

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

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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