

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM CITY COUNCIL (the "Council")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2018 issued on 31 July 2018 we reported that, in our opinion the financial statements:

give a true and fair view of the financial position of the group and of the Council as at 31 March 2018 and of the group's expenditure and income and the Council expenditure and income for the year then ended;
had been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
had been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of

The uncertainties surrounding the volume and timing of future equal pay claims and the determination of any settlements may also have an impact on the level of the Council's reserves.

These matters are evidence of weaknesses in proper arrangements for sustainable resource deployment in:

 planning finances effectively to support the sustainable delivery of strategic

acting in the public interest, through demonstrating and applying the principles and values of sound governance;
managing risks effectively and maintaining a sound system of internal control;
and
planning, organising and developing the workforce effectively to deliver strategic priorities.

Management of Schools

Significant failings in the Council's management of schools were identified in a review by Peter Clarke in July 2014. Since this review the Council has taken and continues to take action to improve its management of schools through the implementation of its improvement plan.

As part of the assessment of schools governance improvement Birmingham Audit (internal audit) have been commissioned to carry out a programme of audits over a two year period. Their findings have continued to show that there are a range of governance issues to address across the schools visited. Specifically, 32 of the 87 schools audits (37%) undertaken by internal audit in 2017/18 were assessed as 'level 3' assurance (specific control weaknesses of a significant nature noted, and/or the number of minor weaknesses noted was considerable) and two schools (2%) were

Phil Jones

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Director

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

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