

BRISTOL CITY COUNCIL

MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
HELD ON 25TH SEPTEMBER 2009 AT 9.30 A.M.

P Councillor Gollop (in the Chair)

P Councillor Blythe

A Councillor Brain

A Councillor Emmett

P Councillor Hassell

P Ken Guy) Independent

A Judith Hooper) Members

AC

30.9/09

**APOLOGIES FOR ABSENCE, SUBSTITUTIONS AND
INTRODUCTIONS**

Apologies for absence were received from Councillor Emmet and Councillor Brain. Councillor Sykes and Councillor Bees attended as substitute.

AC

31.9/09

MINUTES AUDIT COMMITTEE - 31ST JULY 2009

RESOLVED - that the minutes of the meeting of the Audit Committee held on 31st July 2009 be confirmed as a correct record and signed by the Chair subject to the insertion of "A" to replace "An" at point 1 of page 5 and to the insertion of "flu" to replace "fly" on page 3.

AC

32.9/09

CHAIR'S BUSINESS

RESOLUTION - (1) that the Transformation Programme and the role played by Internal Audit in reviewing any significant systematic changes, be incorporated into the next

Internal Audit periodic report to provide assurance that proper governance was in place.

(2) that comments on the present and proposed spending arrangements relating to the establishment of the 14 Neighbourhood Committees and associated budget provision for decision making and officer support, be incorporated into the next Internal Audit periodic report

(3) that Resources Commission be invited to review and consider the proposals relating to devolution to neighbourhoods.

AC

33.9/09

WORK PROGRAMME

RESOLVED - that the work programme be noted.

AC

34.9/09

MONITORING OF MAJOR CORPORATE PROJECTS

The committee considered a report of the Strategic Director of Resources (agenda item no. 8) inviting the committee to endorse the monitoring processes in place to provide effective oversight of corporate projects.

The Strategic Director of Resources reported as follows:-

- Controls had been introduced by the Major Projects Team based within City Development to create more effective support and a framework for the management of projects.
- The purpose of the Infrastructure and Development Board was to look at the needs and requirements of projects across the city and provide oversight and monitoring. Attention was drawn to Appendices 1 and 2 of the report setting out a summary of major projects and a schedule showing corporate monitoring of major projects.

Below is a summary of the ensuing discussion :-

- It was suggested that the monitoring process should be codified by ensuring an immediate officer replacement if an officer responsible for a project leaves. “TBA” should never be the case.
- A consistent level of contingency was needed to address overspends and ensure difficulties were not being masked. An additional column would be added to Appendix 2 specifying the contingency part of the budget. The Strategic Director of Resources would provide an information briefing note on 2/3 projects setting out contingency/what had been absorbed.
- The Strategic Director of Resources would provide a presentation on the role of the Infrastructure and Development Board, its monthly meetings and an example case – spend against progress and the controls/contingency in place.
- An update report would be brought to the committee biannually or as considered appropriate.

- RESOLVED -**
- (1) that the report be noted.**
 - (2) that the monitoring processes in place to provide effective oversight of corporate projects be endorsed.**
 - (3) that the monitoring process be codified by ensuring an immediate officer replacement if an officer responsible for a project leaves.**
 - (4) that an additional column be added to Appendix 2 specifying the contingency part of the budget and that the Strategic Director of Resources provide an information briefing note on 2/3 projects setting out contingency/what had been absorbed.**

- (5) that the Strategic Director of Resources provides a presentation on the role of the Infrastructure and Development Board, its monthly meetings, and an example case setting out spend against progress and the controls/contingency in place.**

AC

35.9/09

AUDIT PROTOCOL WITH BRISTOL PARTNERSHIP

The committee considered a report of the Strategic Director of Resources (agenda item no. 9) inviting the committee to agree the audit protocol attached as Appendix 1 to the report, which would be submitted to the Bristol Partnership (BP) for consideration.

The Strategic Director of Resources reported as follows:-

- Funding for the BP totalling £350K was provided by various partners as set out at paragraph 1.2 of the report and BCC's contribution was £150K. Primary responsibility lay with the Chief Executive, however a report would be submitted to the Audit Committee on a six monthly basis to ensure that arrangements were properly scrutinised and the money was used effectively.
- The purpose of the protocol was not to establish if the BP was providing value for money. Over time, information gathering and external scrutiny would allow an assessment to take place but it was currently too early in the process. The protocol was about the controls in place regarding the use of the money. The value derived from the BP was a separate issue which the Audit Commission's initial Comprehensive Performance Assessment (CAA) would cover.

In conclusion, it was agreed that paragraphs 3.2. 3.3 and 4.1 would be amended to reflect that the Audit Committee did not have direct responsibility for the use of city council resources or the control of public money, but that its role was to ensure that controls were in place.

RESOLVED - that the Proposed Audit Protocol between the Bristol Partnership and Bristol City Council be agreed subject to the amendment of

paragraphs 3.2, 3.3 and 4.1 to reflect that the Audit Committee did not have direct responsibility for the use of city council resources or the control of public money, but that its role was to provide assurance that an adequate control environment existed.

