

Audit Committee

22 March 2021



Report of: Director of Finance

Title: Statement of Accounts Year Ended 31 March 2020

Ward: City Wide

Officer Presenting Report: Denise Murray

Contact Telephone Number: 0117 3576255

Recommendation

1. That Audit Committee notes the amendment to the Annual Governance Statement for 2019/20 (pages 34 – 65 of the Statement of Accounts).
2. Audit Committee approves the Statement of Accounts for the year ended 31 March 2020.

Summary

This report should be considered alongside the final 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 2020 along with a summary of its income and expenditure for the year to 31 March 2020. The financial statements are the main method of demonstrating financial accountability and stewardship.

Following the audit, there have been a number of adjustments and amendments to the accounts since the draft Statement was last presented to Members on 27 August 2020. 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 considered the draft accounts at its meeting of 27 August 2020. There have been a number of corrections and technical adjustments made to the Statement since its last publication and these are detailed in paragraph 4 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 2019/20 (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. Consequently, the accounts are a complex and technical document. The Narrative Report at pages 7 to 21 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 2020.
4. 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.
5. The External Auditors, Grant Thornton, propose to issue an unqualified audit opinion on the Council's financial statements. There are a small number of 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 2019/20.

6. The Audit has identified a number of changes to the draft accounts previously circulated. Besides several minor corrections and updates to disclosure notes these include,
 - I. A reduction of £9.5m in the value of the Council's investment properties. This is as the result of a further review by the Council's Valuer.
 - II. A reclassification on the balance sheet of Covid-19 support grant. £13.5m has been reclassified from short term creditors, recognised as in-year income and moved to a useable reserve.
 - III. A further downward adjustment of £5.4m in relation to the Council's unquoted equity investment in Bristol Holdings. This relates to Bristol Energy and has the effect of increasing the in-year impairment from £14m to £19.4m.
7. The Audit has identified a disclosure requirement for a post balance sheet event note since the draft accounts were presented to Audit Committee. The note sets out the position relating to Bristol Energy as at March 2021. This note has been agreed with the Auditor and incorporated into the revised Statement of Accounts attached at Appendix 1.
8. Post balance sheet events occur after the balance sheet date of 31 March. As such there is no requirement to amend the financial statements. However, we have added additional narrative to the accounts.
9. 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 2019/20 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 2019/20

Appendix 2 Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance