

Audit Committee

Agenda



Date: Monday, 26 September 2022

Time: 2.00 pm

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

Distribution:

Councillors: Andrew Brown, Tony Dyer (Vice-Chair), John Geater, Zoe Goodman, Katy Grant, Jonathan Hucker, David Wilcox, Hibaq Jama, Fabian Breckels, Adebola Adebayo and Simon Cookson

Copies to: Mike Jackson (Chief Executive), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Husinara Jones, Tony Whitlock, Lucy Fleming (Head of Democratic Engagement) and Ravi Lakhani (Head of Strategic Finance)

Issued by: Allison Taylor, Democratic Services

City Hall, PO Box 3399, Bristol BS1 9NE

E-mail: democratic.services@bristol.gov.uk

Date: Friday, 16 September 2022



www.bristol.gov.uk

Agenda

1. Welcome, Introductions and Safety Information

(Pages 4 - 6)

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Minutes of Previous Meeting

To agree the minutes of the previous meeting as a correct record.

(Pages 7 - 16)

5. Action sheet

(Pages 17 - 18)

6. Public Forum

Up to 30 minutes is allowed for this item

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 **20 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 **23 September**.



7. Work Programme

To note the work programme.

(Pages 19 - 20)

8. External Audit Plan

(Pages 21 - 51)

9. Treasury Management Annual Report 2021/22

(Pages 52 - 73)

10. Risk Management Annual Report 2021/22

(Pages 74 - 79)

11. Q2 Corporate Risk Report

**12. Annual Report of Local Government and Social Care
Ombudsman**

(Pages 80 - 98)

13. Internal Audit Activity Report

(Pages 99 - 106)

14. Audit Committee Annual Report to Full Council

(Pages 107 - 117)



Public Information Sheet

Inspection of Papers - Local Government (Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Public meetings

Public meetings including Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny will now be held at City Hall.

Members of the press and public who plan to attend City Hall are advised that you may be asked to watch the meeting on a screen in another room should the numbers attending exceed the maximum occupancy of the meeting venue.

COVID-19 Prevention Measures at City Hall (June 2022)

When attending a meeting at City Hall, the following COVID-19 prevention guidance is advised:

- promotion of good hand hygiene: washing and disinfecting hands frequently
- while face coverings are no longer mandatory, we will continue to recommend their use in venues and workplaces with limited ventilation or large groups of people.
- although legal restrictions have been removed, we should continue to be mindful of others as we navigate this next phase of the pandemic.

COVID-19 Safety Measures for Attendance at Council Meetings (June 2022)

We request that no one attends a Council Meeting if they:

- are required to self-isolate from another country
- are suffering from symptoms of COVID-19 or
- have tested positive for COVID-19

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.



Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee Members and will be published on the Council's website before the meeting. Please send it to democratic.services@bristol.gov.uk.

The following requirements apply:

- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting**.

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, it may be that only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the Committee and published within the minutes. Your statement or question will also be made available to the public via publication on the Council's website and may be provided upon request in response to Freedom of Information Act requests in the future.

We will try to remove personal and identifiable information. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Other committee papers may be placed on the council's website and information within them may be searchable on the internet.

During the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.
- Under our security arrangements, please note that members of the public (and bags) may be searched. This may apply in the interests of helping to ensure a safe meeting environment for all attending.



- As part of the drive to reduce single-use plastics in council-owned buildings, please bring your own water bottle in order to fill up from the water dispenser.

For further information about procedure rules please refer to our Constitution
<https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>

Webcasting/ Recording of meetings

Members of the public attending meetings or taking part in Public forum are advised that all Full Council and Cabinet meetings and some other committee meetings are now filmed for live or subsequent broadcast via the council's [webcasting pages](#). The whole of the meeting is filmed (except where there are confidential or exempt items). If you ask a question or make a representation, then you are likely to be filmed and will be deemed to have given your consent to this. If you do not wish to be filmed you need to make yourself known to the webcasting staff. However, the Openness of Local Government Bodies Regulations 2014 now means that persons attending meetings may take photographs, film and audio record the proceedings and report on the meeting (Oral commentary is not permitted during the meeting as it would be disruptive). Members of the public should therefore be aware that they may be filmed by others attending and that is not within the council's control.

The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notices-for-resource-services



Bristol City Council Minutes of the Audit Committee

26 July 2022 at 3.30 pm



Members Present:-

Councillors: Andrew Brown, Tony Dyer (Vice-Chair), John Geater, Zoe Goodman, Jonathan Hucker, David Wilcox and Heather Mack (substitute for Councillor Grant)

Independent Member – Adebola Adebayo

Officers in Attendance:-

Denise Murray – Director – Finance, Simba Muzarurwi – Chief Internal Auditor, Alison Mullis – Deputy Chief Internal Auditor, Glenn Hammons – Interim Head of Corporate Finance, Tim O’Gara – Monitoring Officer, Phil Eames – Audit Manager, Allison Taylor – Democratic Services

Also in attendance – John Roberts – Grant Thornton, Chris Holme – Group Finance Director – Bristol Holding, Hugh Evans - Director - Adult Social Care, Stephen Beet – Head of Adult Social Care and Risk and Insurance Officer

1 Welcome, Introductions and Safety Information

The Chair welcomed all parties to the meeting and introductions were made.

