

**Bristol City Council
Minutes of the Meeting of the Audit Committee
16th January 2015 at 10.30 am**

Present:

Councillors Charlie Bolton, Mark Brain, Phil Hanby, Barbara Janke and Olly Mead;
Independent Member – Ken Guy and Brenda McLennan

Also in attendance:

Councillor Geoff Gollop - Assistant Deputy Mayor, Peter Gillett - Service Director,
Finance and S 151 Officer, Tony Whitlock – Principal Accountant, Jon Clayton –
Principal Accountant, Alison Mullis and Melanie Henchy-McCarthy - Chief Internal
Auditors, Andrea Hobbs – Audit Manager, Barrie Morris and Julie Masci - Grant
Thornton.

58. Apologies for Absence and Substitutions (Agenda Item No. 1)

Apologies were received from Councillor Lesley Alexander and Christopher Eskill –
Independent Standards Member.

59. Declarations of Interest (Agenda Item No. 2)

There were none.

60. Minutes of the Audit Committee held on the 7th November 2014 (Agenda
Item No. 3)

**Resolved - that the Minutes be agreed as a correct record of the Meeting and
signed by the Chair.**

61. Public Forum (Agenda Item No. 4)

Nothing was received.

62. Action Sheet (Agenda Item No. 5)

It was noted that the Council's Ethical Investment Policy has been circulated to
Members and that a report on the Markets Service will be presented to the
Committee at its Meeting on 6th March 2015.

63. Work Programme (Agenda Item No. 6)

The Chief Internal Auditor explained that the Code of Corporate Governance is to be
changed and the Workshop on 6th March will facilitate input into this process. It will
also allow an interactive session on the effectiveness of the Audit Committee.

64. Members Conduct – Standard Item (Agenda Item No. 6)

There was no report under this item.

65. Treasury Management Strategy Statement 2015/16 and Treasury Management Practices (Agenda Item No. 7)

The Committee considered the above report.

The Service Director, Finance and S 151 Officer introduced the report and summarised it for everyone.

During the debate the following points were made:

- BCC meets with other Core Cities to discuss issues
- BCC has not approached other Authorities in relation to a common approach to borrowing as all borrowing has to be in the interests of BCC and has to its criteria and strategy
- There is no alternative to long term borrowing for capital projects as they cannot be paid for out of revenue; also the cost of an asset has to be considered across its life
- The percentage cost of servicing debt will rise as the total revenue budget is reduced
- It was confirmed that the HRA is self funding

Resolved – (1) that the Audit Committee recommends Council to approve the Treasury Management Strategy Statement (Appendix 2) incorporating the Prudential Indicators and MRP Policy Statement; and

(2) that the Audit Committee approves the Treasury Management Practices and Associated Schedules (Appendix 3).

66. Annual Fraud and Error Update (Agenda Item No. 8)

The Committee considered the above report.

The Audit Manager introduced the report and summarised it for everyone.

During the debate and questioning that followed the following points were highlighted:

- A lot of work is being done to improve controls and address the issue of

duplicate payments; a lot of problems were caused last year during the change to ABW

- The number of properties specified on page 117 (35) is based on historical information
- At present there is one vacancy in the Team, once this has been filled more work will be taken on including Tenancy Fraud

Resolved – (1) that the counter-fraud and error work being undertaken by the Council, and plans for the coming year be noted;

(2) that the assessment of the Council's arrangements for counter fraud work against best practice checklists (see appendices 2 and 3) be noted; and

(3) that the suggested amendments to the Anti-Fraud and Corruption Strategy and Policy be approved.

67. Internal Audit Periodic Report (Agenda Item No. 9)

The Chief Internal Auditor introduced the report and summarised it for everyone.

The Chair thanked Internal Audit for their work and stated that he was pleased with progress.

It was noted that the on going delivery model includes maintain an in house Internal Audit Service.

It was also noted that a report on the Business Continuity Plan is received each year and that it has been much improved in recent years. IT resilience is being improved by moving the Data Centre to Swindon where it is hosted on a much more up to date and resilient server.

Resolved – that this Internal Audit periodic update report which together with Appendix A provides details of Internal Audit work for period 1st April to 30th November 2014 be noted.

68. Corporate Risk Register Six Month Review (Agenda Item No. 10)

The Chief Internal Auditor introduced the report and summarised it for everyone.

The procedure for the Non Pay Panel was explained.

The Chair noted with concern that a high risk for children has been identified. On behalf of the Committee he stated that he expects the relevant Assistant Mayor, in

conjunction with Scrutiny, to address this risk.

Resolved – that the report and the Corporate Risk Register which is attached to this report at Appendix 2 are noted.

69. Grant Thornton - Grant Certification Letter 2013-14 (Agenda Item No. 11)

Barrie Morris introduced the report and summarised it for everyone.

Resolved – that the Grant Thornton's Grant Certification Letter for 2013/14 be noted.

70. Applications for Dispensations (Agenda Item No. 12)

Amended Appendices showing DPIs relating to spouses/partners and notified changes were tabled.

Resolved – (1) that dispensations to the elected Mayor and Councillors listed in Appendix A (as amended) to this report, to enable them to participate in discussion and vote on matters in relation to the Civic Budget 2015-16 and the setting of the council tax are granted; such dispensation to be granted for this meeting only; and

(2) that the Monitoring Officer be delegated to grant any further dispensation requests received following this Meeting.

Information Item

The Chair advised that Bath and North East Somerset Council is hosting an Audit Event on 3rd February 2015 at the Guildhall, Bath from 4.00 pm until 6.00 pm. The Event will cover Financial Resilience, and Fraud and Corruption. Further details will be e-mailed in due course.

The meeting ended at 12.00 noon.

Chair