



BRISTOL CITY COUNCIL

Audit Progress Report

31 May 2018

INTRODUCTION

Background

This report is intended to provide the Audit Committee with an outline of our progress against our proposed work for 2017/18.

The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General for the National Audit Office responsible for the preparation, publication and maintenance of the Code of Audit Practice.

The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act:

Audit of the financial statements

- to be satisfied that the accounts present a true and fair view, and comply with the requirements of the enactments that apply to them
- to be satisfied that proper practices have been observed in the preparation of the accounts

Value for money arrangements

- to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

Reporting

- issue an audit plan that sets out how the auditor intends to carry out their duties
- report the findings of the audit to those charged with governance
- to express an opinion on the accounts
- the opinion on the organisation's arrangements to secure economy, efficiency and effectiveness in the use of resources
- to certify the completion of the audit
- issue an annual audit letter highlighting the results of the auditor's work.

Other assurance work

We are also undertaking work to provide grant certification assurance on the Housing Benefit Subsidy Claim and other grant claims and returns required by the Council.

Progress to date

We have assessed whether the arrangements put in place by the Council will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This is included as a 'RAG' assessment in the report.

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over governance or finance, or expected modification of audit report or opinion.
AMBER		Some concerns around meeting reporting deadlines, some concerns over governance or finance, or potential risk of modification of audit report or opinion.
GREEN		On target to meet deadlines and no current concerns over governance or finance.
	TBC	Work not yet started or sufficiently progressed to include a 'RAG' assessment

Tracking progress

In order to allow you to track our progress, where work has been completed and previously reported to you we have 'greyed' out the text.

The key completion and reporting dates are also noted in the following tables.

AUDIT PROGRESS 2017/18

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
PLANNING				
Planning letter	We are required to provide you with a planning letter setting out the scope of the audit for the year and the proposed fees set by Public Sector Audit Appointments Limited (PSAA).	<p>We have issued our planning letter and the proposed fees for the NAO Code audit are £208,687.</p> <p>We estimate that the fees for the grant certification review of the Housing Benefit Subsidy Claim will be £20,427.</p>	<p>Planning Letter</p> <p>Issued April 2016.</p>	
Audit plan	We are required to report to you the results of our detailed audit planning and the proposed audit response to significant audit risks ahead of commencement of the audit work.	We have undertaken our preliminary planning work and issued our audit plan.	<p>Audit Plan</p> <p>Reported to the Audit and Risk Management Committee on 28 February 2018.</p>	
FINANCIAL STATEMENTS				
Interim visit	Audit of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	<p>Review and testing of the operating effectiveness of internal controls operated by the Council undertaken is currently in progress.</p> <p>Initial audit testing on the Collection Fund and other income transaction was completed during this visit.</p> <p>Work commenced on property revaluations including review of the valuation reports and assumptions used.</p>	<p>Significant deficiencies in internal controls</p> <p>No significant deficiencies in internal controls identified through our audit work to date.</p> <p>No significant issues identified in the transaction and property revaluation testing to date.</p>	

AUDIT PROGRESS 2017/18

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
FINANCIAL STATEMENTS (continued)				
Final audit visit	<p>Audit of the draft financial statements to determine whether these give a true and fair view and have been prepared in accordance with the CIPFA's Code of Practice.</p> <p>The audit also includes a review of the annual governance statement.</p>	Final audit visit due to commence on 29 May 2018	<p>Final Audit Report</p> <p>The findings of our audit on the financial statements are due to be reported to the Audit Committee at the July meeting.</p> <p>Auditor's report</p> <p>The deadline for this is 31 July 2018</p>	 Deadline 31 July 2018
Whole of Government Account (WGA) schedules audit	We are required to provide an opinion whether the Council's WGA consolidation pack is consistent with the financial statements.	Work not yet started	<p>Opinion on the WGA consolidation schedules</p> <p>The deadline for this is 31 August 2018.</p>	 Deadline 31 July 2018
USE OF RESOURCES				
Review of arrangements to secure economy, efficiency and effectiveness	<p>The NAO has published revised guidance (AGN 03) for the scope of the work on value for money arrangements for 2017/18 and supporting information for Councils.</p> <p>We are required to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>	Provisional inquiries made as part of the planning process	<p>Final Audit Report</p> <p>The findings of our audit on the financial statements are due to be reported to the Audit Committee at the July meeting.</p> <p>Auditor's report</p> <p>The deadline for this is 31 July 2018</p>	 Deadline 31 July 2018
GRANTS AND RETURNS				
Review of the Housing Benefit Subsidy claim	To review and submit the Housing Benefit Subsidy grant claim in accordance with the PSAA HBCOUNT arrangements by 30 November 2018.	Work not started	The deadline for this is 30 November 2018	 Deadline 30 November 2018

AUDIT PROGRESS 2017/18

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
REPORTING				
Audit certificate	To certify the completion of the audit at the point that the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.	To be issued on completion of the audit of the financial statements, WGA, and resolution of any objections to the accounts.	Auditor certificate	 Deadline 31 August 2018
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year.	Annual Audit Letter to be drafted upon completion of audit work.	Annual audit letter The deadline is 31 October 2018.	 Deadline 31 October 2018
Grants report	Summary of our certification work completed on 31 March 2018 claims, to be issued by February 2019.	Work not yet started	Grants Report The deadline is 28 February 2019	 Deadline 28 February 2019



The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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