2 Apologies for absence.

Apologies for absence were received from Councillors Breckels and Grant and from Independent Member Simon Cookson.

3 Declarations of Interest

There were no Declarations of Interest made.

4 Minutes of Previous Meeting



Councillor Hucker sought clarification regarding Item 14, para 3 where Grant Thornton (GT) had not been able to establish the reason why the majority of capital expenditure occurred in the final quarter of the financial year and questioned whether this could be attributed to the use of accruals. GT advised that although accruals may be a contributory factor, this was a practice seen at other councils and was likely a management issue. It was advisory to Councils that the flow of spend be evened out throughout the course of the year.

The Chair noted that there was a minor typographical error which would be picked up with the clerk after the meeting and this was agreed.

RESOLVED: that the minutes of 27 June be approved as a correct record and signed by the Chair subject to the amendments noted above.

5 Action sheet

The Chair noted that Action 5 relating to Single Sign On protocols was outstanding and he was liaising with the Officer concerned.

The Action Sheet was noted.

6 Public Forum

The following public forum questions were received, and responses published on the Council's website in advance of the meeting. Participants were invited to ask a supplementary question.

Questions:

Number	Agenda Item no.	Name	Title
1	12	Jen Smith	SEND Service
2	8	Councillor Wilcox	Significant Governance Issues
3	12	Suzanne Audrey	SEND Service

1. Jen Smith asked if the Council's Social Media Protocol permitted the sharing of personal data with third parties. Officers referred Jen Smith to the published response which had answered this question.
2. Cllr Wilcox had no further questions at that time
3. Suzanne Audrey asked if there was a timetable for dealing with the queries raised. Officers confirmed that there was no specific timetable and referred the questioner to the published response provided.



The following public forum statements were received and published on the Council's website in advance of the meeting and participants were invited to speak to their statements.

Statements:

Number	Agenda Item no.	Name	Title
1	12	Jen Smith	SEND Service
2	12	Catherine Vallejo Veiga	SEND Service

Members noted the public forum questions and statements received.

7. Work Programme.

Independent Member Adebola Adebayo sought clarification regarding the timing of the external auditor's audit plan which had been due to be presented at the June meeting. GT confirmed that there was a national issue causing delays in the sector which had altered the timescales for outturns. Work remained outstanding in the area of Value for Money and there were plans to hold a Value for Money workshop for Members, however they were working to meet agreed timetables as far as possible.

Digital Transformation.

It was confirmed that this item would be brought to the September meeting to ensure the relevant matters could be covered comprehensively.

The Work Programme was noted.

8. Draft Financial Statements 2021/22.

The Interim Head of Corporate Finance and the Director of Finance were in attendance for this item. The key findings of the report were summarised and the Audit Committee was asked to note, and comment on the draft, unaudited, Statement of Accounts for 2021/22.

In response to Members questions the following points were raised:

1. Bristol Beacon had received over £30m investment. In line with the valuation for the previous year and requirements of the CIPFA code, the Beacon was valued at zero within the accounts. Concern was raised that the further capital commitment planned with Wilmott Dixon would also need to be written off.
2. The Annual Governance statement had shown a significant increase in procurement breaches in the year, the approach taken to remedy this had been covered in depth at the last meeting and included a number of recommendations such as training and e-learning. Bristol was unique to other authorities in that it was being open and transparent in its reporting and action was being



taken to deliver improvements. It was possible for Committee Members to request a separate session where more detail could be provided regarding the context and rationale for action planned to improve performance.

3. It was confirmed that the number of employees earning above £50k had increased year on year due to pay awards and incremental progression. In addition it should be noted the remuneration bands required by the CIPFA Code hadn't been uplifted to reflect inflation.
4. The total cost of exit packages had significantly increased to a million pounds compared £159k last year. It was confirmed that this was in recognition of the succession planning policy of 21/22 where a number of colleagues planning an exit develop colleagues at lower grades. Although not yet paid, provision was required to be made in the accounts from the point at which the decision to agree an exit was made.
5. It was confirmed that the Interim Director Homes and Landlord Services remuneration of circa £281k included agency fees and in the first year of appointment a third party cost had applied. The post was now a fixed term or permanent arrangement so a change would be reported in remuneration costs for future years.
6. The Director of Adults Transformation had received circa £31k from February to March 2022. It was confirmed that this had been an interim director level role to develop capacity and expedite transformational activity across the range of services in the adult social services department.
7. Usable Reserves of £134m had been transferred out of the Risk Management Reserve. **Action: Officers to confirm the rationale for this.**
8. Indicators of Financial Stress show the Children Social Care Ratio at a lower risk. It was confirmed that this was an indicator of a risk resilience index from a 19/20 data set which recorded a stable budget position in terms of the spend being able to be contained within budget and the percentage of overall budget committed.
9. Contributions to reserves included Healthier Together funding for Integrated Care of £28.5m. it was confirmed that Section 256 funding was received by all authorities at the end of the financial year for discharge to assess and went straight into Reserves. The funding was committed to transformational activity to deliver tangible benefits for integrated NHS and social care services, to ensure hospitals were not blocked up and community support available and would be put to use in the current and next financial year.
10. The Council had frozen rents last year collecting £113.8m in dwelling rent in 2020/21 having and was expecting to collect circa £127m in rents due to this year's increase.



