

Public Forum

Audit Committee

30 May 2023 at 2pm



1. Members of the Audit Committee

Questions		
Number	Name	Items
1	Suzanne Audrey	17, 19 & 20

There were no Statements received.



I would like to submit the following questions to Audit Committee on Tuesday 30 May.

I hope to attend the meeting.

Best wishes

Suzanne Audrey

1. I am struggling to understand the timetable for drafting, auditing, and publishing Bristol City Council accounts (which seems quite protracted). Are you able to outline the process please, and indicate when can we expect the audited statement of accounts to be published on the council website [[Council audited accounts \(bristol.gov.uk\)](https://www.bristol.gov.uk/council-audited-accounts)] for the years 2020-21, 2021-22, and then 2022-23?

Response:

The statutory deadline for the completion of draft accounts to be published on the Council's website was, for 2020-21, the 31 July 2021, for 2021-22, the 31 July 2022 and for 2022-23 the 31 May 2023. The Council met the statutory publication deadlines for 2020-21 and 2021-22 and will formally publish the 2022-23 draft accounts on the Council's website on 31 May 2023.

Our External Auditors were close to signing off the 2020-21 accounts in March 2022, when a final version was presented to Audit Committee. However, at that time a national issue around the valuation of infrastructure (highways) assets arose and any unsigned local authority accounts were put on hold until a temporary resolution could be found. This was announced at the end of December 2022. Work was then carried out by officers within Finance and Property to comply with the new requirements, which in turn was subject to further audit.

In addition to the above, as at 31 March 2022, there has been a change in the valuation methodology from Existing Use Value (EUV) to Depreciated Replacement Cost (DRC) for some of the Council's assets as it was identified in year that these should have been valued under DRC. While the external auditors understand why the Council have made the change (i.e. that there is no longer the evidence to support an EUV valuation), it has been necessary for each of the assets (which were revalued using EUV method last year) to be revalued as at 31 March 2021 had DRC been used as the method of valuation. The change has resulted to a further adjustment to the accounts.

Grant Thornton are planning to sign off the 2020-21 shortly.

A similar national issue, this time around the triannual revaluation of the pension fund, has delayed signing of the 2021-22 accounts. The fund's Actuary are currently looking into this, with a view to, potentially, issuing new figures imminently. Officers along with Grant Thornton will then assess the impact on the 2021-22 accounts. This will enable completion of the audit later this year.

The Accounts and Audit (Amendment) Regulations SI 2022 /708 has set a target date for publication of 2022/23 to 2027/28 audited accounts as 30 September

It is worth bearing in mind that Bristol's accounts are particularly complex. Fixed assets and pension fund balances represent huge balances in the Council's accounts, and therefore are considered high risk areas by the external auditor. It is also worth noting that, as at December 2022, including 2021/22, audit firms still had more than 630 overdue opinions to issue.

2. The Annual Governance Statement 2022/23 indicates: Since 2020/21, the number of breaches of the council's procurement regulations continue to significantly increase rising to 342 (16% of procurements) in 2022/23. This suggests the situation is getting worse, rather than better. The main categories of purchase in which the breaches occur have been identified but not the reasons why the breaches are increasing. What are the main reasons for the significant increase in the number of breaches of the council's procurement regulations?

Response:

The procurement breaches are not due to non-compliance with Public Procurement Regulations rather the council's **internal** procurement rules. The increase is due to two main areas; the implementation of the contract management system which has improved tracking and monitoring and provided greater visibility to spot purchases, which could be better aligned to an existing contract and a significant increase in service demand and requests from Social Care Services (Adults & Children's) that require emergency placements that the council is unable to provide as current capacity is exceeded.

Director actions taken include root cause analysis, detailed reporting, procurement compliance training for officers; redesign of internal processes; and implementation of a contract management system & framework to aid forward planning and new frameworks being considered to increase placement capacity.