

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	AUDIT COMMITTEE
Report of:	Interim Chief Finance Officer
Date of Decision:	30 March 2021
Subject:	AUDIT FINDINGS REPORT UPDATE
Wards affected: All	
1 Purpose	
1.1	At its meeting on 25 November 2020, Members considered the External Auditor's Audit Findings Report (AFR) on the Council's financial statements, which summarised the significant outcomes, conclusions and recommendations from their work to date.
1.2	At that time, whilst the external auditors had completed the substantial proportion of their audit of the financial statements, there remained a number of elements where further work was required. Following the completion of the work, the External Auditor issued a revised Audit Findings Report, which members considered on 26 January 2021.
1.3	The revised AFR contained 13 new recommendations and follows up on 5 recommendations from prior years.
1.4	Management responses were considered at Audit Committee on 26 January 2021 and are identified in Appendix 1. This report provides updates on progress in implementing action to meet the recommendations also identified in Appendix 1.
2 Decisions recommended:	
	Members are recommended to:
2.1	Note the updates on progress in implementing action to meet the recommendations of the External Auditor's Audit Findings Report.

Contact Officer: Rebecca Hellard
Telephone No: 0121 303 2950
E-mail address: rebecca.hellard@birmingham.gov.uk

Contact Officer: Mohammed Sajid
Telephone No: 0121 303 3313
E-mail address: mohammed.sajid@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The coverage of the Audit Findings Report, Annual Audit Letter and actions highlighted in this report are consistent with the policy framework and budget.
- 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 Audit Findings Report includes details on activities where the External Auditor has identified that the Council can make improvements or reduce risks in its operations. This report provides an update as to how the recommendations made will be addressed.

4 Relevant background/chronology of key events:

- 4.1 The external auditor's Audit Findings Report (AFR) was considered by this committee at its meeting on 25 November 2020. Included within the AFR were details of work that still remained to be completed.
- 4.2 A revised AFR, along with management responses was considered by Audit Committee on 26 January 2021. At that meeting, Audit Committee agreed for further reports to be provided setting out progress in implementing the proposed activity in response to the recommendations set out in the AFR.
- 4.3 This report provides an update on that proposed management activity.

Signature:

.....
Rebecca Hellard, Interim Chief Finance Officer

Appendices

Appendix 1 – Management Response to Audit Findings Report Recommendations including updates to meet those recommendations.

Appendix 2 – Asset valuation flow chart with reference to recommendation 19/03 – Errors Noted in Property Valuations