11. The council housing valuation needs to be looked at each year in with formal valuation in October. At the balance sheet date 31st March 2022 the valuation was £1.9B under the CIPFA code terms of valuation and would not necessarily be market price for those houses.
12. It was noted that a number of the supporting documents provided were not searchable documents within the Modern Gov app including the narrative document and the Grant Thornton documents. **Action: Officers to provide documents in searchable format.**
13. Officers to confirm whether the reference to Government grant income received representing an increase of £91m from 2019/20 was correct at p39 of the agenda pack. **Action: Officers to check if the correct year was referenced or whether this should have been updated to the current year.**
14. There was a question over the stated increase of 10% in the number of children and young people with an Education Health Care Plan (EHCP) plan at January 2022 and the statistics relating to increases in complex cases at the end in 2020 and 2021. **Action Officers to check the detail**
15. It was confirmed that an announcement has been made at an LGA conference that the government may return to multi-year financial settlements in 23/24 and 24/25.
16. It was confirmed that the Chief Executive received no pension payment due to personal choice.
17. It would be useful to make it clear to the public that there was a good explanation why the Councils published financial information did not always track across different Committees as the information provided to Cabinet delivering in year updates would be different to final financial statements provided to Audit Committee due to the application of CIPFA codes and accounting standards requirements and the difference in treatment of Depreciation for example between cabinet and Audit.

Resolved: That the draft, unaudited, Statement of Accounts for 2021/22 be noted.

9. Estimated External Audit Fees 2020/21.

Jon Roberts, Grant Thornton, was in attendance for this item. The key findings of the report were summarised for the benefit of the Committee.

In response to Members questions the following points were raised:

1. Additional Audit fees included the additional cost of PPE experts and specific work over the impairment value of Bristol Beacon.

Resolved – That Grant Thornton’s report updating their estimated fees for 2020/21 be noted.



10. Q1 Strategic Risk Report.

The Director of Finance and the Risk and Insurance Officer summarised the key areas of the report and the Audit Committee was asked to review and comment on the Q1 2022/23 Corporate Risk Report (CRR).

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

1. It was confirmed that Bristol's future change in governance model from Mayoral system to Committee System had not yet been allocated as a risk as it had not met the risk escalation threshold. Given the establishment of a Committee Working Group and the timescales involved it was unlikely to present a material risk at present but would be escalated if required.
2. Cllr Wilcox sought written responses to the risks related to Information Technology:
 - a. CRR25 – Suitability of Line of Business (LOB) Systems – It was confirmed that the progress on Actions of 100% related to that one action listed
 - b. CRR7 - Cyber Security – it was noted that implementation had been due in June 2022 and it was of significant concern that this had slipped.
 - c. CRR29 – Information Security Management System – it was important to understand why only 25% progress had been made against actions.
 - d. CRR26 – ICT Resilience – it was important to understand why progress was only at 50%
3. Officers confirmed that an exempt session would be arranged and full detail provided to give further assurance.
4. In respect of risk CRR15 - In-year Financial Deficit, Cllr Hucker questioned whether this was due to external macroeconomic factors, internal factors or a combination of both. It was confirmed that the Council's current financial position meant there was a material risk of deficit at the end of year.
5. It was noted the Managing Director of Bristol Waste had left and it was questioned whether this should have been included in the service risk register. It was confirmed that the Bristol Waste succession plan had identified this as a risk and had been able to mitigate the risk with immediate effect
6. It was questioned why CRR48 - Failure to meet the affordable housing needs of the City by failing to meet the Project 1000 Delivery target had replaced the previous risk CRR38 - Failure to deliver enough affordable Homes to meet the City's needs. It was confirmed that there had been a slight change of emphasis from the aim 'to meet the City's needs' with the ambition to reframe the risk directly within the Council's influence. There were a number of sub risks below this and Officers took away an action to ask the risk owner to respond with more detail. **Action: The risk owner to contact the Councillor with further information.**



7. Independent Member Adeobola Adebayo observed that some of the risk scores had remained unchanged for a significant amount of time and whilst it was understood that tolerance scores had been agreed, it was unclear at which point tolerance levels were exceeded. It was confirmed that the risk management framework continued to be developed and embedded, with workshops and system training provided to all risk owners including the opportunity to meet with an external Risk Consultant. **Action: Officers to arrange a risk tolerance workshop for audit members.**
8. Councillor Goodman referred to CRR49 - Workforce Resilience and questioned the rationale of a recruitment freeze. CRR49 had replaced CRR35 – Organisational Resilience to develop a specific workforce risk that was measurable. It was confirmed that there was a pause on recruitment as part of the review of the Council's financial position. There would be some exceptions and dispensations but it was an opportunity to pause, take stock and implement the necessary management activity to ensure the year ended with a balanced budget.
9. Councillor Goodman questioned how long the recruitment freeze was expected to last. It was confirmed that this was a temporary pause as each Executive Director reviewed their budgets and brought plans to achieve balanced budgets back to Cabinet. This was also in line with the Management and Capacity review which detailed workforce savings agreed by Council.
10. Councillor Goodman observed that the policy had the potential to increase the risk of low workforce resilience. It was confirmed that the risk owner would review and monitor the risk and updates would be provided for the next reporting cycle.
11. Councillor Mack referred to CRR15 – In-Year Financial Deficit and asked whether mitigation action included the hiring freeze. It was confirmed that there was a requirement to ensure that in line with the Management and Capacity Review the organisation was delivering as agreed.

