

**BIRMINGHAM CITY COUNCIL****PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Director of Finance</b>
<b>Date of Decision:</b>	<b>8<sup>th</sup> December 2015</b>
<b>SUBJECT:</b>	<b>ANNUAL AUDIT LETTER 2014/15</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: N/A</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Executive Member(s):</b>	<b>Councillor Ian Ward, Deputy Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Waseem Zaffar, Corporate Resources</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
1.1 Each year the Council's auditors, Grant Thornton, are required to produce an Annual Audit Letter. This letter must be circulated to all members of the Council. The letter summarises the main outcomes of the external audit work undertaken by Grant Thornton for 2014/15.

<b>2. Decision(s) recommended:</b>
That Cabinet:-
2.1 Receives the Annual Audit Letter (Appendix 1 to this report)
2.2 Note the Audit Letter will be copied to all Members of the Council, and agrees that this report is circulated with it.
2.3 Note that the Audit Letter will be published on the Council's website.
2.4 Refers the report to Corporate Resources Overview and Scrutiny Committee for information and consideration.

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### **3. Consultation**

#### **3.1 Internal**

The draft Annual Audit Letter was circulated to the Leader, Deputy Leader, Chief Executive, Strategic Directors, senior finance officers and lead officers in areas specifically mentioned in the Letter. The Letter was reported to Audit Committee as “those charged with governance” on 24 November 2015.

#### **3.2 External**

The Letter is a statutory report to the Council and external consultation is not necessary prior to its publication.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council’s policies, plans and strategies?**

The coverage of the Annual Audit Letter and actions highlighted in this report are consistent with the policy framework and budget. The preparation and approval of the Letter are statutory requirements.

#### **4.2 Financial Implications**

##### **(Will decisions be carried out within existing finance and Resources?)**

The Annual Audit Letter includes the external auditor’s assessment of the financial resilience of the Council. There are no financial commitments arising from this report.

#### **4.3 Legal Implications**

The work of Grant Thornton is governed by the Code of Audit Practice issued by the Audit Commission in accordance with the Audit Commission Act 1998 and the Local Government Act 1999. The Code identifies the Annual Audit Letter as one of the means by which the auditor will discharge their responsibilities.

#### **4.4 Public Sector Equality Duty (see separate guidance note)**

The Annual Audit Letter is a statutory requirement. There are no equality issues resulting from this report.

**5. Relevant background/chronology of key events:**

- 5.1 The Annual Audit Letter is the statutory report by Grant Thornton on its activities in Birmingham for the year. It covers the external audit of the Council's financial affairs, and comments on the financial standing and operational performance of the Council. A copy of the Letter to Members is attached as Appendix 1. The External Auditor will be present at the meeting to answer any questions Members may wish to raise on the contents of the Letter.

**6. Evaluation of alternative option(s):**

- 6.1 The Council is required by statute to receive and circulate the Annual Audit Letter.

**7. Reasons for Decision(s):**

- 7.1 To meet statutory requirements and to ensure appropriate action is taken to respond to Grant Thornton's findings.

**Signatures****Date**

Deputy Leader .....

Chief Officer .....

**List of Background Documents used to compile this Report:****List of Appendices accompanying this Report (if any):**

1. Annual Audit Letter 2014/15

<b>Report Version</b>	<b><u>1.2</u></b>	<b>Dated</b>	<b><u>16 November 2015</u></b>
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