

## **Report of External Audit (Mazars) to the meeting of Governance and Audit to be held on 26 November 2020**

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**Subject:**

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City of Bradford Metropolitan District Council Audit Completion Report for the year ending 31 March 2020

**Summary statement:**

The report summarises the findings of the audit of the Council's financial statements for the year ended 31 March 2020.

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Cameron Waddell  
Partner  
Mazars LLP  
Phone: 0191 383 6300  
E-mail: [cameron.waddell@mazars.co.uk](mailto:cameron.waddell@mazars.co.uk)

## **1. SUMMARY**

This document has been prepared to feed back the findings of our audit of the financial statements for the year ended 31 March 2020, and forms the basis for discussion at the Governance and Audit Committee meeting on 26 November 2020.

At the time of writing this report audit work is on going but we anticipate issuing an unqualified opinion on your financial statements.

Due the impact of COVID-19 on the property market, there is “material uncertainty” over the valuation of land and buildings at the balance sheet date. As discussed with management the notes to the Statement of Accounts have been updated to reflect this and in line with normal practice, we plan to include reference to this disclosure as an ‘emphasis of matter’ in our audit report.

As highlighted above in relation to the Council's property valuations, the Pension Fund auditor has also highlighted a “material valuation uncertainty” relating to the valuation of their level 3 unquoted property investments and a number of private equity funds.

The Council is currently considering how this should be disclosed in the notes to the Council's Statement of Accounts, and in line with normal practice, we expect to include reference to this disclosure as an ‘emphasis of matter’ in our audit report.

We will provide a verbal update to members on outstanding matters at the Governance and Audit Committee meeting on 26 November 2020.

## **2. BACKGROUND**

International Standards on Auditing (ISAs) require external auditors to communicate with Those Charged with Governance on a number of matters (see Appendix A of the Audit Strategy Memorandum for full details) including significant findings from our audit and a summary of misstatements and our draft audit significant audit risks and our proposed draft audit report.

## **3. OTHER CONSIDERATIONS**

Not applicable

## **4. FINANCIAL & RESOURCE APPRAISAL**

Not applicable

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

Not applicable

**6. LEGAL APPRAISAL**

Not applicable

**7. OTHER IMPLICATIONS**

**7.1 EQUALITY & DIVERSITY**

None

**7.2 SUSTAINABILITY IMPLICATIONS**

None

**7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None

**7.4 COMMUNITY SAFETY IMPLICATIONS**

None

**7.5 HUMAN RIGHTS ACT**

None

**7.6 TRADE UNION**

None

**7.7 WARD IMPLICATIONS**

None

**7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS  
(for reports to Area Committees only)**

None

**7.9 IMPLICATIONS FOR CORPORATE PARENTING**

None

**7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None

**8. NOT FOR PUBLICATION DOCUMENTS**

None

**9. OPTIONS**

None

**10. RECOMMENDATIONS**

That the Governance and Audit Committee:

- Consider the unadjusted misstatements schedule (Section 4); and
- Approve the letter of requested management representations (Appendix A) including the reasons for not amending the unadjusted misstatements.

**11. APPENDICES**

City of Bradford Metropolitan District Council's Audit Completion Report for the year ended 31 March 2020..

**12. BACKGROUND DOCUMENTS**

None