Resolved: That the Q1 2022/23 Corporate Risk Report (CRR) be noted.

11. Bristol Holding Limited Audit and Risk Committee Annual Assurance Report.

The Chair apologised that Item 10 had been missed.

Chris Holme, Group Finance Director was in attendance for this item and summarised the key areas of the report and the Committee was asked to note the annual assurance report of the Bristol Holding Group Audit and Risk Committee.

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

1. The Bristol Holding Company Audit and Risk Committee (ARC) operates in accordance with the UK Code of Corporate Governance. Following on from the last annual assurance report the independent non-executive directors were reviewing risk management and compliance arrangements to ensure effective governance arrangements were in place for each company.



2. Councillor Wilcox asked whether the risks themselves could be shared with the Audit Committee. It was confirmed that this could be shared aligned to council's reporting cycle and subject to commercial sensitivity.
3. Councillor Dyer thanked the Group Finance Director and noted that it was important that assumptions were not made about the availability of internal expertise and a strengthening of the arrangements to bring in additional expertise from an assurance perspective and provide independent scrutiny was welcomed.

Resolved: - That the annual assurance report of the Bristol Holding Group Audit and Risk Committee be noted.

12. Internal Audit Exception Reporting including Management Action Tracking.

The Director of Adult Social Care, Head of Service for Adult Social Care were in attendance for this item. The Chief Internal Auditor summarised that internal audit reviews had been carried out in Special Educational Needs and Disability (SEND), Adult Social Care Direct Payments and Risk Management.

In response to Members questions the following points were raised:

SEND

1. It was noted that the findings of the internal review should be read in conjunction with the SEND statement, increased SEND team capacity and the implementation of clearer systems and new standard operating procedures.
2. It was confirmed that the mechanism for further updates on the exception reports were scheduled in following year via an annual update or exception report.
3. It was commented that a number of issues with SEND had been an ongoing problem for some time and had required a corporate restructure to deliver greater focus within the People Directorate including SEND. There was recognition of great breadth of statutory responsibilities within the People Directorate which was responsible for 75% of the Council's financial expenditure. In line with the direction of travel other Councils the decision had been made to split the Executive Director roles of Adults and Children to enable significantly more capacity to focus on this important work.
4. It was questioned whether the hiring freeze would have an adverse impact on some of these existing problems. It was confirmed that frontline critical staff were necessarily exempt from the freeze as vacancies in this area could create additional problems over and above the financial impact.

Direct Payments



5. The progress that had been made to review partnership working to deliver increased capacity had been noted.
6. It was questioned whether there had been a percentage drop in the take up of Direct payments due to the impact of the pandemic. It was confirmed that there had been a 2-3% drop in 22/23 and take up was 1% below the national average.

Risk Management Review

7. A concern was raised regarding the rationale for the small number of risks that had been internally reviewed with the rating of 'limited assurance' status. It was confirmed that the reviews were carried out at roughly the same time each year and regularly monitored through the Pentana Risk system and the CIA was satisfied with level of progress made.
8. It was noted that this could be a feature of the infancy of the new Pentana system. It was agreed that things had significantly improved since the audit review and were now further forward. There had been a roll out across the council with processes and training being embedded. Risk Officers now attended Department Management Team Meetings and meetings with all risk owners going forward would include a review of tolerances and measurable specific actions.
9. It was suggested that Members would benefit from greater detail regarding the process for delivering a service level review. **Action: Officers to arrange a session for Committee Members to review the process.**

Resolved:

1. That the outcomes of the Internal Audit reviews on Special Educational Needs and Disability, Direct Payments and Risk Management be noted.
2. That the progress being made by management in implementing the agreed management actions arising from Internal Audit reviews is noted.

13. External Review of Bristol City Council Internal Audit Service.

The Chief Internal Auditor summarised the key areas of the report and in response to Members questions, the following points were raised:

1. The Terms of Reference for an external review of Bristol City Council's Internal Audit Service, sets out an assessment process which is planned for 5 days in total. It was noted that the time allocated could flex dependent on the size of the organisation and complexity but 5 days had been considered sufficient to deliver a robust professional assessment.
2. It was observed that the proposed timing of the assessment interviews with key stakeholders was not ideal as the current Chief Executive would have moved on. It was confirmed that the process allowed for another senior leader to step in during this phase but the external reviewer would be



advised so that appropriate arrangements could be made in the event that they wanted to interview the current Chief Executive.

Resolved:

- 1. That the approach and the terms of reference for the required external review of compliance with the Public Sector Internal Audit Standards by Bristol City Council's Internal Audit Team be endorsed and noted.**
- 2. That the Chair of the Audit Committee as the sponsor for the review be agreed.**
- 3. That the results of the review are reported to Audit Committee for the Committee to monitor implementation of improvements identified as necessary as part of their ongoing role in determining the effectiveness of internal audit.**

