

**Bristol City Council
Minutes of the Audit Committee meeting
10th July 2015 at 10.30 am**

Present:

Councillors Lesley Alexander, Mark Brain (Chair) Olly Mead, Eileen Means, Gary Hopkins;
Independent Members – Brenda McLennan.

Key officers/others in attendance:

Alison Mullis/Melanie Henchy-McCarthy - Chief Internal Auditors, Peter Gillet Service Director (Finance), Rob Woollatt Service Manager (Finance), Graham Booth Finance Manager, Lorna Kellett Senior Accountant, Tony Whitlock Principal Accountant, Barrie Morris/Julie Masci - Grant Thornton.

1. Apologies for absence and substitutions

Apologies were received from Ken Guy Independent Member (Vice-Chair).

2. Public forum

None received.

3. Declarations of interest

None were declared.

4. Minutes of the Audit Committee held on the 26 June 2015

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

5. Action sheet

Actions were noted/updated. (A copy of the Action sheet is held on the Minute Book).

6. Whipping

None.

7. Work Programme

Resolved – that the Work Programme be noted.

8. Internal Audit Annual report 2014/15

The Committee received the annual report from the Chief Internal Auditor detailing the work completed by Internal Audit during 2014/15, the audit opinion on the control framework and areas of significant risk exposure. The Chief Internal Auditor explained that the overall opinion on the control, risk and governance environment at the Council had again been assessed at medium risk for 2014/15.

In addition the report detailed Internal Audit performance and effectiveness, made comment on the Audit Teams resources and identified key developmental areas for the team in the coming year 2015/16. In particular fraud prevention would be given a higher priority following a request from Strategic Directors that a strategic approach was taken to ensure the broader approach of the Council maximised fraud prevention.

Members of the Committee welcomed the report and thanked officers for their work and the clarity of the information contained within it. In comments made it was considered that with regard to fraud prevention care would need to be taken in respect of equalities issues. It was noted that operational risks regarding fraud prevention would continue to be dealt with via the Corporate Risk Register.

Resolved – that, subject to the comments above, the report be noted.

9. Draft Annual Governance Statement 2014-15

The Committee considered a report of the Chief Internal Auditor regarding the approval of the internal control and governance environment during 2014/15 to date prior to formal sign off by the Mayor, City Director and Section 151 Officer in September 2015.

Comments made on the AGS were as follows –

Capital projects

Metrobus – good progress being made but some concerns expressed about recent

media reports so considered that issues such as transparency, funding, value for money and the impact on the Council's reputation needed to be closely monitored. Members questioned the green arrow against this item;

Performance management

Chief Internal Auditor stated that this item could now be removed as no longer considered a risk. In response to a comment made the Chief Internal Auditor agreed to keep this under review in respect of the Metrobus and Arena projects, particularly as Members were interested in performance measurement in relation to these outcomes;

Change programme

Concerns were expressed about cost relating to planning appeals/consultant costs and related loss of experienced staff resource to deal with. The Chief Internal Auditor explained these, and other areas, were already covered in the AGS and by the Corporate Risk Register;

Scrutiny function

Importance of scrutiny was highlighted by members including the need for a structured and early intervention approach to the scrutiny process. Also a need to identify key officers throughout the process. Chief Internal Auditor acknowledged there was work still to be done and agreed to include key officer identification;

Commercial contract management

Importance of close monitoring of commercial contracts was emphasised by members and a role for OSMB to look at to help interpret financial figures and to find a method for managing the 'arms length trading' aspect. Chief Internal Auditor confirmed that a formal report would be brought to the Committee in November and an informal update would be brought to the September meeting for information;

Quality of service complaints system

Concern expressed about delay in implementing a new system due to software issues. Chief Internal Auditor explained that a report on this would be brought to the November meeting of the Committee. The Service Director (Finance) also reminded members that this could be looked at via the AGS update in September;

Financial governance

Chief Internal Auditor reported work with the Finance team, regarding the new financial system, was ongoing but it was anticipated that an improvement would be reported in September;

Organisational knowledge/capacity

The loss of experience, skills and resource following restructuring during 2013/15 had been recognised by the Strategic Leadership Team. Work was ongoing to mitigate as soon as possible.

A comment was made that paragraph 4.3 should be amended to the 'current' Mayor rather than just the Mayor.

Resolved –

(1) That the Draft Annual Governance Statement be approved as a fair reflection of the internal control and governance environment during 2014/15 and to date, prior to it being finalised and signed by the Mayor, City Director and the S.151 Officer in September 2015 subject to the comments above;

(2) That the updated Action Plan be brought back to the Audit Committee in September to support the final approval of the Annual Governance Statement.

10. Markets - financial update on debt issue

The Committee received a verbal report from the Service Director (Finance).

The Service Director (Finance) reported that debt collection rates had not fallen and that the situation was being kept continually under review. Efforts were also being made to maximize income to the Council.

11. Markets Charter

The Service Director (Finance) explained that there was no update information but it was agreed that a written update would be brought to the next meeting of the Committee.

12. Members Standard items

No items were considered.

13. Information item(s)

No items were considered.

The meeting ended at 12.10 pm.

Chair