

# Public Forum

Audit Committee  
22 March 2021



## 1. Members of the Audit Committee

Questions	
Agenda Item	Name
Item 7 – Work Programme	Clive Stevens

Statements	
Agenda Item	Name
Item 9 – Statement of Accounts	Councillor Geoff Gollop
Item 9 – Statement of Accounts and Item 10 – Draft AGS 19/20	Clive Stevens



Dear Audit Committee – I do hope you are all keeping well. I have two questions about the Work Program.

At the time of writing these questions, the Minutes of the 23 November meeting are still not available. Had they been I think they would have noted my comment as a then Committee Member about the Council's Record Retention Policy. I think that's the meeting where I brought up the fact that that Policy hadn't been updated since 2014, was shared across two directorates (so two databases) and hadn't been audited. I'm hoping the Chair will remember that he said that this should be brought up in March as possible Internal Audit Work for the next Municipal Year. The Data Protection Officer (now in charge of both databases) who was relatively new to this role accepted the weaknesses and undertook to correct them.

Question One: Given that good records form the basis of learning and accuracy of information for officers and answers to freedom of information requests I'm hoping that Audit Committee will agree that this is an area worthy of work by Internal Audit in 2021/22 please?

The specific issue I investigated last year showed that the Council only keeps the records it legally has to keep. Everything else is discarded. The outcome of this meant in my case that no records were kept of an investigation the Council had done in Jan 2020 into alleged poor employment practices by an organisation in receipt of Council grants. Council Policy has standards for organisations in receipt of Council grants. Officers can check those standards are being upheld but there is no legal reason to hold records of such investigations (I was told). This resulted in an FOI request for the record of the investigation, a request made just a few months after, was answered by the Council saying it had no records (other than the fact that the investigation was done and the Council found the recipient organisation was not at fault). Whether there was any fault is neither here nor there, my point is the Council kept no records.

Question Two: Can I ask Audit Committee consider commissioning some work please to identify whether there are some records over and above statutory records that should be retained for a relevant time period? (I appreciate this might mean officers need to do a piece of work to evaluate this, perhaps Internal Audit themselves).

Thank you and stay well. Clive Stevens

## Public Forum Statement

### Audit Committee

22 March 2021

I am afraid the time limit for public forum questions for this audit committee has again caught me out! I have raised the question with Denise and have had some answers with the rest to follow.

I believe these are questions the committee should need to ask before approving the accounts. I felt it was appropriate to share them with as a written statement, so that officers have the chance to prepare a response, and to save me having to ask each question at the meeting

The questions I would have asked fall into 3 sections.

Bristol Beacon -where I am concerned that the carrying value of the asset may not reflect the current value of the shell.

Bristol Energy-where I am having difficulty understanding the notes to the accounts

Other accounting issues

#### Bristol Beacon

1. Under what fixed asset heading is the Bristol Beacon included?
2. What is the carrying value of the Bristol Beacon at 31 March 2020?
3. On what basis is that carrying value arrived at?
4. What do you consider the current valuation of the Bristol Beacon at today's date?
5. Do you not consider any further impairment provision is necessary for the 2020 accounts?
6. Would you consider any further impairment necessary for the 2021 accounts based on current information?
7. If not, can you clarify why not?

#### Bristol Energy

1. I have tried to understand the financial statements and the treatment of Bristol Energy. In particular I cannot understand note 5 on page 89 and 90
2. Is the £19.5m impairment the amount necessary to reduce the carrying value to £1.4m?
3. Is the £7.3m risk reserve in addition to the £35m of impairment referred to in the note or included within it?
4. The last paragraph of note 5 mentions a number of figures but does not clarify what additional impairment provision will be needed in the 2021 financial statements. What is the current estimate of that figure?
5. Why has it not been provided for in the 2020 accounts?
6. How was the additional £5.4m in year impairment provision arrived at and why did it increase by £5.4m in the final accounts?
7. Why did it need the audit to identify a post balance sheet event note relating to Bristol Energy, as this issue has been raised at Audit committee since the 2019 accounts were being considered? (page 19 para 7)
8. Can you confirm there was no additional impairment necessary between the signing off of Bristol Energy accounts on 10th November and the signing of Bristol holding accounts on 17<sup>th</sup> December

9. How much interest receivable from Bristol Holding in respect of preference share is written off or provided for in these accounts and in total?
10. Are there any other costs to be reflected in the 2021 accounts that are not shown in the table below
11. Councillors and residents are still questioning the total cost of Bristol Energy. If I summarise the information I have available I believe the total excluding costs born directly by the council are as follows. Can you confirm that with the interest figure that is correct

Description	Source of information	£m
Impairment to date	Note 5 second paragraph	31.5
Impairment needed 2021 accounts	Note 5 paragraph 4	1.4
Risk reserve/indemnity	Note 5 paragraph 8	7.3
Interest waived	TBA	
Total		£40.2m

Other questions- questions 1-3 have been answered in full, but I am leaving them here for the record

1. (Page 19 para 6ii).The movement of £13.5m from creditors to income is significant, how did this adjustment arise?
2. which reserve has been increased by this adjustment?
3. why was it not credited to the general reserve?
4. (Para 6i) did the reduction in investment property valuation relate to retail property in general. Or was it to one specific property?
5. It would be reasonable to anticipate a reduction in investment property valuations in the 2021 accounts, given the signing date is within a month of the next year end, would it be appropriate to refer to the potential reduction specifically?

Geoff Gollop

18/3/21

## **Public Statement to Audit Committee – Agenda 9 – Accounts, Year End 31 March 2020 – Clive Stevens**

Dear Committee – I hope you are keeping well.

I would like to draw your attention to just three phrases within the 300 pages you have before you! I think the phrases show confusion over the role of Councillor regarding policy development in Bristol. (Page numbers are from the consolidated document).

a) Page 34 – Bottom of RHS *“Our 70 elected Councillors represent the people of Bristol and set the overall policy of the Council”*.

Clive’s comment: I agree with the first half of that but not the second. It is the Mayor and Cabinet, not Councillors who set the overall policy. This is actually shown on page 52. I suspect this is a legacy and simply hasn’t been updated.

b) Page 52 – Top Left of the Governance Triangle. Section entitled policy development. *“Mayor & Cabinet, with support from scrutiny, etc etc”*

Clive’s comment: This is the old Governance Framework (from 2018). It does include scrutiny but it would be misleading to say with support from Scrutiny. I see you are reviewing a new Governance statement at Agenda item 10. See next. Will that be the one used here (for 19/20 accounts)?

### Agenda 10 – new Governance Statement

c) Page 220– In the Governance Triangle. The wording has been changed. Section entitled policy development says: *“Mayor & Cabinet etc etc”*,

Clive’s comment: no mention of Councillors nor Scrutiny within policy development now. It reflects reality. Is this new version what’s going in the 19/20 accounts, to replace page 52 or is it for next year, the 20/21 accounts?

### **Summary. Audit Committee I ask you two things please...**

1) For agenda item 9, I would ask you please to correct the phrase on page 34 RHS. It does not reflect the reality of what was happening in the year 2019/20.

2) For agenda item 10 (Page 220), the phrasing under policy development reflects reality. Many councillors have expressed their dissatisfaction with this reality. I would hope that you robustly discuss whether you agree to this proposed change. Or whether you think it reduces the quality of Council governance.

Thanks, kind regards and stay well – ex-Councillor Clive Stevens