

Audit Committee Agenda



Date: Monday, 25 March 2024

Time: 2.00 pm

Venue: The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

Distribution:

Councillors: Andrew Brown (Chair), Fabian Breckels, John Geater, Jonathan Hucker, Guy Poultney, David Wilcox (Vice-Chair), Amirah Cole, Patrick McAllister, Steve Pearce, Adebola Adebayo and Simon Cookson

Issued by: Allison Taylor, Democratic Services

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Date: Friday, 15 March 2024



Agenda

1. Welcome, Introductions and Safety Information

(Pages 4 - 6)

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Public Forum

Up to 30 minutes is allowed for this item.

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on **19 March 2024**.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on **22 March 2024**.

Members of the press and public who plan to attend a public meeting at City Hall are advised that you will be **required to sign in** when you arrive and you will be issued with a visitor pass which you will **need to display at all times**.

5. Statement of Accounts Year Ended 31 March 2023



Appendices to follow

(Pages 7 - 10)

6. Grant Thornton ISA 260 report

Appendices to follow

(Pages 11 - 13)



Public Information Sheet

Inspection of Papers - Local Government (Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Attendance at Public meetings

Public meetings including Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny are held at City Hall.

Members of the press and public who plan to attend a public meeting at City Hall are advised that you will be **required to sign in** when you arrive and you will be issued with a visitor pass which you will **need to display at all times**.

Please be advised that you may be asked to watch the meeting on a screen in another room should the numbers attending exceed the maximum occupancy of the meeting venue.

COVID-19 Safety Measures

We request that no one attends a Council Meeting if they:

- are suffering from symptoms of COVID-19 or
- have tested positive for COVID-19

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.

Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee Members and will be published on the Council's website before the meeting. Please send it to democratic.services@bristol.gov.uk.

The following requirements apply:



- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting.**

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, it may be that only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the Committee and published within the minutes. Your statement or question will also be made available to the public via publication on the Council's website and may be provided upon request in response to Freedom of Information Act requests in the future.

We will try to remove personal and identifiable information. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Other committee papers may be placed on the council's website and information within them may be searchable on the internet.

During the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.
- Under our security arrangements, please note that members of the public (and bags) may be searched. This may apply in the interests of helping to ensure a safe meeting environment for all attending.
- As part of the drive to reduce single-use plastics in council-owned buildings, please bring your own water bottle in order to fill up from the water dispenser.

For further information about procedure rules please refer to our Constitution

<https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>



Webcasting/ Recording of meetings

Members of the public attending meetings or taking part in Public forum are advised that all Full Council and Cabinet meetings and some other committee meetings are now filmed for live or subsequent broadcast via the council's [webcasting pages](#). The whole of the meeting is filmed (except where there are confidential or exempt items). If you ask a question or make a representation, then you are likely to be filmed and will be deemed to have given your consent to this. If you do not wish to be filmed you need to make yourself known to the webcasting staff. However, the Openness of Local Government Bodies Regulations 2014 now means that persons attending meetings may take photographs, film and audio record the proceedings and report on the meeting (Oral commentary is not permitted during the meeting as it would be disruptive). Members of the public should therefore be aware that they may be filmed by others attending and that is not within the council's control.

The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notice-for-resource-services



Audit Committee

25 March 2024



Report of: Director of Finance
Title: Statement of Accounts Year Ended 31 March 2023
Ward: City Wide
Officer Presenting Report: Denise Murray
Contact Telephone Number: 0117 3576255

Recommendation

1. Audit Committee approves the Statement of Accounts for the year ended 31 March 2023.
2. Audit Committee approve the signing of the Letter of Representation (attached at appendix 2)

Summary

This report should be considered alongside the ISA260 report being presented by the Council's external auditor.

The Statement of Accounts sets out the Council's financial position as at the 31 March 2023 along with a summary of its income and expenditure for the year to 31 March 2023. The financial statements are the main method of demonstrating financial accountability and stewardship.

Grant Thornton have substantially completed their audit work on the financial statements, and subject to the resolution of outstanding queries, anticipate issuing an unqualified audit opinion. The audit has identified a number of adjustments and presentational changes to the accounts since the draft Statement was presented to Members on 30 May 2023. These are summarised in this report.

Policy

None affected by this report.

Consultation

- 1. Internal**
Executive Members and senior management
- 2. External**
The draft accounts were available for public inspection.