Meeting ended at 5.35pm

CHAIR _____



Audit Committee Action Sheet – actions from meeting held on 26 July 2022

Action number	Item/report	Action	Responsible officer(s)	Action taken / progress
1	8 - Draft Financial Statements 2021/22	Officers to confirm the rationale for the reason Usable Reserves of £134m had been transferred out of the Risk Management Reserve.	Glenn Hammons	Most of the £134m relates to the business rates volatility risk reserve. Of the £134m, £84m was the planned release of business rates retail and hospitality grants to offset the deficit carried forward from 20/21 in the collection fund. A further £44m related to year-end accounting adjustments for the collection fund. (These were reversals of estimates, with the reserve then replenished with actual figures.)
2	8 - Draft Financial Statements 2021/22	Officers to confirm whether the reference to Government grant income received representing an increase of £91m from 2019/20 was correct at p39 of the agenda pack i.e. is the correct year referenced or should this have been updated to the current year.	Glenn Hammons	The figures quoted needed an update. The sentence should read, "During the year the Council received £482.5m of Government grant income which was used to fund revenue expenditure. This is a reduction of £30.1m from 2020/21, mainly due to a reduction in Covid related grants". This will be corrected in the next iteration of the Statement.
3	8 - Draft Financial Statements 2021/22	There was a question over the stated increase of 10% in the number of children and young people with an Education Health Care (EHC) plan at January 2022 and the statistics relating to increases in complex cases at the end in 2020 and 2021. Officers to check the detail	Glen Hammons	It is correct that the reasons for the overspend in High Needs Block are predominately due to: 1) an increase in the number of children with EHCP which was evidenced by the year-on-year movement (i.e., number of cases increased by 25.6% or 94 more number of live cases in December 2021 in comparison to December 2020) 2) an increase in the number of children with complexity of needs (more funding is needed to support more complex needs).
4	11 - Q1 - Strategic Risk Report	Exempt session to be arranged in response to risks related to information technology.	Ben Hooper	Member Briefing arranged for 26 September 11.30 – 1pm

5	11 - Q1 - Strategic Risk Report	It was questioned why CRR48 - Failure to meet the affordable housing needs of the City by failing to meet the Project 1000 Delivery target had replaced the previous risk CRR38 - Failure to deliver enough affordable Homes to meet the City's needs.	Ben Hooper/Risk Owner	The previous affordable housing focussed risk CRR32 has been archived and a new risk, CRR48, redefined to make it better reflect the Council's scope and control to influence the delivery of affordable housing to meet the City's needs, setting it in the context of Project 1000 and a new, stronger Corporate delivery-driven approach to the development of affordable homes in Bristol. Louise Davidson (Housing Strategy) is the risk owner
6	11 - Q1 - Strategic Risk Report	Officers to arrange a risk tolerance workshop for audit members.	Ben Hooper	Member Briefing arranged for 26 September 11.30 – 1pm
7	12 - Internal Audit Exception Reporting including Management Action Tracking	It was suggested that Members would benefit from greater detail regarding the process for delivering a service level review. Officers to arrange a session for Committee Members to review the process.	Ben Hooper	Member Briefing arranged for 26 September 11.30 – 1pm
8	13 - Contract Management Progress Update	Will Single Sign On protocols be applied in order to prevent users accessing system should they cease employment with BCC	Ben Hewkin	Outstanding from 8 March meeting Update from 26 July meeting – Cllr Brown confirmed that he was liaising directly with the Officer on this matter.

AUDIT COMMITTEE
WORK PROGRAMME 2021/22

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
June 2022 3:00PM	External Audit	External Audit Plan 2022/3	Routine	1.8/1.9	External Audit Lead
	Internal Audit	Internal Audit Annual Report 21/22 Annual Fraud Report 2021/22 Draft Annual Governance Statement 2021/22	Routine Routine Routine	1.4 2.4/2.10 2.5/4.4	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
	Risk & Insurance	Corporate Risk Report (Q4)	Routine	4.1/4.3	Risk & Insurance Manager
Jul-22 3:30PM	Finance Other Internal Audit Internal Audit Finance Bristol Holding	Draft Statement of Accounts 2021/22 External Audit Fees report Internal Audit Exception Reporting including Management Action Tracking External Review of BCC Internal Audit Service Q1 - Strategic Risk Report Bristol Holding - Audit and Risk Committee Assurance			Director of Finance Chief Internal Auditor Chief Internal Auditor
Sep-22 2:00 PM	External Audit:	External Audit Plan	Routine	1.8/1.9	External Audit Lead
	Finance:	Treasury Management - Annual Report	Routine Routine	3.3 3.1/2.5	Director of Finance
	Internal Audit	Audit Committee Annual Report to Full Council (Draft) Internal Audit Activity Report	Routine Routine	5.1 1.5/1.6/1.7	Chief Internal Auditor Chief Internal Auditor
	Risk Management:	Risk Management Annual Report and Improvement Plan Corporate Risk Report (Q2)	Routine Routine Routine Routine	4.1/4.3 4.1/4.3 4.1/4.3 4.1/4.3	Senior Information Risk Owner Risk and Insurance Manager. Risk & Insurance Manager
	Customer Relations	Annual Report of Local Government and Social Care Ombudsman Decisions	Routine	1.12	Customer Relations Manager
November 2022 2:00 PM	External Audit:	External Audit Progress and Interim Audit Findings	Routine	1.8/1.9/3.2	External Audit Lead
	Finance:	Treasury Management Mid-Year Report	Routine	3.3	Director - Finance

