Independent auditor's report to the members of Kirklees Council

Report on the Audit of the Financial Statements

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Kirklees Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Comprehensive Income and Expenditure Statement, the Statement of Movement in Reserves, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Account and Statement of Movement on the Housing Revenue Account Balance, the Collection Fund, the Group Comprehensive Income and Expenditure Statement, the Statement of Movement in Reserves, the Group Balance Sheet and the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the EFA, Notes to the Core Statements, Notes to the Housing Revenue Account Balance, Notes to the Collection Fund Statement and Notes to the Group Accounts. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2020 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Service Director - Finance and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and Authority's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and Authority's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an authority associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Service Director Finance[1]'s use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Service Director Finance has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Service Director Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20 that the Authority's financial statements shall be prepared on a going concern basis, we considered the risks associated with the group's and Authority's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the group's and Authority's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Authority or group will continue in operation.

GrantThornton

Overview of our audit approach

Financial statements audit

- Overall materiality: £13,370,000, which represents 1.29% of the group's gross cost of services.
- Key audit matters were identified as:
  - Valuation of land, buildings and investment property (Authority)
  - Valuation of the net pension fund liability (Authority)
- We performed a full scope audit of the Authority. We performed specific scoped audit procedures on the net pension fund liability and related disclosures of the subsidiary Kirklees Neighbourhood Housing Limited. We also performed analytical procedures on the other component in the Group.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

- We identified one significant risk in respect of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources in respect of financial sustainability (see Report on other legal and regulatory requirements section).

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
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Risk 1 Valuation of land, buildings and investment property (Authority)

The Authority re-values its land and buildings on a rolling three-yearly basis to ensure that the carrying value is not materially different from the current value. This valuation represents a significant estimate by management in the financial statements due to:

- The size of the numbers involved (£528 million for Other Land and Building and £679 million for Council Dwellings); and
- The sensitivity of this estimate to changes in key assumptions.

Where a rolling valuation programme is used, the Authority needs to ensure the carrying value of land and buildings in the financial statements that is not formally revalued during the year is not materially different from the current value or the fair value at 31 March 2020.

Additionally, Council Dwelling valuations are based on Existing Use Value, discounted by a factor to reflect that the assets are used for Social Housing. The Social Housing adjustment factor is prescribed in Government guidance, but this guidance indicates that where a valuer has evidence that this factor is different in the Authority's area, they can use their more accurate local factor. There is a risk that the Authority's application of the valuer's assumptions is not in line with the statutory requirements and that the valuation is not supported by detailed evidence indicating that the standard social housing factor is not appropriate to use.

Investment property is revalued annually at fair value by the Authority's external valuer and reported at £101.1m at 31 March 2020.

Due to the amounts involved and the extent of estimation involved we therefore identified the valuation of land, buildings and investment property, particularly revaluations, impairments and for dwellings the use of the social housing factor as a significant risk, which was one of the most significant risks of material misstatement.

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Our audit work included, but was not restricted to:

- Evaluating management's assessment of the valuation of land, buildings and investment property, and gaining an understanding of the valuation process, including the key controls and assumptions used by management;
- Evaluating management's assessment that land and buildings not subject to the triennial valuation are not materially misstated at 31 March 2020;
- Critically assessing how key assumptions, such as the location, floor area, VAT recognition and the useful economic lives of the assets are determined by the Authority;
- Evaluating the competence, capabilities and objectivity of management's valuation expert;
- Challenging the information used by the valuer to assess its completeness and consistency with our understanding;
- Engaging our own valuer to assess the instructions issued to the Authority's valuer by management, the valuer's report and the assumptions that underpin the valuation; and
- Testing, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and financial statements

The Authority's accounting policy on valuation of land and buildings is shown in note 1 (PPE Measurement) to the financial statements and related disclosures are included in note 15.

The Authority's accounting policy on valuation of Investment Property is shown in note 1 (Investment Property) to the financial statements and related disclosures are included in note 17.

As, disclosed in note 5 (Assumptions and Major Sources of Estimation Uncertainty) to the financial statements, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a material valuation uncertainty' in their valuation report This is on the basis of market uncertainties caused by Covid-19. The valuation exercise was carried out in December 2019 with a valuation date of 31 March 2020. The values in the valuation report have been used to inform the measurement of property assets at valuation in the financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and management believes this remains the best information available to the Authority.

The Authority's valuer prepared their valuations in accordance with the RICS Valuation – Global Standards using the information that was available to them at the valuation date in deriving their estimates.

