

BRISTOL CITY COUNCIL

**MINUTES OF THE JOINT MEETING OF THE
AUDIT COMMITTEE AND STANDARDS COMMITTEE
HELD ON 9TH APRIL 2010 AT 10.00 A.M.**

AUDIT COMMITTEE

- P Councillor Blythe
- P Councillor Brain
- P Councillor Emmett
- P Councillor Gollop
- P Mr Ken Guy - Independent Member
- P Councillor Hassell
- P Ms Brenda McLennan - Independent Member

STANDARDS COMMITTEE

- P Councillor M Bailey
- P Mrs Anne Foot - Independent Member
- P Mr Trevor Green - Independent Member
- A Councillor Goulandris
- A Mr Bob Maggs - Independent Member
- P Mrs Sheila Ottewell - Independent Member
- A Mrs Rachel Sellers - Independent Member
- A Councillor C Smith

**ACSC
01.4/10**

ELECTION OF CHAIR

**RESOLVED - that Councillor Gollop be elected Chair
for the joint meeting.**

**ACSC
02.4/10**

**APOLOGIES FOR ABSENCE, SUBSTITUTIONS AND
INTRODUCTIONS**

Apologies were received from Bob Maggs

**ACSC
03.4/10**

DECLARATIONS OF INTEREST

None.

**ACSC
04.4/10 PUBLIC FORUM**

None.

**ACSC
05.4/10 MINUTES OF THE MEETING HELD ON THE 27th MARCH 2009**

RESOLVED - that the minutes of the joint meeting of the Audit Committee and Standards Committee held on 27th March 2009 be confirmed as a correct record.

Matters Arising:

In response to a question, officers confirmed that it was hopeful that negotiations through the Local Government Association (LGA) would result in the recovery of the majority of the money invested with Icelandic banks. The investments had been due to mature and be withdrawn on the day of the bank's collapse, with the deposits made one year earlier.

The Council's Treasure Management Advisors remained of value to the Council as external financial advice. Any concern with the advice of Credit Agencies would be a matter for the LGA.

The investment process had been examined by the Auditors, Audit Committee and Resources Scrutiny Committee in great detail and all had been satisfied the procedures had been followed. The Audit Commission had not identified Bristol as having poor processes in place. The Council would continue to ensure that their policies evolved according to market forces and would not put the Council at risk.

Further to the investigations, it was suggested that there could be a risk of being too cautious in future so to miss opportunities. Ethical guidance could also be introduced.

**ACSC
06.4/10 AUDIT COMMITTEE AND STANDARDS COMMITTEE - ROLES AND RESPONSIBILITIES (INCLUDING TERMS OF REFERENCE AND WORK PROGRAMMES)**

The Joint Committee considered a report of the Strategic Director, Resources (agenda item no. 5) relating to the Audit Committee and Standards Committee Terms of Reference and work

programmes.

The Committees were invited to comment on any duplications or omissions within the two Terms of Reference. Through the discussion the following comments were made:

- Within the Audit Committee TOR “the effectiveness of the council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control” related to the Key Performance Indicators that impacted on risk management performance for Resources and the measures in place to ensure they were working.
- The Standards Committee had agreed to include the membership of the whips within the Terms of Reference, which would be reflected in the Terms of Reference presented to full Council at Annual Council in May 2010.
- The Standards Committee Annual Report would be presented to full Council attached to the TOR in May 2010.
- It was requested that the Standards Committee and Audit Committee be given the opportunity to comment on each others Annual Reports, perhaps prior to next year's joint meeting. Officers agreed to look at the timetable for the production of reports to consider whether it was feasible.
- The Audit Committee were anxious that the same standards were applied to Partners as within the Council and it was noted that the audit and monitor of partnerships was not covered by either Committee's Terms of Reference. It was suggested that it could be appropriate to the Standards Committee.

The Committee discussed the concern with standards of behaviour at Council meetings and the effect it had on public confidence.

The Standards Committee strived to promote a high standard of conduct through the Code of Conduct and the complaints process. The Committee had worked with the whips, senior officers and Members to improve behaviour at meetings and aimed to provide an Independent Member presence at full Council meetings.

The following suggestions of improvements to full Council meetings were made:

- There could be more guidance for the public about what would happen and how to behave.
- Not enough justice was given to statements and questions to full Council.
- There needs to be a better education of the public to understand the powers full Council, the Executive and Committees had in terms of decision making. This could help ease the frustration of the public.
- It was important to ensure that actions, statements and petitions were followed up, actioned and systems updated. Petitions (in particular e-petitions) should be presented to the relevant Council meeting.
- The time allocated to public statements should be flexible to deal with big issues with statements provided further in advance for consideration. It was also suggested that a timer indicate how long people had to speak.
- Often meetings were longer than the items on the agenda indicated. Agenda items could be time limited so that the public were not disappointed when items were cut short at the end of the meeting.
- Not having an item for motions would save time.
- Agenda conferences should take place with whips and leaders in order to contribute to the shape of future agendas.
- In terms of the behaviour at full Council, the layout of the chamber in a style like the House of Parliament Chamber did not help.

A review conducted in October 2008 made recommendations for improvements to full Council meetings. It was suggested that the Standards Committee revisit the report and host a discussion to make constructive recommendations about improving the way that Council meetings worked. Previous work had also been done on how to conduct public forum.