Background and Context

1. Audit Committee last considered the draft accounts at its meeting of 30 May 2023. There have been a number of corrections and technical adjustments made to the Statement since its last publication and these are detailed in paragraph 5 below.
2. The Council's Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) which is based on International Reporting Standards (IFRS). This is necessary to ensure that accounts of all Government funded bodies provide comparable and consistent information.
3. The annual accounts presented for approval have been audited by the external auditors, Grant Thornton, who have reviewed and undertaken significant testing of the financial statements and processes to complete them to ensure they have been prepared in line with regulatory and statutory requirements. Their findings and opinion on the accounts are reported separately as part of their findings report to Audit Committee.
4. The External Auditors, Grant Thornton, propose to issue an unqualified audit opinion on the Council's financial statements. There remain a number of minor outstanding matters under consideration. Prior to approving the accounts, the Auditor requires that the Audit Committee considers the matters raised in the Annual Governance Statement for 2022/23. Members will note this was approved at the meeting on 30 May 2023. A small number of minor changes and updates have been made since this date.
5. The Audit has identified several changes to the draft accounts previously circulated. Besides several minor corrections and updates to disclosure notes there are six more material adjustments impacting on the financial statements. Of these, three follow directly as a result of adjustments to the 2021/22 accounts recommended by the Auditor after the draft accounts for 2022/23 were published.

A fourth relates to the on-going impact of the 2022 triennial valuation of the Local Government Pension Scheme (LGPS). Details of each are provided:

- I. The triennial valuation was undertaken as at 31 March 2022 and published as at 31 March 2023, which was after the Council commissioned its actuarial report for 2022/23. The Council therefore commissioned a revised report to reflect the pension funds position after the revaluation. The updated and revised actuarial calculations have been included in this set of accounts creating an unavoidable adjustment, leading to a reduction in the overall pension liability by £13.4m. (Note 35)
 - II. The results of the 2021/22 audit identified several items of government grant and other income which needed to be reclassified in the accounts. This impacted on their presentation in the 2022/23 draft accounts, which were corrected prior to resubmission to Grant Thornton at the beginning of the audit. There is no overall impact on the accounts other than reclassifying the disclosure of certain grant income in particular notes. The larger items include,
 - Community Infrastructure Levy (CIL) income now recognised in year in revenue and then credited to the capital investment reserve on the balance sheet (note 18 – useable reserves.)
 - £13.5m revenue grants moved from short term creditors (note 31) to revenue grants received in advance (note 16)
 - III. Likewise, during the 2021/22 audit, the Council agreed to a split of the business rates appeals provision between appeals likely to be settled before and after one year. This has been replicated in the 2022/23 accounts (Note 32).
 - IV. A net £10m of cash equivalents (note 30), mainly fixed term deposits, have been reclassified as short-term investments (note 25) on the balance sheet.
 - V. The Council includes in its group accounts the financial results of its various material subsidiary undertakings. These are then compared with the final, audited accounts for each undertaking. The accounts are then updated, as required, for any significant changes. The audited accounts for Bristol Waste Company disclosed an increase of £3.5m in the companies net asset position, largely due to an actuarial gain in the LGPS. As Bristol Waste Company is valued on the Council's balance sheet on a net asset basis, we have made this adjustment.
7. Attached at Appendix 2 is the Letter of Representation. This is provided by the Council in connection with the audit of the financial statements for the purpose of expressing an opinion as to whether the financial statements give a true and fair

view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and applicable law.

Other Options Considered

Not applicable

Risk Assessment

The Statutory Accounts need to be formally published as soon as practicable. This report, together with the Annual Governance Statement, forms part of the assurance process.

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 Statement of Accounts 2022/23

Appendix 2 Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance

Audit Committee

25 March 2024



Report of: *Grant Thornton UK LLP*

Title: *Grant Thornton ISA 260 Report*

Ward: *City Wide*

Officer Presenting Report: *Grant Thornton UK LLP*

Recommendation

The Audit Committee note, and comment as appropriate, on Grant Thornton's Audit Report for 2022/23 and the action plan agreed by management.

Summary

Attached to this report is Grant Thornton's Audit Report to those charged with governance, which highlights the key issues arising from the audit of the Council's financial statements for the year ended 31 March 2023. This report enables Grant Thornton to discharge their responsibilities in accordance with International Standards of Auditing (ISA) 260.

There remain a small number of issues under review and officers are working with Grant Thornton to bring these to a conclusion prior to the committee date. Assuming these are concluded satisfactorily Grant Thornton intend to issue an unqualified audit opinion on the Council's financial statements.

Policy

None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

1. Internal

Grant Thornton have discussed and agreed the findings of the audit with the Director of Finance and with Senior Finance Officers.

2. External

None

Background and Context

1. Grant Thornton is required to form an opinion on the Council's annual financial statements. This report sets out the outcomes of the audit of the Council's financial statements and the issues arising.
2. Barrie Morris will be attending the Committee and will be pleased to answer Members' questions.

Other Options Considered

Not applicable

Risk Assessment

None necessary for this report

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1: Grant Thornton's Audit Report 2022/23

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None