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
	Internal Audit:	Internal Audit Half Year Update Counter Fraud Half Year Update Report Audit Committee Half Year Report to Full Council (Draft) Internal Audit Quality Assurance and Improvement Plan, Charter and Strategy	Routine Routine Routine Routine	1.5/1.6/1.7 2.4./2.10 5.1 1.1/1.6	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
January 2023 2:00 PM	External Audit: Finance:	External Audit Progress and Final Audit Findings Statement of Accounts and AGS if not already done)	Routine Routine	1.8/1.9/3.2 3.1	External Audit Lead Director: Finance
	Internal Audit:	Internal Audit Update Report	Routine	1.5/1.6/1.7	Chief Internal Auditor
	Risk Management:	Corporate Risk Report (Q3) Review of Specific Corporate Risk	Routine Routine	4.1/4.3 4.1/4.3	Risk and Insurance Manager Risk Manager / Risk Owner
Mar-23 3:00 PM	External Audit:	External Audit - Audit Plan	Routine	1.8/1.9/3.2	External Audit Lead
	Internal Audit:	Draft Internal Audit Annual Plan Annual Whistleblowing Review Internal Audit External Standards Assessment - Results	Routine Routine One off	1.2 2.4	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
	Legal:	Code of Corporate Governance	Routine	2.6	Director: Legal& Democratic Services
	Corporate:	AGS 2020/21 - Actions Tracking Update External Inspections Update	Routine Routine	2.5/4.4/1.7 4.4	Director: Finance Head of Executive Office

Audit Committee

26 September 2022



Report of: Grant Thornton UK LLP

Title: External Audit Plan for year ending 31 March 2022

Ward: N/A

Member Presenting Report: Grant Thornton UK LLP

Recommendation

To note the External Audit plan for 2021-22

Summary

Attached is the external audit plan for the year ending 31 March 2022 provided by the Council's external auditors Grant Thornton LLP. The document provides an overview of the planned scope and timing of the statutory audit of Bristol City Council for those charged with governance (the Audit Committee).



Policy

None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

- 1. Internal**
Director of Finance
- 2. External**
None

Proposal

- 3. None**

Other Options Considered

- 4. None**

Risk Assessment

- 5. None necessary for this report**

Summary of Equalities Impact of the Proposed Decision

- 6. None necessary for this report**

Legal and Resource Implications**Legal**

None arising from this report

Financial**(a) Revenue**

None arising from this report

(b) Capital

None arising from this report

Land

None arising from this report

Personnel

None arising from this report

Appendices:

Grant Thornton's External Audit Plan

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Bristol City Council Audit Plan

Year ending 31 March 2022

17 August 2022
Page 24



Contents



Your key Grant Thornton team members are:

Jon Roberts

Partner
T 0117 305 7699
E Jon.Roberts@uk.gt.com

Beth Garner

Senior Manager
T 0117 305 7726
E Beth.AC.Garner@uk.gt.com

Ellie Nicholls

Assistant Manager
T 0117 305 7866
E Ellie.M.Nicholls@uk.gt.com

Chrissa Viente

Assistant Manager
T 0117 305 7600
E Chrissa.Viente@uk.gt.com

Section

Key matters
Introduction and headlines
Group audit scope and risk assessment
Significant risks identified
Other risks identified
Accounting estimates and related disclosures
Other matters
Materiality
IT Audit Strategy
Value for Money Arrangements
Audit logistics and team
Audit fees
Independence and non-audit services
Digital Audit
Financial Reporting Council's (FRC) quality inspections

Page

3
5
7
8
12
13
16
17
18
19
20
21
23
24
26

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Key matters

Factors

Council Financial Performance

The council's net general fund outturn expenditure for 2021/22 is £423.5m, an underspend of £0.9m. The Housing Revenue Account outturn in 2021/22 was an underspend of £3.8m and the Dedicated Schools Grant budget outturn is an overspend of £14.5m. The capital programme reported an underspend of £36.4m against the revised budget, but a £154.1m underspend when compared with the original budget.

Bristol City Council Group

During the previous period, the Council began the process of winding up its group company Bristol Energy Ltd (subsequently known as BE 2020 Ltd).

The council is also in the process of reviewing its group structures as it looks to implement its City Leap and Heat networks projects.

Housing Revenue Account

The Local Government and Housing Act 1989 requires a local housing authority that owns 200 or more social dwellings to account for them within a Housing Revenue Account (HRA), which Bristol City Council does. In November 2020, MHCLG issued guidance in respect of the operation of the HRA ring-fence. This guidance highlights the need to be fair to both tenants and council taxpayers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund. In 2021 CIPFA was commissioned to examine the nature and legitimacy of payments made relating to the HRA at a major local authority. It was subsequently identified that the HRA ring-fence had been breached and the S151 Officer issued a section 114 notice.

Bristol Beacon

Bristol Beacon was held as an asset under construction within the 2020-21 statement of accounts. Management undertook an impairment review at year end and subsequently a value of zero was attributed to the asset leading to a significant impairment.

Team continuity & Improvement journey

In previous years we have experienced issues with and delay in receipt of some working papers. While a number of steps have been taken to address the issues, with changes to the internal finance team it will be important to ensure that any new team members are made aware of the audit expectations.

