

INDEPENDENT AUDITOR'S REPORT AND ISSUE OF CERTIFICATE TO THE MEMBERS OF BRISTOL CITY COUNCIL FOR THE YEAR ENDED 31 MARCH 2017

Issue of auditor's opinion on the financial statements

In our audit report for the year ended 31 March 2017 issued on 29 September 2017 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of Bristol City Council as at 31 March 2017 and of its expenditure and income for the year then ended;
- gave a true and fair view of the financial position of the Group as at 31 March 2017 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Since issuing that audit report we have as part of our audit of the Council and Group's financial statements for the year ended 31 March 2018, which is ongoing as at the date of this certificate, misstatements were identified in the previous valuation of Heritage Assets. As a result, in the 2016/17 Statement of Accounts the balance as at 31 March 2017 was understated by £98.4m. This error has been addressed by way of a prior period adjustment made in the 2017/18 Statement of Accounts which had no impact on the Comprehensive Income and Expenditure Statement.

If we had been aware of this misstatement at the time of the issue of our audit report on the 2016/17 financial statements and the necessary corrections had not been made, we would not have been able to issue an unqualified opinion on the financial statements.

The following table explains the material differences between the amounts originally presented in the 2016/17 Statement of Accounts and the related amounts presented in the 2017/18 Statement of Accounts.

	2016/17 Accounts	Adjustments Made	Corrected balance
	£'000	£'000	£'000
Balance Sheet at 31 March 2017			
Heritage Assets	100,458	98,393	198,851
Unusable Reserves	(1,055,084)	(98,393)	(1,153,477)

Certificate

In our report dated 29 September 2017, we explained that the audit could not be formally concluded for two reasons. Firstly we needed to complete the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack. Secondly we needed to complete the work necessary to conclude on an objection received from a local government elector relating to the Council's use of Lender Option Borrower Option (LOBO) borrowing in relation to the 2015/16 audit. These matters have now been concluded and had no impact on the opinion on the Statement of Accounts or the VFM conclusion.

The misstatements referred to above in the Council's financial statements for the year ended 31 March 2017 have been addressed by way of a prior period adjustment in the financial statements for the year ended 31 March 2018.

We certify that we have completed the audit of the financial statements for the year ended 31 March 2017 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office in April 2015.



David Eagles

For and on behalf of BDO LLP, Appointed Auditor
Ipswich, UK

1 May 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).