INREACH (BIRMINGHAM) LTD	
Question	**Response**
Company Environment	
What approach does the company have for ensuring that Directors and Senior Management have the necessary skills to enable them to fulfil their responsibilities appropriately	InReach has a sole director appointed by BCC who is a senior officer within BCC who has extensive knowledge and experience in the housing development sector. InReach has no direct employees; InReach has a service contract with BCC to provide specialist skills in housing development, finance and legal services.
How does the company ensure that Directors engage fully with the company and what is the record of attendance	InReach has a sole director, board meetings are held quarterly and the director has 100% attendance record.
Please explain the system of governance and the financial control environment within the company	InReach employs KMPG as its accountants who use XERO accountancy system for bookkeeping, production of monthly management accounts and year end accounts. Dual authorisation is required for banking with Barclays
Please explain how management gains assurance on its control environment, its process for reviewing the effectiveness of the system of internal controls and the results of any reviews that have been undertaken.	Assurance is provided through its engagement of KPMG. All reporting is via InReach Board for approval and sign off.
What are the company's arrangements for the development of its Business Plan, including details of cashflow management, determination of going	KPMG provide monthly management reports Cashflow is reviewed monthly The business Plan is reviewed and updated at least every six months

INREACH (BIRMINGHAM) LTD	
Question	**Response**
concern and how are plans developed for taking remedial action to any adverse changes within the company	
What is the company's approach to the development of business continuity plans.	InReach's risk management Plan Business continuity Insurance
What is the company's approach to ensuring compliance with the General Data Protection Regulation (GDPR) requirements	InReach does not hold or process any personal data, contracted parties are required to be fully compliant with GDPR requirements
The Identification, Mitigation and Reporting of Risk	
Please set out your management's views on your risk assessment process as it related to financial reporting.	The risk register is reviewed, updated and reported to the board on a quarterly basis.
Please set out your management's processes for identifying and responding to risks of fraud.	Via the risk register and board meetings
How do those charged with governance monitor management's processes for identifying and responding to risks of fraud.	Monitoring is via the risk register at least quarterly
Please set out the areas that face fraud risks, including specific accounts or classes of transactions where fraud risks have been identified.	Management Agreement with Pinnacle, potential risk around rent collection on behalf of InReach – this is mitigated by monthly report of voids, arrears and rent collection, and access to their I.T system which provides InReach with full transparency in relation to rent collection.

INREACH (BIRMINGHAM) LTD	
Question	**Response**
How does the company's management communicate to those charged with governance with respect to business risks (including fraud).	Risk Register and board meeting
What has been your Management's awareness or allegations of fraud, errors, or other irregularities during the period.	none
How your organisation would raise the Council's Audit Committee's awareness of fraud or suspected fraud.	Via the risk register and board meeting
How your organisation would communicate financial risks to the Council, for example, where there is an expected downturn in trading performance that would impact on the financial status of the company	Monthly management accounts are shared with BCC as InReach's sole shareholder
How would the company communicate any breach of GDPR requirements to the Council.	Promptly and in writing
What mitigating actions are in place to minimise financial losses from risk events or fraud, for example, what insurance cover does the company have in place.	Through its engagement of KPMG InReach has extensive Insurance Cover Summary with Alford Burton Insurance Brokers.
Financial Statements	

INREACH (BIRMINGHAM) LTD	
Question	**Response**
How does the company determine that its accounting policies are appropriate and what process is in place for ensuring they are kept under review.	Through ongoing dialogue with KPMG
What matters or events occurred during the year that could influence your audit approach or may have an impact on the Council's consolidated financial statements.	InReach took handover of the completed Embankment building in July 2018
Please set out details of any events or changes in circumstances that may cause an impairment of current or non-current assets.	InReach's key asset is Embankment which is a 92 apartment building, any impairment is dependent on the property valuation
Please set out details of any indemnities or guarantees that the company has given.	none
Please set out details of any transactions, events or conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement.	none
Please set out any issues identified by your external auditor and how the company is implementing any actions to mitigate those issues.	• Some expenditure items were incorrectly classified. InReach to confirm and apply with its Accountants KPMG. • The draft Financial Statements were late and incomplete. Improvements have been made regarding deadlines. KPMG and InReach to work together to make further improvements. • No internal audit in 2017/18. InReach will be undergoing an internal audit during June/July 2018 and will discuss the recommendation with Birmingham audit as part of this process.

INREACH (BIRMINGHAM) LTD	
Question	**Response**
	• Bank reconciliations are not checked and signed by InReach. InReach will explore the possibility of utilising Xero for this purpose with KPMG. InReach will request KPMG carry out this task as part of their book keeping role. • Cash flows should be completed on a monthly basis. Cashflow forecasts will be reviewed and updated on a quarterly basis to mirror the current practice within BCC. KPMG will be requested to provide the monthly management information outlined as part of their book keeping role. • There is no process for reconciling trade creditor balances to supplier statements. InReach will raise recommendation with KPMG and set a process in place. • Invoices are not always signed as services received and authorised for payment. InReach will explore functionality of Xero with KPMG to establish whether an I.T based solution is available to reduce officer time & admin. • The Embankment project should be treated as an investment property and assessed at fair value. InReach will ensure this happens.

Group Accounts Preparation

Appendix 1

INREACH (BIRMINGHAM) LTD	
Question	**Response**
Please set out any material change of circumstances that have occurred, or may occur, that could impact on the company's performance.	There are currently plans in place to expand InReach with the proposed acquisition of two city centre sites for development and the acquisition of void HRA properties