

Audit Update Report

Bristol City Council
Year ending 31 March 2019

May 2019



Introduction



Jon Roberts

Partner

Engagement Lead

T 0117 305 7699

M 0791 938 0840

E Jon.Roberts@uk.gt.com



Jackson Murray

Senior Manager

Engagement Manager

T 0117 305 7859

M 0782 502 8920

E Jackson.Murray@uk.gt.com

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can also find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at May 2019

Financial Statements Audit

Our detailed audit plan was presented to the January 2019 Audit Committee, setting out our proposed approach to the audit of the Council's 2018/19 financial statements. We undertook our interim audit visit in March 2019 and reported the high-level findings from this to the Audit Committee in May 2019.

Following the last Audit Committee we met with Council officers and discussed the proposed audit timing. We have agreed that we will not issue our audit opinion until after the July 2019 deadline and have also informed Public Sector Auditor Appointments (PSAA) of this.

We agreed this new timeline due to the complexities of the audit, including the Council's Group accounts. As incoming auditor we are also required to review the predecessor auditor's files and complete additional work on opening balances. The prior year auditor has yet to issue their opinion and for this reason we have been unable to access their audit files to date.

We set out later in this report the updated timeline that we are working to for the 2018/19 audit.

The final accounts audit is due to begin on 22 May 2019 with an updated target of the end of September 2019 for the issue of our Group audit report.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach are included in our Audit Plan. Subsequent to issuing our audit plan, we have continued to update our risk assessment and have included an update on the risks identified later in this report.

We will report our work in our Audit Findings Report and subsequently issue our Value For Money Conclusion.

Other areas

Meetings

We spoke with finance officers in May 2019 to discuss our approach and timing to the final accounts audit visit.

Grant Certification

We met with Council officers to discuss our certification of the Council's Housing Benefit Subsidy claim for 2018/19 and began undertaking elements of the certification work required by the Department of Work and Pensions in April 2019. The Council has provided us with the draft Housing Benefit Subsidy claim for 2018/19 and we have discussed a timetable to allow us to complete our certification prior to the statutory deadline at the end of November 2019.

We continue to discuss the Council's prior year Pooling of Housing Capital Receipts returns, and are currently awaiting the final pieces of evidence to allow us to complete this work. The Council are also waiting for confirmation from the Ministry of Housing, Communities & Local Government due to issues with the system that allows the Council to submit their claims.

Update to previously reported Audit Plan

Previously reported

Update

Value for Money

In our Audit Plan presented to the Audit Committee on 21 January 2019 we identified a significant risk in respect of the Value for Money Conclusion related to the Council's financial planning and future financial sustainability.

We have continued our risk assessment process and as a result have identified another significant risk in respect of Governance arrangements at the Council. This follows from the previous auditor's Statutory Recommendations which were issued in March 2019.

In undertaking our work, we will:

- Review the council's progress against the action plan and recommendations issued in March 2019; and
- Consider the Council's wider governance structure to ensure that this is appropriate.

Updated Audit Timetable 2018/19