Our response

- As a result of the change in the group entities, the scope of our group audit has reduced in 2021-22 see page 7 for details.
- New group companies are considered as part of our group risk assessment procedures.
- We will consider the need for post balance sheet event disclosures in relation to the City Leap and Heat network projects.
- We will undertake specific procedures in relation to the HRA to confirm whether there are any indicators the council is in breach of the ring-fence requirement.
- We will follow-up on the procedures undertaken in 2020-21 to ensure the accounting treatment of the beacon remains appropriate.
- We will continue to work with the council to support new team members in understanding the audit process. We have also arranged for our audit team to include members who were involved in 2020-21, as such ensuring continuity is maintained.

Key matters continued

Factors

Audit Quality

On 29 October 2021, the FRC published its annual reporting setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year.

Grant Thornton are one of seven firms which currently deliver local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year the FRC looked at nine of our audits, including the 2019/20 audit of Bristol City Council.

Value for Money

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources."

Our initial risk assessment has built on our understanding of your arrangements taking into account any findings from previous years work on value for money. We will report our findings against the following reporting criteria:

Financial sustainability: how the Council plans and manages its resources to ensure it can continue to deliver its services;

Governance: how the Council ensures that it makes informed decisions and properly manages its risks; and

Improving economy, efficiency and effectiveness: how the Council use information about its costs and performance to improve the way it manages and delivers its services.

Infrastructure Assets

The CIPFA Code of Practice on Local Authority Accounting prescribes the accounting treatment and disclosure requirements for infrastructure assets and requires these to be reported in the Balance Sheet at depreciated historical cost (i.e. historic cost less accumulated depreciation and impairment.)

Nationally, this has become an area of regulator interest, with CIPFA and the NAO also reviewing this issue and Government considering the need for a statutory override to remove the problem.

There a risk that where authorities have incurred expenditure on the replacement or enhancement of existing infrastructure assets, they may not readily be able to identify the original assets being replaced or enhanced.

This could result in an overstatement of both gross book values and accumulated depreciation, and potentially also net book values where assets lives have not been assessed regularly and on an appropriate basis.

Our response

- The results of last year's FRC review are outlined on page 26 and 4 of this Audit Plan, with this year's report shortly to be published.
- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set further in our Audit Plan, and will be agreed with the Director of Finance.
- We will continue to provide you with sector updates via our Audit Committee updates.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in completing our Value for Money work.
- Recommendations agreed in respect of matters identified through previous audit work, either in the financial statements or in respect of work on arrangements to secure VfM, will be followed up as part of our audit review.
- We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to the Council.
- We will be alert to the emerging guidance in relation to infrastructure.
- As Bristol City Council has material infrastructure assets (£374m gross book value at 31 March 2021), we will work with management to understand how the Council is accounting for these assets.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Bristol City Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Bristol City Council. We draw your attention to this document.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit Committee); and we consider whether there are sufficient arrangements in place at the Council and group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of Bristol Holding Limited, BE2020 Limited (formerly Bristol Energy Limited), Bristol Waste Company Limited, Goram Homes Limited and Bristol Heat Networks Limited. It is currently considering the implications of the City Leap project on its structures and reporting, although we expect little impact of this during 2021/22.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of land and buildings
- Valuation of investment properties
- Valuation of the pension fund net liability
- Valuation of investment in First Corporate Shipping Ltd

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £16.65m (PY £15m) for the group and £16.16m (PY £13.65m) for the Council, which equates to 1.3% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.808m (PY £0.683m).

Value for Money arrangements

We are undertaking our Value for Money initial assessment and will report our risks at a future Committee. Our work will build upon our recently reported Auditor's Annual Report for 2020/21, reflecting upon the impact of the current economic conditions facing the country.

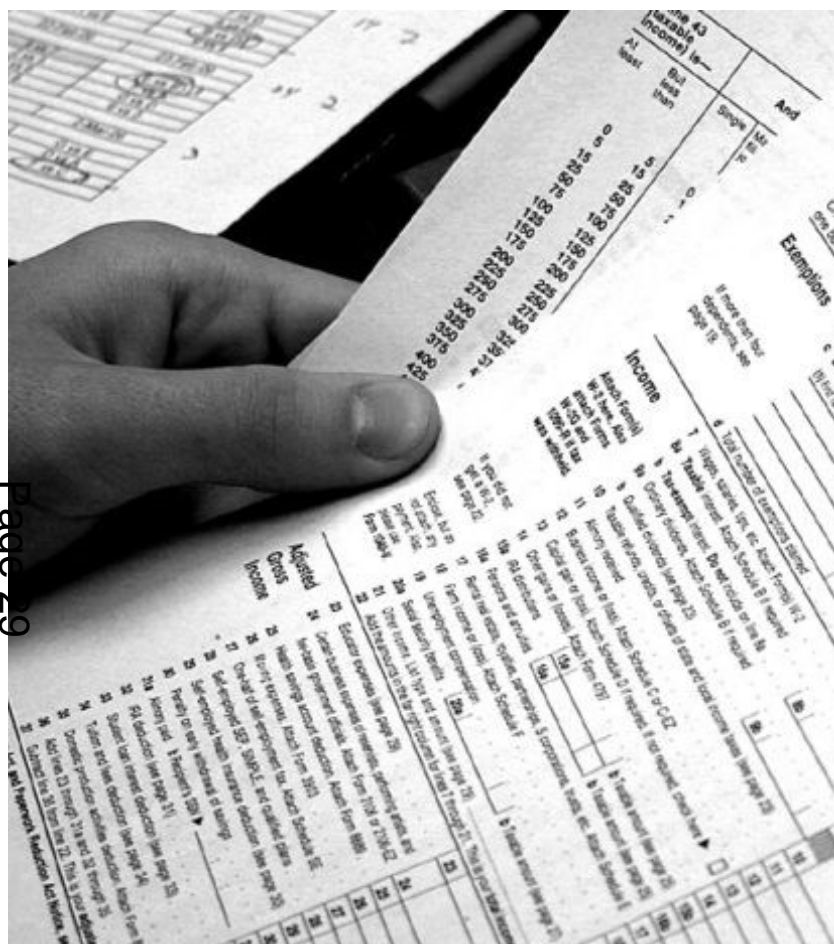
Introduction and headlines cont.

