

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	AUDIT COMMITTEE
Report of:	Corporate Director – Finance & Governance
Date of Decision:	25 September 2018
Subject:	AUDIT FINDINGS REPORT – RESPONSE TO RECOMMENDATIONS
Wards affected: All	
1 Purpose	
1.1	At its meeting on 30 July 2018, Members considered the External Auditor’s Audit Findings Report and the draft Annual Audit Letter following the audit of the Council’s financial statements for 2017/18.
1.2	The External Auditor made a number of recommendations within the Audit Findings Report for management to consider. These recommendations are in addition to the recommendations made under Section 24 of The Local Audit and Accountability Act 2014 that were considered by Council at its meeting on 11 September 2018.
1.3	The timescale that the Audit Findings Report was produced to in July precluded a detailed response to the recommendations made by the External Auditor in that report. These are now concluded and submitted for review and approval.
1.4	The External Auditor issued his final Annual Audit Letter on 16 August.
2 Decisions recommended:	
	Members are recommended to:
2.1	Approve the management responses, attached as Appendix 1, to the recommendations set out in the Audit Findings Report issued in July 2018
2.2	Seek reports to future meetings of this committee on the progress in implementing the actions proposed in response to the recommendations set out in the Audit Findings Report.

Contact Officer: Clive Heaphy
Telephone No: 0121 303 2950
E-mail address: clive.heapy@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@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 a response as to how the recommendations made will be addressed.

4 Relevant background/chronology of key events:

- 4.1 The Audit Findings Report was considered by this committee on 30 July 2018. At the time of reporting to this committee, there had been no time to consider the management responses to the recommendations set out in the Audit Findings Report. These are now included as Appendix 1 to this report for approval. These recommendations are in addition to the Section 24 recommendations considered by Council at its meeting on 11 September 2018.
- 4.2 The Annual Audit Letter is the statutory report by the Council's external auditor, Grant Thornton, of its activities for the year. The only changes between the draft provided to this Committee at its meeting on 30 July 2018 and the final version issued are that the word draft has been taken out of the report and the additional agreed fees included on page 22 of the letter, attached at Appendix 2 for information.
- 4.3 Further reports will be provided to this committee setting out the progress in implementing the proposed activity in response to the recommendations set out in the Audit Findings Report.

Signature:

.....
Clive Heaphy, Corporate Director – Finance & Governance

Appendices

- Appendix 1 – Management Response to Audit Findings Report Recommendations
- Appendix 2 – Extract from Annual Audit Letter