p><b>JS</b></p>
<b>2022/03-011</b>	<b>Any Other Business</b>	
	The following items of business were discussed:	

	<p><b>(a) Review of 25 May 2022 Agenda:</b> The draft agenda was noted;</p> <p><b>(b) Tour 26 May:</b> The tour of Sandwell Aquatics Centre and the Alexander Stadium was planned for 26 May 2022;</p> <p><b>(c) Additional Meeting:</b> The Chair suggested that a 90-minute virtual meeting at the end of April 2022 should be arranged, with the option to cancel if not required.</p> <p>There being no further business items, the Chair declared the meeting closed at 5pm.</p> <p><b>Next meeting: 25 May 2022</b></p>	<p><b>GBo</b></p>
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Chair