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CITY COUNCIL (the "Council ")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2017 issued on 29 September 2017,  
we reported that, in our opinion:

- x the financial statements present a true and fair view of the financial position  
of the Council and Group as at 31 March 2017 and of the Council's and  
Group's expenditure and income for the year then ended; and
- x the financial statements had been properly prepared in accordance with the  
CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United  
Kingdom 2016/17 and applicable lawg in the United

- x planning, organising and developing the workforce effectively to deliver strategic priorities.

#### Improvement Panel

The Secretary of State for Communities and Local Government appointed an  
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& R X G Governance arrangements.

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The Panel is currently liaising with the Council in respect of matters emerging in relation to the recent waste dispute, and the Secretary of State has written to the Panel requesting an urgent update so that he can consider the next steps for the Council. The Panel was scheduled to meet with the Leader of the Council and the Deputy Leader on 12 September 2017 but the Leader of the Council resigned on 11 September 2017. At the date of issuing our opinion, the Deputy Leader is acting as Leader on an interim basis to provide stability.

This matter is evidence of weaknesses in proper arrangements for informed decision making in acting in the public interest, through demonstrating and applying the principles and values of sound governance.

#### Services for Vulnerable Children

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assurance (specific control weaknesses of a significant nature noted, and/or the  
number of minor weaknesses noted was considerable).

This matter is evidence of weaknesses in proper arrangements for informed decision making and sustainable resource deployment in:

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

#### Adverse conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2016, because of the significance of the matters described in the basis for adverse conclusion paragraphs above, we are not satisfied that, in all significant respects, the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

#### Certificate

In our report dated 29 September 2017, we explained that we could not formally conclude the audit on that date until we had completed our consideration of objections brought to our attention by local authority electors under Section 27 of the Local Audit and Accountability Act 2014. These matters have now been dealt with.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion and conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of the financial statements of the Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

#### *Phil Jones*

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

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16 August 2018