



Audit update report for Bristol City Council

Year ended 31 March 2019

November 2019



Audit progress update

In September we reported in detail the progress of our audit of the Council's financial statements, including the work that we had completed in respect of our significant financial statements audit risks. Our work in these risk areas is substantially complete and our review of the Council's pension disclosures, unquoted equity investments and new Housing Revenue Account system implementation has been finalised. We also reported a number of findings, adjustments and recommendations that had been identified from our audit to date. In addition to these adjustments we have also identified some complex accounting requirements which have required us to complete more work than we had anticipated.

Additionally, we reported in detail the findings from our work on our Value for Money conclusion, and confirmed that we anticipate issuing an unqualified conclusion.

The table below summarises the items that remain outstanding in respect of our audit of Bristol City Council's 2018/19 financial statements.

Area outstanding	Impact on our audit
Satisfactory completion of our review of land and building valuations.	As a significant audit risk we need to conclude this work and report the findings to you as Those Charged With Governance. We have already challenged the assumptions and estimates that management and the valuer have adopted and have employed our own expert
Conclusion on the accounting treatment of guarantees provided by the Council on behalf of Bristol Energy Limited.	This is a highly technical issue that could lead to an adjusted or unadjusted misstatement above our trivial level that would need to be reported to you as Those Charged With Governance.
Review of final outstanding sample items and resolution of any queries arising.	We are required to obtain sufficient assurance over all material balances, transactions and disclosures in the financial statements before we can issue our audit report. We have completed significant amounts of sample testing to date. Errors identified in certain areas of expenditure testing have required us to select additional samples.
We have recently been made aware of a material prior period error in the financial instruments disclosure notes. In accordance with the CIPFA Code and accounting standards the Council is required to restate the prior year disclosures.	As a material change to the financial statements, we need to be assured that the adjustment to prior year audited values is appropriate and that appropriate disclosures have been made.

Following the satisfactory completion of all of the above, we will then require:

- satisfactory completion of final quality reviews of the financial statements and our audit work;
- receipt and review of the final set of financial statements with all audit adjustments; and
- receipt of the management representation letter.



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