RESOLVED - that the report be noted.

**AC
07.4/10**

**COMPREHENSIVE AREA ASSESSMENT (CAA) -
REQUIREMENTS FOR AUDIT AND STANDARDS COMMITTEE**

The Joint Committee considered a report of the Strategic Director, Resources (agenda item no. 6) which related to general and

specific requirements of the CAA, Use of Resources (UoR) and Key Lines Of Enquiry (KLOE) and the expectations of the Audit and Standards Committees.

It was reported that in 2009 the Council scored a level 3 for Governance and level 2 for Internal Control and Risk Management with an overall level 2 for Use of Resources.

Officers hoped to improve on the scores in 2010. Scores had previously fallen when the expectations had been made more stringent but they were expected to rise again.

RESOLVED - that the report be noted.

**AC
08.4/10**

LOCAL CODE OF CORPORATE GOVERNANCE

The Joint Committee received a report of the Strategic Director, Resources (agenda item no. 7) which presented the revised local Code of Corporate Governance for comment. The local Code of Corporate Governance was developed along CIPFA/ SOLACE guidelines and would be presented in its final form to full Council for approval.

In reference to the local Code of Corporate Governance the following suggestions were made:

Para 2.1.1 It was suggested that the last bullet point should read “strategic partners and citizens to promote Bristol as one of the top twenty cities...”

Para 2.1.3 References to a global recession could become out of date quickly (also mentioned in paragraph 2.4.2). It could read; “maximising the economy and well being of Bristol citizens within global conditions”.

Para 2.2.3 There was concern that not enough emphasis was placed on the Governance of Partners and Partnerships, which should be governed by the same expectations and requirements as the Council, and monitored appropriately. Consequently, it was suggested that the second bullet point should read “supporting a partnership agreement for all the partnerships the Council are involved with, including the Bristol Partnership”. Officers agreed to ask other fellow Chief Internal Auditors of major cities how they operated.

Para 2.3.1 It was noted that 'A requirement for declarations of interest to be completed by staff working in sensitive areas or paid above a certain grade' referred to staff on BG14 or above. Changes to politically restricted posts would be discussed by the Standards Committee in June 2010.

Para 2.4.1 typing error “keys” should read “key”

It was reminded that jargon should be kept to a minimum and documents written in plain English. As such in **Para 2.2.3** the word “toolkit” and in **Para 2.5.1** the word “1:1” should be revisited. Consistency should also be maintained between the word 'Member' and 'Councillor'.

RESOLVED - that the report be noted.

AC

09.4/10

ANNUAL GOVERNANCE STATEMENT 2009/10

The Joint Committee received a report of the Strategic Director, Resources (agenda item no. 8) presenting initial officer views emerging from the Annual Governance review process.

The final Annual Governance Statement (formerly the Statement of Internal Control) would be presented to the Audit Committee for approval in June 2010.

In reference to the document, the following comments were made:

Para 3 Reference should be made to all Partnerships, not only the Bristol Partnership. The accountability of partnerships needed to be explored.

Members had some concern regarding Neighbourhood Partnerships which would now take time to establish themselves. Further decision making powers would be devolved in the future. A review would be considered by the Resources Scrutiny Commission in the Autumn.

Para 3.1 The Medium Term Financial Plan had presented model budget scenarios and possible implications. Following the Comprehensive Spending Review in the autumn the MTFP would be revisited. It was suggested that a caveat be inserted to state that the the Plan was built “against a background of uncertainty”

or hypothesising “based upon scenarios of funding levels”. Officers agreed to consider the appropriate language.

Para 3.6 The Council re-launch of the website should be included. It was commented that 'Our City' was considered a valuable tool however, the readership level, success at getting the message across and value for money were hard to measure. It was to be remembered that the most vulnerable members of society were most likely to not have access to the Internet.

Para 3.6 In reference to the third bullet point, it was reiterated that jargon should be kept to a minimum and documents written in plain English.

In relation to items in last year's AGS not proposed for retention it was noted that partnerships were not proposed for retention. That was because the external audit review of the West of England Partnership had found the governance arrangements to be satisfactory, and the Council had made significant progress on partnership governance generally, including on joint risk registers, following last year's criticism in the CPA UoR assessment. However, the joint meeting felt strongly that there was a need for further improvement and that partnerships should be considered for retention. Value for Money in partnerships was an item on a future agenda and the board looked forward to making their comments.

RESOLVED - that the report be noted.

AC

10.4/10

ANY OTHER BUSINESS

The Chairman invited Members to make any comments they felt necessary while the two Committees met. The following points were raised:

- A report would be presented to the Audit Committee in September 2010 about issues raised before the Ombudsman.
- It was agreed that communications between the Audit Committee and the Standards Committee would benefit from references between Committees, when items were of particular relevance.
- It was requested that the audit of members expenses/ declarations of interest be forwarded to both Committees.

- Councillors expenses had been reported within the local press where it was shown which Councillors had claimed expenses to contribute to the cost of broadband. Other Councillors, not listed, had opted for an internal 'centrex' phonenumber provided by the Council. It was suggested that either both, or neither, should be listed to avoid an inaccurate representation of Councillors. Officers agreed to look into the matter.

(The meeting ended at 11.50am)

CHAIR