

# Birmingham City Council

## Report to Audit Committee

27 September 2023



**Subject:** Response to External Auditors Report

**Report of:** Chief Executive (Head of Paid Service) & Interim Director of Finance (s.151 officer)

**Relevant Cabinet Member:** Councillor Brigid Jones

**Relevant O & S Chair(s):** Councillor Jack Deakin – Resources

**Report author:** Mohammed Sajid, Head of Financial Strategy

|  |   |   |
|--|---|---|
| Are specific wards affected?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s):  |   |   |
| Is this a key decision?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No                      |
| If relevant, add Forward Plan Reference:   |   |   |
| Is the decision eligible for call-in?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No                                 |
| Does the report contain confidential or exempt information?                          | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No                      |
| If relevant, provide exempt information paragraph number or reason if confidential : |   |   |

### 1 Executive Summary

- 1.1 The attached report presents the Interim Director of Finance's response to the External Auditors Report presented to this Committee at its meeting on Friday 15<sup>th</sup> September 2023.

### 2 Recommendations

- 2.1 Members are asked to note and consider the response from the Interim Director of Finance to the External Auditors Report presented to this Committee at its meeting on Friday 15<sup>th</sup> September 2023.

### **3 Background**

- 3.1 At the meeting of this Committee on Friday 15<sup>th</sup> September 2023 Grant Thornton presented a report entitled External audit landscape for Birmingham City Council, Audit years 2020-21, 2021-22, 2022-23 and 2023-24. It was agreed that a response to this report would be made at the next Audit Committee.
- 3.2 The attached report highlights the three key thematic areas raised in the External Auditors Report; 1) Equal Pay 2) Financial Sustainability and 3) Oracle.

### **4 Options considered and Recommended Proposal**

- 4.1 This report provides information to Members in response to the External Auditors report.

### **5 Consultation**

- 5.1 Relevant officers across the Council have been consulted in preparation of the attached report.

### **6 Risk Management**

The three areas of this report are key risks facing the council and this report details that actions the Council is taking in response to these risks.

### **7 Compliance Issues:**

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**  
Sound financial management underpins all the Council's priorities, plans and strategies.

#### **7.2 Legal Implications**

- a) Section 151 of the Local Government Act requires the Chief Finance Officer (as responsible officer) to ensure proper administration of the Council's financial affairs.

#### **7.3 Financial Implications**

- a) These are contained within the body of the report.

#### **7.4 Procurement Implications**

- a) There are no procurement implications directly arising from this report.

#### **7.5 Human Resources Implications**

- a) There are no human resources implications directly arising from this report or its recommendations.

#### **7.6 Public Sector Equality Duty**

- a) There are no equality duty or equality analysis issues relating to the proposals set out in this report.

### **8 Background Documents**

Grant Thornton report entitled 'External audit landscape for Birmingham City Council, Audit years 2020-21, 2021-22, 2022-23 and 2023-24'.

## 9 **Appendices –**

Response to External Auditor presentation