

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	AUDIT COMMITTEE
Report of:	Chief Finance Officer
Date of Decision:	26 March 2019
Subject:	STATUTORY RECOMMENDATIONS MARCH 2019
Wards affected: All	
1 Purpose	
1.1	To inform Audit Committee of Grant Thornton's decision to issue Section 24 Recommendations in relation to Governance Issues.
2 Decisions recommended:	
	Members are recommended to:
2.1	Note the S24 Recommendations which will be reported and responded to at a meeting of Full Council
2.2	To note the Committee's role in monitoring progress and implementation of the management actions proposed.

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3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?
The Council's policies, plans and strategies are underpinned by its governance arrangements and the Council's Medium Term Financial Strategy is aligned with Council priorities.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The work of the external auditors is governed by the Code of Practice issued by the National Audit Office in accordance with the Local Audit and Accountability Act 2014.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
The issues raised are reflected in the Council's Corporate Risk Register.

4 Relevant background/chronology of key events:

- 4.1 The external auditor has concluded that it is appropriate to issue further S24 recommendations out of the normal annual audit cycle and ahead of any 2018/19 audit work being undertaken.
- 4.2 Whilst the auditor notes the progress made against the seven previous recommendations considered by Full Council on 11 September 2018, he considers that two issues require a further report: Governance and waste Services and the council's financial challenges,
- 4.3 The possibility of further Statutory Recommendations was first flagged up in writing on 14th January 2019, just 4 months after the council agreed its plan for the previous recommendations.
- 4.4 Audit Committee has been kept updated of the positive progress against the agreed plan at each subsequent meeting.
- 4.5 The City Council recognises its responsibility in responding to the Statutory Recommendation under section 24 of the Local Audit and Accountability Act 2014.

The Act requires the Council to:

- consider the recommendation at a meeting held within one month of the recommendation being sent to the Council; and
- at that meeting the Council must decide:

- i. whether the recommendation is to be accepted, and
- ii. what, if any, action to take in response to the recommendation.

4.6 The issues raised are serious ones which the Council will consider at its meeting of 2 April 2019 and which it will respond to at the earliest opportunity.

4.7 Further reports will be provided to this committee setting out the progress in implementing the proposed activity in response to the recommendations.

Signature:

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Clive Heaphy, Chief Finance Officer

Appendices

Appendix 1 – Statutory Recommendations Final Report