Key observations

We obtained sufficient audit assurance to conclude that:

- The basis of the valuation of land, buildings and investment property was appropriate;

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Key Audit Matter	How the matter was addressed in the audit
	• The assumptions and processes used by management in determining the estimate of valuation of property were reasonable; and • The valuation of land, buildings and investment property disclosed in the financial statements is reasonable.
Risk 2 Valuation of the net pension fund liability (Authority) The pension fund net liability, as reflected in the Authority balance sheet as the retirement benefit obligations, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to: • The size of the numbers involved, with the pension scheme net liability estimated as £824 million at the 31 March 2020; and • The sensitivity of the estimate to changes in key assumptions. We therefore identified the valuation of the pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Evaluating the accounting policy for the Authority's membership of the West Yorkshire Pension Fund (WYPF) for appropriateness and compliance with the Code of Practice for Local Authority Accounting 2019/20; • Gaining an understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability was not materially misstated and evaluating the design of the associated controls; • Assessing the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation; • Testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • Engaging with the auditors of WYPF to identify, document and evaluate the procedures and controls used by WYPF to establish the accuracy and completeness of the source data, and over the provision of this source data, to the actuary for the purposes of preparing the triennial valuation. • Updating our understanding of the agreement between WYPF and the Authority; • Evaluating the instructions issued by management to their management expert (an actuary) for these estimates and the scope of the actuary's work; • Assessing the accuracy and completeness of the information provided to the actuary to estimate the liability; and • Testing the Authority's membership information provided by WYPF to the scheme actuary to the underlying records. The Authority's accounting policy on valuation of the net pension fund liability is shown in note 1 (Post-Employment Benefits) to the financial statements and related disclosures are included in note 40. Arising from the audit, management updated note 5 to the accounts to refer to the material estimation uncertainty regarding the valuation of property and equity funds in the accounts of WYPF. **Key observations** We obtained sufficient audit assurance to conclude that:

Key Audit Matter	How the matter was addressed in the audit
	• The basis of the valuation of the net pension fund liability was appropriate and the assumptions and processes used by management in determining the estimate were reasonable; and • The valuation of the pension fund net liability disclosed in the financial statements is reasonable.

Our application of materiality

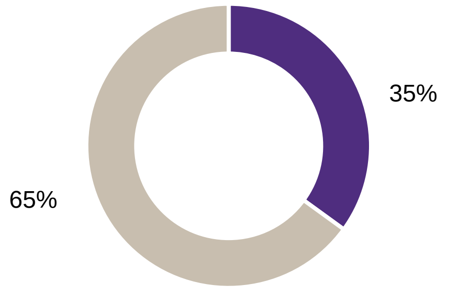
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

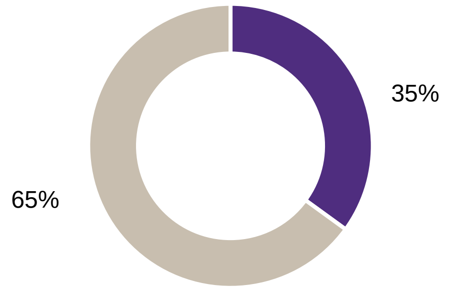
Materiality Measure	Group	Authority
Financial statements as a whole	£13,370,000 which is 1.29% of the group's gross cost of services. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the group has expended its revenue and other funding. Materiality for the current year is lower than the level we determined for the year ended 31 March 2019 to reflect the increased complexity and regulatory focus on external auditors.	£13,250,000 which is 1.28% of the Authority's gross cost of services. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Authority has expended its revenue and other funding. Materiality for the current year is lower than the level we determined for the year ended 31 March 2019 to reflect the increased complexity and regulatory focus on external auditors.
Performance materiality used to drive the extent of our testing	65% of financial statement materiality	65% of financial statement materiality
Specific materiality	N/A	We determined a lower level of specific materiality for certain areas such as Senior Officers' Emoluments.
Communication of misstatements to the Corporate Governance and Audit Committee	£663,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£663,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Authority



▪ Tolerance for potential uncorrected mis-statements ▪ Performance materiality

An overview of the scope of our audit

Our audit approach was risk-based founded on a thorough understanding of the group's business and in particular included:

- Gaining an understanding of the group structure;
- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality and significance of the component as a percentage of the Group's current assets, total assets, current liabilities, total liabilities, equity, income and expenditure;
- Full scope audit procedures of the Authority, which represents 99% of the Group's total income, 99% of its total expenditure and 100% of its net assets;
- Performing specific audit procedures on the net pension fund liability and related disclosures of the subsidiary Kirklees Neighbourhood Housing Limited;
- Performing analytical procedures on the non-significant component included in the group financial statements which makes up the remainder of the group's income, expenditure and net assets;
- Gaining an understanding of and evaluating the Authority's internal control environment, including its financial and IT systems and controls; and
- Gaining an understanding of the consolidation process and testing the consolidation, including the alignment of accounting policies, and the significant consolidation adjustments.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Authority and the group and sector in which they operate. We determined that the following laws and regulations were most significant:
  - the Accounts and Audit Regulations 2015
  - the Local Government Finance Act 2012
  - the Local Government Act 2003.
- We understood how the Authority is complying those legal and regulatory frameworks by, making enquiries to the Authority's officers, including internal auditors and obtaining further corroboration of responses to those enquiries from the Corporate Governance and Audit Committee. We corroborated our inquiries through our review of Council minutes and papers provided to the Corporate Governance and Audit Committee.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included:
  - Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
  - understanding how those charged with governance considered and addresses the potential for override of controls or other inappropriate influence by management over the finance reporting process;
  - challenging assumptions and judgements made by management in its significant accounting estimates, for example in relation to the valuation of land and buildings and the defined benefit pension net liability;
  - identifying and testing journal entries, in particular those we deemed to be unusual.

We did not identify any key audit matters relating to irregularities, including fraud.

Other information

The Service Director - Finance is responsible for the other information. The other information comprises the information included in the Statement of Accounts other than the Authority and group financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the group and Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Service Director - Finance and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities set out on page 20, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the

Service Director - Finance. The Service Director - Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Service Director - Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Service Director - Finance is responsible for assessing the group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Corporate Governance and Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Public Sector Audit Appointments Limited in December 2017 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement is two years to 31 March 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Authority or its subsidiaries and we remain independent of the Authority and the group in conducting our audit.

Our audit opinion is consistent with the additional report to the Corporate Governance and Audit Committee.

Report on other legal and regulatory requirements – Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Significant risks

Under the Code of Audit Practice, we are required to report on how our work addressed the significant risks we identified in forming our conclusion on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant risks are those risks that in our view had the potential to cause us to reach an inappropriate conclusion on the audited body's arrangements. The table below sets out the significant risk we have identified. The significant risk was addressed in the context of our conclusion on the Authority's arrangements as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on these risks.

Significant risk	How the matter was addressed in the audit
Financial sustainability The Authority, in line with other local authorities, continues to operate under significant financial pressures. For 2019/20, the Authority planned to deliver a balanced outturn position but to achieve this it needed to deliver planned savings. Since setting the original budget, the Covid-19 pandemic has led to additional spend and requires a significant reprofile of the short and medium term financial plan. There is a risk that the Authority does not meet its 2019/20 budget position or have appropriate arrangements in place to review its savings plans and take full account of the Covid-19 related expenditure and income in the Medium-Term Financial Plan.	Our audit work included, but was not restricted to: • Evaluating the arrangements the Authority has in place to achieve its 2019/20 balanced budget; • Review the achievement of planned savings and outturn during 2019/20; and • Assessing whether the Medium-Term Financial Plan (MTFP) and saving plans appropriately recognise the financial risks and pressures facing the Authority, including the financial impact of Covid-19 on the Council's finances. **Key findings** The Council agreed a net revenue budget for 2019/20 of £294.7 million, subsequently revised to £287.1 million. This was achieved by the Council. The Council planned to deliver £7.7 million savings in 2019/20 as part of the 2020-23 Medium Term Financial Plan (MTFP). The actual savings delivered were £6.5 million. The balance was met through unplanned non-recurrent savings. General Fund reserves and balances increased by £8.4 million to £113.4 million at 31 March 2020. The Council approved a balanced net revenue budget of £304.5 million for 2020/21 in February 2020. This initial MTFP included a budget gap of £12 million and £22 million for 2021/22 and 2022/23 respectively. The financial impact of Covid-19 was felt from March 2020. Kirklees initially received £28.2 million of the £3.7 billion set aside by the government. A specific reserve for Covid-19 pressures was established in March 2020 containing £11.1 million of the governments first tranche of Covid-19 support grant at 31 March 2020. The Council has refreshed its MTFP in view of the emerging pressures and anticipated funding streams, including from Covid-19. This was approved by full Council on 20 October 2020. The budget gap has reduced to £1.9 million for 2021/22 and £13.1 million for 2022/23.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Authority 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 Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2020. We are satisfied that this work does not have a material effect on the financial statements or on our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority’s members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature**]**

Jon Roberts, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol
[Date**]**