

Audit Committee

21 September 2017



Report of: Director of Finance

Title: Statement of Accounts Year Ended 31 March 2017

Ward: City Wide

Officer Presenting Report: Denise Murray

Contact Telephone Number: 0117 3576255

Recommendation

The Audit Committee approve the Statement of Accounts for the year ended 31 March 2017

Summary

The Statement of Accounts sets out the Council's financial position as at the 31 March 2017 along with a summary of its income and expenditure for the year to 31 March 2017. The financial statements are the main method of demonstrating financial accountability and stewardship.

The audit identified one significant change to the draft accounts relating to the valuation of the Council's housing stock. This and a number of minor changes have been agreed and incorporated into the revised Statement of Accounts attached at Appendix 1.



Policy

None affected by this report.

Consultation

- 1. Internal**
Strategic Directors, Service Directors and the finance team
- 2. External**
The draft accounts were available for public inspection.

Background and Context

1. The Council's Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (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.
2. Consequently the accounts are a complex and technical document. The Narrative Report at pages 10 to 14 of the Statement aims to provide a general guide to the items of interest and highlight some of the more significant matters that have determined the position for the financial year ending 31 March 2017.
3. The External Auditors, BDO, will issue and present their opinion in respect of the financial statements at the meeting. Prior to approving the accounts the Auditor requires that the Audit Committee considers the matters raised in the Annual Governance Statement for 2016/17, which is presented as a separate report to this agenda.
4. The Audit has identified the requirement for a major change to the draft accounts previously circulated. The valuation used for the Council housing stock which had been undertaken at 1 April 2016 and not 31 March 2017. This had not been an issue in previous years however the significant increase in house prices in Bristol during 2016/17 has meant that the upward movement has created a material error in the valuation. We have therefore revised the valuation and the accounts have been amended accordingly, with an upward revaluation of approximately £200 million. The comparative figures for 2015/16 have also been amended.

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5. There were a number of other minor changes agreed with the Auditor and these have been incorporated into the revised Statement of Accounts attached at Appendix 1.
 6. The External Auditors are nearing the completion of their audit and will issue their opinion to the accounts in a separate report to be presented to this Committee, and that will then be incorporated in the final published statement.
 7. The Council is required to provide a Letter of Representation in connection with the audit of the financial statements for the purpose of expressing an opinion as to whether those statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law (see Appendix 2). This must be signed off following consideration of the statement of accounts by Committee.

Other Options Considered

Not applicable

Risk Assessment

The Statutory Accounts need to be formally published with the statutory timescale. 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

The Accounts and Audit Regulations require the Council to publish a Statement of Accounts by 30 September 2017.

Financial

This is a report of the Director of Finance and any financial implications are detailed in the body of the report and appended Statement of Accounts.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 Statement of Accounts 2016/17

Appendix 2 Letter of representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance