

BIRMINGHAM CITY PROPCO 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	One of the Directors has extensive experience of Companies and the other is a qualified Accountant. However, no formal training has been provided although this is now in hand to take place during January 2019.
How does the company ensure that Directors engage fully with the company and what is the record of attendance	Propco is a relatively new company, initially set up to manage two main purposes resulting in c20 transactions per annum. At present, there is unlikely to be more than an annual meeting. However, the company could expand to deal with other commercial property transactions and if this were the case, the frequency of business/meetings would need to be reviewed.
Please explain the system of governance and the financial control environment within the company	A Head of Finance and Finance Manager oversee all transactions. There are established contracts with PWC for both auditing and VAT/Tax advice. As above, the level of transactions with this company are low and monitored against a well establish business model/forecast spreadsheet.
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.	There have been no reviews and the company is new with very few transactions. However, if anything is raised through audit or other monitoring, this would be addressed.
What are the company's arrangements for the development of its Business Plan, including details of cashflow management, determination of going	This has been well covered for the initial dealings of the company relating to 2 hotels at the NEC but the business plan could evolve to include more commercial property transactions.

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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.	Nothing specific at present as the only 2 matters are long term leases relating to 2 well established hotels at the NEC site. This would clearly be kept under review.
What is the company's approach to ensuring compliance with the General Data Protection Regulation (GDPR) requirements	Nothing particular as the transactions are receipt of lease/rental and repayment of borrowing (together with some modest running costs). No major GDPR risk.
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.	Nothing of concern at present.
Please set out your management's processes for identifying and responding to risks of fraud.	Separation of duties in place and there is a model which governs/monitors the transactions.
How do those charged with governance monitor management's processes for identifying and responding to risks of fraud.	Annual Board meeting.
Please set out the areas that face fraud risks, including specific accounts or classes of transactions where fraud risks have been identified.	None

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How does the company's management communicate to those charged with governance with respect to business risks (including fraud).	See above
What has been your Management's awareness or allegations of fraud, errors, or other irregularities during the period.	None reported
How your organisation would raise the Council's Audit Committee's awareness of fraud or suspected fraud.	Would report internally and escalate accordingly/
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	Embedded in monitoring but we have leases for both hotels for the long term.
How would the company communicate any breach of GDPR requirements to the Council.	Would report to BCC reporting officer.
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.	Insurance is in place. Low risk of fraud with the controls in place and nature of the company and with the monitoring undertaken.
Financial Statements	

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How does the company determine that its accounting policies are appropriate and what process is in place for ensuring they are kept under review.	This is the first full year of trading and the company was set up with regard and reference to appropriate policies. This would be reviewed and monitored through the Annual Statement of Accounts and auditors report.
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.	None
Please set out details of any events or changes in circumstances that may cause an impairment of current or non-current assets.	None
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.	N/A as not yet received first full set of audited accounts.
Please set out any material change of circumstances that have occurred, or may occur, that could impact on the company's performance.	None