

Audit Committee Agenda



Date: Monday, 27 September 2021

Time: 2.00 pm

Venue: The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

Distribution:

Councillors: Gary Hopkins (Chair), Tony Dyer (Vice-Chair), Marley Bennett, John Geater, Zoe Goodman, Katy Grant, Jonathan Hucker, Farah Hussain, David Wilcox, Adebola Adebayo and Simon Cookson

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 (Chief Accountant)

Issued by: Democratic Services
City Hall, PO Box 3167, Bristol BS3 9FS
E-mail: democratic.services@bristol.gov.uk
Date: Friday, 17 September 2021



Agenda

6. Public Forum

Up to 30 minutes is allowed for this item.

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Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on Tuesday 21 September.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on Friday 24 September.



STATEMENT NUMBER 2

Audit Committee 27 September 2021

Public Forum

Item 8 governance Arrangements for Bristol Energy

Whilst disappointed that Grant Thornton do not consider this issue important enough for a Public Interest Report, I welcome this document and the detail it covers.

I particularly welcome page 6 which for the first time quantifies the full extent of the direct cost to the City Council of supporting Bristol Energy. I recognise that the final cost will only be quantified when the liquidation is completed. However, I believe the information disclosed on this page is of material interest to readers of the financial statements of the authority and to Council taxpayers and I urge audit committee to insist that a note to this effect is included in the 2021 Annual Accounts. I would suggest that if members agree that that request should be made either at today's meeting or in advance of the sign off meeting.

I nevertheless put on record my disappointment that it has to be our external auditors that put this figure into print and not the City Council

I would like to see recommendation 1 amended to require an immediate disclosure of the latest estimated loss at the date of sign off.

I am surprised the report does not refer to the application of cash limits to BE. Once the company was told it had to operate within the limits available to it during 2017/18, it was inevitable that as a loss-making business it would run out of cash. It is further disappointing that whilst the deputy mayor was aware of this concern it was not relayed to the cabinet, of which he is an important and influential member.

The acknowledged failure to report the Shareholder Group concerns to Cabinet through the course of the company's deteriorating circumstances is a very serious governance issue. As an observer to Shareholder Group I had assumed that the increasing concerns raised at that group were being conveyed to cabinet. I could not understand why this advice was repeatedly ignored.

I believe Audit Committee needs to address this failure and ensure checks and balance are put in place to stop such a blatant failure of communication and control from ever happening again

I welcome the comments on page 15 regarding OSMB and scrutiny. I understand that the shareholder group minutes will now be made available to OSM members which should also improve the process.

I could comment in detail on each recommendation, but that would not be constructive. I do ask you to consider how you as a committee monitor the administration's response to this damning report and I suggest it could be an ongoing monitoring of processes involved in confidential decision making where the unfettered power of the Mayor is most dangerous. I urge you to develop a programme of checks on such processes to be carried out on your behalf by internal audit.

Geoff Gollop

23 September 2021