

**BRISTOL CITY COUNCIL
AUDIT COMMITTEE**

3 February 2012

Report of: Strategic Director (Corporate Services)

Title: Grant Thornton's Progress Report for 2011-12

Ward: Citywide

Officer presenting report: Richard Powell, Chief Internal Auditor

Contact telephone number: 0117 92 22448

RECOMMENDATION

The Audit Committee note, and comment as appropriate, on Grant Thornton's Progress Report for 2011-12.

Summary

This report considers the planned work and progress to date in:

- the financial statements audit;
- the Value for Money (VfM) conclusion work.

Policy

None affected by this report. The Audit Commission has statutory responsibility for inspection and assessment at the Council. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements. In particular these are the Audit Commission Act 1998 and the Code of Audit Practice with regard to audit, and the Local Government Act 1999 with regard to best value and inspection.

Consultation

Internal: Grant Thornton consulted with Senior Officers before finalising the progress report.

External: not applicable.

1 Introduction

1.1 Grant Thornton is required to form an opinion on the Council's annual financial statements and to provide a value for money conclusion. This report summarises the work planned and progress to date.

1.2 Grant Thornton, responsible for the City Council's audit, will be attending the Committee, and will be pleased to answer Members' questions.

Other Options Considered

Not applicable.

Risk Assessment

Not as a result of this report.

Equalities Impact Assessment

There are no issues arising from this report.

Legal and Resource Implications

None arising from this report.

Appendices:

Appendix 1: Grant Thornton's Progress Report January 2012

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None

External audit progress report

January 2012



BALANCE SHEET
AS AT 31st Dec 2011

	Debit	Credit
Fixed Assets		100,000
Current Assets	50,000	
Capital		150,000
Reserves		50,000
Liabilities	100,000	
Long Term	50,000	
Short Term	50,000	
Profit		10,000
Loss	10,000	
Net Assets	50,000	150,000
Net Liabilities	50,000	
Net Worth		100,000
Capital		100,000
Reserves		50,000
Liabilities	100,000	
Long Term	50,000	
Short Term	50,000	
Profit		10,000
Loss	10,000	
Net Assets	50,000	150,000
Net Liabilities	50,000	
Net Worth		100,000

Introduction

Reflecting the annual timetable for external audit, we will present our outline Audit Plan, to the Audit Committee in February 2012. Our plan was prepared, based upon our initial assessment of risk, on our understanding of the impact of the Audit Commission's updated Code of Audit Practice (the Code); and on our expected contribution to work to be mandated by the Audit Commission.

As we indicate in the plan, our audit responsibilities involve us in making two formal conclusions, as follows:

- opinion on the Council's annual financial statements;
- value for money conclusion.

Overall, our work is progressing as planned. The following sections summarise the progress as at January 2012.

Audit 2010-11

Our audit of the financial statements was completed and the annual audit letter was issued in November 2011.

The certification report has been completed and will be issued in January 2012.

Audit 2011-12

Our audit plan will be presented to the Audit Committee in February 2012. Our interim audit will be undertaken in February and March 2012.

At the request of the Chief Executive, we are examining the procedures followed by the Council in respect of the Redcliffe Wharf development.

Table 1: Audit – key reports

Report	Purpose	Expected date	Actual date
Audit Plan	<ul style="list-style-type: none"> • Outline audit approach • Identify initial high risk areas and our planned response • Confirm Plan with Audit Committee 	January 2012	-
Interim report and update to Financial Audit Strategy	<ul style="list-style-type: none"> • Outline our audit strategy on conclusion of controls work • Review risks and update planned response accordingly • Highlight focus areas for the audit • Confirm with senior officers and Audit Committee 	June 2012	-
Report to those charged with Governance (ISA 260)	<ul style="list-style-type: none"> • Highlight key issues arising from the audit of the accounts and VFM work and details of the resolution of these • Communication of adjusted and unadjusted audit differences • Improvement recommendations resulting from audit procedures • Value for money conclusion 	September 2012	-
Auditor's Reports	<ul style="list-style-type: none"> • Financial statements audit opinion • Individual reports to support the VFM conclusion 	September 2012	-
Annual Audit Letter	<ul style="list-style-type: none"> • Summarises the key issues arising from our 2011/12 audit 	November 2012	-
Grants Claim Certification	<ul style="list-style-type: none"> • Highlights key issues arising from our grants certification work • Recommendations identified for improvement 	December 2012	-

The table above sets out the work we shall be delivering during the course of 2012. For future Committee meetings we shall provide details of each element of work as it progresses.



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