

BRISTOL CITY COUNCIL

Audit Committee

29 June 2012

Report of: Service Director (Finance)

Title: Draft Statement of Accounts Year Ended 31 March 2012

Ward: Citywide

Officer presenting report: Peter Robinson, Service Director (Finance)

Contact telephone number: 0117 9222419

RECOMMENDATION

That the Committee consider and comment on the draft Statement of Accounts for the year ended 31 March 2012, as appropriate.

Summary

The draft Statement of Accounts for the financial year ending 31 March 2012 has been completed (subject to finalisation of the cash flow statement and related notes). A final draft copy will be tabled at the meeting. The main issues following the closure of the Council's accounts are set out within the Explanatory Foreword, which is included in the Statement of Accounts.

Policy

1. The preparation of the Statutory Statement of Accounts is undertaken in accordance with the Code of Practice on Local Authority Accounting (CIPFA). The Accounts and Audit Regulations 2011 require that the accounts for 2011/12 are completed and then signed by the S151 Officer by 30 June 2012.

Consultation

2. Internal - Directorate finance officers.

Context

3. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting (CIPFA) 2012.
1. Although there are no new accounting standards this year there are a number of changes, including requirements relating to accounting for Heritage Assets.
2. For 2011/12 the Authority is required to change its accounting policy for Heritage Assets and recognise them at valuation. Previously the Council has consistently valued its Heritage assets on a historic cost basis or at insurance valuation. The Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 introduced a change to the treatment in accounting for heritage assets held by the Authority. The code now requires heritage assets to be carried separately in the balance sheet at valuation. In applying the new accounting policy, the Authority has identified that the assets that were previously held as community assets within property, plant and equipment at £120 million (31 March 2011) should now be recognised as heritage assets. These assets primarily relate to the City Museum's collections. The carrying value in the 2011/12 accounts is £129 million. This is the only material change in accounting policies over those applied in 2010/11.
3. Although the Accounts and Audit Regulations no longer require Member approval of the Statement at this stage, the Committee has indicated previously that it would want the opportunity to consider and comment on the accounts, as appropriate, prior to the commencement of the audit. This is generally considered to be best practice, and presents a useful means by which Members can gain familiarity with the accounts prior to formal approval in September.
4. Following consideration by the Committee and sign-off by the S151 Officer, the draft Statement will be submitted for audit. The auditor's report will be submitted to this Committee by 30 September 2012 for acceptance and Committee approval for the accounts will be sought at this stage.
5. As in previous years, it is proposed to arrange an informal training session for Members of the Committee sometime before the accounts are due to be

approved at the September meeting.

6. Risk Assessment

A qualified audit opinion would have a detrimental affect on the Council's standing and would lead to adverse publicity.

Equalities Impact Assessment - N/A

Legal and Resources Implications - None sought

Appendices: 1. Draft Statutory Statement of Accounts for the year ended 31March 2012.

ACCESS TO INFORMATION

Background Papers: Code of Practice on Local Authority Accounting in the UK, 2012
Relevant working papers in the Finance Division