

# Audit Committee

## Supplementary Information



**Date:** Thursday, 30 July 2020

**Time:** 2.00 pm

**Venue:** **Via Zoom**

### **Distribution:**

**Councillors:** Nicola Bowden-Jones, Chris Jackson, Olly Mead, Liz Radford, Clive Stevens, Tim Kent, Adebola Adebayo, Simon Cookson and Mark Brain

**Copies to:** Simba Muzarurwi (Chief Internal Auditor), Mike Jackson (Chief Executive), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Alison Mullis, Tony Whitlock, Lucy Fleming (Head of Democratic Engagement) and Michael Pilcher

**Issued by:** Allison Taylor, Democratic Services

City Hall, Bristol, BS1 5TR

Tel: 0117 92 22237

E-mail: [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk)

**Date:** Tuesday, 28 July 2020

# Supplementary Agenda

## 5. Minutes of Previous Meeting

(Pages 3 - 7)



## Bristol City Council Minutes of the Audit Committee

25 June 2020 at 4.00 pm



### **Members Present:-**

**Councillors:** Geoff Gollop, Mark Brain, Nicola Bowden-Jones, Chris Jackson, Olly Mead, Clive Stevens, Tim Kent, Adebola Adebayo and Simon Cookson

### **Officers in Attendance:-**

Simba Muzarurwi (Chief Internal Auditor), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Tony Whitlock and Michael Pilcher

## **1. Welcome, Introductions and Safety Information**

The Chair welcomed Members to Committee.

## **2. Apologies for absence.**

Apologies were received from Councillor Liz Radford, (Councillor Gollop attended in substitute) and from Jon Roberts, Grant Thornton.

## **3. Declarations of Interest**

There were none received.

## **4. Public Forum**

Members noted Public Forum received as follows:

### a. Questions received from :

- |    |              |                              |
|----|--------------|------------------------------|
| 1. | Helen Powell | Statement of Accounts        |
| 2. | Joanna Booth | Senior Management            |
| 3. | Clr Gollop   | Financial Statements 2018/19 |

### b. Statements were received from :



1. Cllr Gollop Financial Statements 2018/19

- c. Helen Powell joined the meeting and asked a supplementary question in response to the answers provided to her submitted questions.

*What degree of confidence do you have that the information provided to the auditors reflects the Council's legal advice and the terms of the lease?*

- d. It was confirmed that the information would be sought and a response provided after the meeting.
- e. Councillor Gollop sought clarification that the Bristol Energy Cabinet report had been made available to Audit Members and Grant Thornton before speaking to his statement. Democratic Services confirmed that the documents had been made available.
- f. In discussion, a number of Members expressed a grave concern that they had not been granted sufficient access to the report in order to perform their role of audit. A Member reminded Committee that the Bundred report had been critical of Committee in 15/16 and expressed that it was difficult to see how Committee could perform its role effectively without rights of access to information over and above other Councillors, including the Overview and Scrutiny Management Board Members.
- g. In response to clarification sought by the Chair, the Legal Officer confirmed that the Members of the Audit committee had the '*right to inspect*' documents considered at a private session of the Cabinet meeting, once that meeting had taken place and this had been offered to Members via a visit to City Hall or electronically via a Zoom appointment with the opportunity to take notes, so that Members could have the information they had requested to be able to sign off the accounts.
- h. The Legal Officer reminded Members that they were required to destroy any notes that they had taken during the inspection of the confidential papers.
- i. The Chair noted Members concerns regarding the level of access to the exempt reports and commented that it was important that Members have the appropriate access to papers on the agenda, to be effective at Committee.
- j. The Section 151 Officer advised Members that it would be important for Committee to hear from Grant Thornton to clarify whether the information presented in the Bristol Energy papers had any impact on Committees ability to sign off the 2018/2019 accounts.

## 5. Exclusion of Press and Public

**Members RESOLVED:**



**That under s.100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 3 (respectively) of Part 1 of schedule 12A of the Act.**

## **6. Bristol Energy Governance and Accountability**

The Committee received an update report from Peter Beange, Executive Chairman Bristol Holding Company Limited, and discussion followed.

## **7. Audit findings for Bristol City Council**

The Committee received an update report from Grant Thornton, external auditors, and discussion followed.

## **8. Resume Open Session**

The meeting resumed in open session.

## **9. 2018/19 Statement of Accounts**

In response to Members questions, the following points were raised:

- a. A Member raised concern that the reference to the Special Educational Needs and Disabilities (SEND) judicial review set out on page 41 did not do justice to the case won by parents on substantial grounds and had not been referred to within the Significant Governance Issues section of the Annual Governance Statement.
- b. It was noted that the Audit Committee had approved the Annual Governance Statement in July of the previous year, and approval of the draft accounts had been deferred pending a review by external auditors.
- c. Grant Thornton confirmed that the auditor's report referred to the entirety of the financial statements and supporting information contained within the Narrative Report, this included the Annual Governance Statement and the Significant Governance Issues.
- d. The Legal Officer advised that independent members had no right to vote on the approval of the accounts.
- e. The Chair called for a vote on the recommendation in the report that Audit Committee approved the Statement of Accounts for the year ended 31 March 2019.



- f. Before being put to the vote two Members sought an amendment to the wording at Note 5 of the Notes to the Statement of Accounts for the year ended 31 March 2019.
- g. Members proposed that the wording which states,  
  
*'...the liability arising from the Council's Parent Company Guarantees, is likely to be significantly impacted at the end of March 2020.'*  
  
Should be amended to say,  
  
*'...the liability arising from the Council's Parent Company Guarantees, is likely to be materially impacted at the end of March 2020.'*
- h. The Legal Officer advised Members that Audit Committee had no power to amend reports without notice.
- i. The S151 Officer advised Members that the current wording had been recommended by Grant Thornton after undergoing its own internal quality assurance process.
- j. The Chair noted Officers comments and proceeded to move to a vote.

On being put to a vote, **Members RESOLVED (4 for, 2 against, 1 abstention):**

**That the wording at Note 5 of the Notes to the Statement of Accounts for the year ended 31 March 2019 be amended.**

- k. The Legal Officer confirmed that as Committee did not have the power to amend the accounts, they could not now vote on the accounts as amended.
- l. In discussion, Members confirmed that they were seeking to amend the report recommendation to approve the accounts, and that on this basis they had agreed to the Amendment. It was confirmed that the vote could proceed on this basis.

**On being put to the vote Members RESOLVED (6 for, 1 abstention)**

**To approve the Statement of Accounts for the year ended 31 March 2019 as amended.**

- m. The Chair referred to the concerns raised by Members that there should be parity with Scrutiny with respect to access to exempt papers on Audit agendas.

On being put to the vote, **Members unanimously AGREED**



**That Audit Committee is a key part of the Authority's governance and must have potential access to all papers without restriction. It is inappropriate to restrict access or make access more difficult than would be the case for other Members of Council.**

Meeting ended at 6.50 pm

**CHAIR** \_\_\_\_\_