**AC
36.9/09**

GRANT THORNTON: ISA 260 REPORT ON THE AUDIT OF ACCOUNTS 2208/09

The committee considered a report of the Service Director Finance (agenda item no. 10) inviting the Audit Committee to note and comment on Grant Thornton's Annual Report on the accounts for 2008/09.

Copies were circulated of the revised Statement of Accounts amended in line with the recommendations from Grant Thornton and comments by the Audit Committee. A copy of a user friendly double page spread entitled "Our Financial Performance" to be published in the next issue of the Bristol News was also circulated. Copies of both have been placed in the Minute Book.

In summary, the audit had identified a number of areas where the council had not followed relevant accounting requirements and some formatting revisions. However, the overall quality of the accounts continued to be of a good standard and the auditors would issue an unqualified audit opinion on the accounts and an unqualified value for money conclusion. Attention was drawn to the Action Plan attached as Appendix C to the report summarising the key recommendations arising from the audit.

In conclusion, the committee considered the unadjusted items detailed at Appendix B and noted that they would be excluded from the accounts. Members confirmed that they were happy for officers to sign the Letter of Representation.

- RESOLVED -**
- (1) that the report be noted.**
 - (2) that the unadjusted items to be excluded from the accounts detailed at Appendix B be noted.**

- (3) that the Letter of Representation be signed by officers.

**AC
37.9/09**

STATEMENT OF ACCOUNTS YEAR ENDED 31ST MARCH 2009

The committee considered a report of the Service Director Finance (agenda item no. 11) inviting the committee to approve the revised Statement of Accounts for the Year Ended 31st March 2009, following completion of the audit.

RESOLVED - that the revised Statement of Accounts for the Year Ended 31st March 2009, following completion of the audit, be approved.

**AC
38.9/09**

BUSINESS CONTINUITY PLANNING (UPDATE)

The committee considered a report of the Civil Protection Unit (agenda item no. 12) updating on Business Continuity progress since the last report to the Audit Committee in September 2008.

It was noted that disaster recovery arrangements in relation to data held by schools was being looked at. There were presently 2 departments within C&YPS, each with their own server, that could offer back-up to schools.

It was recognised that departments needed to be in a position to respond swiftly to existing continuity issues and key cornerstone responsibilities embedded further within wider council processes post Business Transformation. It was reported that the list of critical services had been reviewed as a part of Swine Flu preparations. A more formal identification process would be undertaken once the reorganisation process was complete to ascertain how critical functions can best be delivered in light of the changes.

It was agreed that the committee would continue to receive an annual report, but were happy to consider any contingency issues requiring more immediate attention should the need arise.

RESOLVED - that the report be noted.

AC

39.9/09

SWINE FLU BRIEFING

The committee considered a report of the Civil Protection Unit (agenda item no. 13) updating the committee on the authority's response to the swine flu pandemic.

It was reported that the number of reported cases was on the increase again, but there would be no school closures at the present time.

RESOLVED - that the report be noted.

AC

40.9/09

EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that under Section 100A(4) of the Local Government Act, the public be excluded from the meeting for the consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act as amended by the Local Government (Access to Information) (Variation) Order 2006.

AC

41.9/09

HENGROVE PFI - LESSONS LEARNED

(Exempt under paragraph 4)

The committee considered an exempt report of the Service Director of Finance (agenda item no. 15).

The committee was satisfied that the authority's risk management process had been adhered to and that every effort had been made to minimise the issues which had arisen.

RESOLVED - that the report be noted.

AC

42.9/09

INTERNAL AUDIT - REPORT OF INTERNAL AUDIT ACTIVITY FOR PERIOD 1ST APRIL 2009 TO 31ST JULY 2009

(Exempt under paragraph 16)

The committee considered an exempt report of the Strategic Director of Resources (agenda item no. 16) providing a summary of the Audit activity during 2009/10 to date.

RESOLVED - that the activities carried out by Internal Audit during the period 1st April 2009 to 31st July 2009 be noted.

**AC
43.9/09**

CORPORATE DIRECTORATES RISK REGISTER

The committee considered an information report (agenda item no. 17) briefing members on the development and content of the Risk Register for the Directorates of Resources, Transformation and Deputy Chief Executive's.

RESOLVED - that the report be noted.

**AC
44.9/09**

HEALTH AND SOCIAL CARE RISK REGISTER VERSION 7

The committee considered an information report (agenda item no. 18) briefing members on the Health and Social Care Risk Register Version 7.

RESOLVED - that the report be noted.

**AC
45.9/09**

ANY OTHER BUSINESS

The following discussion items were raised:

- number of Council employees
- the capture of saving/efficiencies as a result of the Transformation Programme
- informal virements

AC

46.9/09

DATE OF NEXT MEETING

RESOLVED - that the next meeting of the Audit Committee be held on Friday 13th November 2009 at 9.30am.

(The meeting ended at 12.30pm)

CHAIR