



## **SPECIFICATION FOR GBSLEP ANNUAL EXTERNAL AUDIT AND STATUTORY ACCOUNTS**

### **1. Overview**

GBSLEP is a partnership of business, public sector, and further and higher education leaders. GBSLEP has a mission to grow the economy of Greater Birmingham and Solihull and was constituted as a company limited by guarantee in May 2011. The LEP covers the geographical boundaries of the Districts of Birmingham, Solihull, East Staffordshire, Lichfield, Tamworth, Cannock Chase, Bromsgrove, Redditch, and Wyre Forest.

LEPs replaced the Regional Development Agencies ('RDAs'), which were abolished in 2012 via the Public Bodies Act 2011. LEPs are voluntary partnerships between local authorities and businesses set up in 2010 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

As highlighted in the articles of association of GBSLEP, the objects for which the company is established are to promote sustainable private sector investment and growth, business efficiency and competitiveness, economic development and regeneration and employment.

All LEPs are quasi-public sector bodies established on a similar basis to their RDA predecessors, with any surpluses generated reinvested into the region which they are established to promote.

As a company listed by guarantee GBSLEP has no shareholders to distribute any surplus to. The Greater Birmingham and Solihull Growth Hub is the single point of contact for business advice, funding, and support for any business across Greater Birmingham. The Growth Hub brings together all services and partners offering business support in our region through a web portal and expert advisers, part of the government supported network of 38 hubs across England this is an impartial, no cost service to help companies across the region start and grow.

The Growth Hub is part funded and commissioned by Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). As a business-led partnership, working closely alongside public sector and educational partners, the Growth Hub works for the benefit of everyone who lives and works in the GBSLEP area.

### **2. Scope**

The financial statements comprise of the consolidated revenue results from GBSLEP and GBSLEP Growth Hub. As Accountable Body Birmingham City Council hold all the capital transactions for GBSLEP and therefore part of the financial statements is held within the financial systems of Birmingham City Council. This will be consolidated within the extended Trial Balance by GBSLEP staff, for the External Auditor to produce the Statutory Accounts.

The audit of the company shall be in accordance with relevant Companies Acts.

### **3. Requirement**

#### **Audit Report**

The GBSLEP requires an External Auditor to report on the financial statements of GBSLEP and GBSLEP Growth Hub, and to carry out whatever examination of the statements and underlying records and control systems is necessary to reach a conclusion regarding the company's financial statements and records to provide a certification of their current financial position and make recommendations to strengthen this.

The External Auditors shall report whether the financial statements give a true and fair view of the state of GBSLEP affairs and of its Statement of Comprehensive Income, Statement of Cash Flows for the year, they should consider relevant statutory and other mandatory disclosures and accounting requirements and funding body requirements.

See link below for more information on the framework that underpins GBSLEP -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/768356/National\\_Local\\_Growth\\_Assurance\\_Framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf)

#### **Management report**

The External Auditors should also report to the GBSLEP Board by way of a management report highlighting any significant accounting and control issues arising from the Audit Report which require management responses. The External Auditor will be required to present this to the GBSLEP Audit and Risk Committee.

#### **Attendance at meetings**

The External Auditor will be expected to attend the I meetings of the Audit and Risk Committee for presentation of the Management report on the Financial Statements, audit summary and Audit Clearance Memorandum and at least one meeting of which their strategy for the year will be an agenda item.

External auditors will be invited to attend the other appropriate meetings, attendance should be at a minimum level Audit Manager. The Audit Partner is expected to attend if particularly serious issues ought to be addressed.

### **4. Time scale of audit visits**

Audit visits will be driven by the year end guidelines which means that the financial statements are approved by the Board of Directors in September. We therefore require the External Auditor to be available for the proposed timetable set out in point 7.

### **3. Knowledge of the sector**

As a part of your tender response please include detailed information on your firm's knowledge and direct experience of conducting audits in companies of a similar nature and financial scale.

GBSLEP held reserves of c£50m at last balance sheet date of 31<sup>st</sup> March 2020.

#### **4. Pricing and Additional services**

Firms are asked to quote a fixed price for the full three years. We ask this to be apportioned across the years and the basis of any price increases explained.

Should any additional work be required a basis of costing is required.

Firms are free to propose any added value that they can provide within the audit fee or additional thereto and any paid for services offered in addition to the audit fee must be shown separate to the cost of the services set out in this specification and will not be scored.

Additional services/added value may include but are not limited to:

- Taxation advice, including Corporation Tax, PAYE & VAT.
- Assistance with systems development
- Forensic accounting services

As part of your quote could you please indicate your expertise around additional services you were able to offer and the expected fees.

#### **5. Required Qualifications**

Auditors must be registered with one of the appropriate professional bodies and must provide evidence of such registration.

##### **Letter of Engagement**

The duties of the GPSLEP and External Auditors should be clearly presented in the agreed Terms of Reference as detailed in the Letter of Engagement.

#### **6. Performance monitoring**

GBSLEP will monitor the performance of the appointed Auditors against requirements by means of agreed meetings and regular communication.

External Auditors will be expected to make clear what access to systems is required and information required to conduct the audit with sufficient time for GBSLEP staff to produce the information.

## 7. Proposed Audit Timetable

Key Audit Activities	Timing
Auditor Appointment	April 2021
Audit Planning Meeting	April - May 2021
Year End Audit Delivery	June – July 2021
Audit Clearance Meeting – Final Accounts sign off	August – September 2021