Audit logistics

Our final visit will begin in October 2022. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our fee for the audit will be £268,902 (PY: £321,339) for the Council, subject to the Council delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.



Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Bristol City Council	Yes	Full scope UK statutory audit performed by Grant Thornton UK LLP	See risks identified on pages 8 to 11	Full scope audit performed by Grant Thornton UK LLP
Bristol Holding Limited	No	Analytical procedures at group level	None	Analytical review performed by Grant Thornton UK LLP
BE2020 Limited (formerly Bristol Energy Limited)	No	Analytical procedures at group level	None	Analytical review performed by Grant Thornton UK LLP
Bristol Waste Company Limited	No	Analytical procedures at group level	None	Analytical review performed by Grant Thornton UK LLP
Goram Homes Limited	No	Analytical procedures at group level	None	Analytical review performed by Grant Thornton UK LLP
Bristol Heat Networks Limited	No	Analytical procedures at group level	None	Analytical review performed by Grant Thornton UK LLP

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent revenue transactions (ISA240)	Council	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of material fraud arising from revenue recognition can be rebutted because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • The council's revenue streams are non-complex in nature; and • the culture and ethical frameworks of local authorities, including Bristol City Council, mean that all forms of fraud are seen as unacceptable. 	At the planning stage we do not consider this to be a significant risk for Bristol City Council or for the Group given the immaterial revenue streams. We will continue to consider this risk as we progress through the audit.
Risk of fraud related to expenditure recognition (PAF Practice Note 10)	Council	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to expenditure recognition.</p> <p>We have determined that the risk of material fraud arising from expenditure recognition can be rebutted because, per Practice note 10, misstatements may arise where the audited body is under pressure to meet externally set targets. This environment does not exist at the Council.</p>	At the planning stage we do not consider this to be a significant risk for Bristol City Council. We will continue to consider this risk as we progress through the audit.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Council	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of land and buildings	Council	<p>The Authority revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date.</p> <p>We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the Council's valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they had been input correctly into the Authority's asset register • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. • engage an auditor's expert to support our response to the valuation of land and buildings

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of investment properties	Council	<p>The Authority is required to revalue its investment properties at fair value on an annual basis at 31 March 2022. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation of investment property, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • discuss with the valuer the basis on which the valuations were carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they had been input correctly into the Authority's asset register. • engage an auditors' expert to support our response to the valuation of investment properties.
Valuation of the Pension Fund net liability	Council	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rate.</p> <p>We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Avon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of investment in First Corporate Shipping Ltd	Council	<p>The Authority holds material long term investments in its balance sheet. These include the estimated valuation an unquoted equity investment.</p> <p>These investments are by their nature hard to value estimates, and management have estimated their value based on a range of estimation techniques.</p> <p>We have identified the valuation of the Authority's long term unquoted investments as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> discuss the valuation techniques adopted with management and obtain their calculations for the valuation of the unquoted equity investments and assess these against accounting standards; and engage our internal valuations experts to review management's estimates and to provide us with assurance over the valuation of the Authority's unquoted equity investments.

Other risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of infrastructure assets	Council	<p>The CIPFA Code of Practice on Local Authority Accounting prescribes the accounting treatment and disclosure requirements for infrastructure assets and requires these to be reported in the Balance Sheet at depreciated historical cost (i.e. historic cost less accumulated depreciation and impairment.)</p> <p>Nationally, this has become an area of regulator interest, with CIPFA and the NAO also reviewing this issue and Government considering the need for a statutory override to remove the problem.</p> <p>There a risk that where authorities have incurred expenditure on the replacement or enhancement of existing infrastructure assets, they may not readily be able to identify the original assets being replaced or enhanced.</p> <p>This could result in an overstatement of both gross book values and accumulated depreciation, and potentially also net book values where assets lives have not been assessed regularly and on an appropriate basis.</p>	<p>In response to this emerging risk, we expect to:</p> <ul style="list-style-type: none"> Understand the Council's approach to capitalisation, derecognition and depreciation of infrastructure assets. Review the Council's fixed asset register to assess whether it is appropriately applying these processes for recognition and derecognition of infrastructure assets. For a sample of existing assets and additions to infrastructure, review the basis of the asset life and assess on whether this is reasonable and correctly factored into depreciation calculations. <p>We also await the outcome of discussions on whether a statutory override will be implemented in the autumn.</p>

Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Page 36

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty or require significant judgement.

Specifically do Audit Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?



Accounting estimates and related disclosures

Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2022.

Based on our knowledge of the Council we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings and investment properties
- Depreciation
- Valuation of defined benefit net pension fund liabilities
- Valuation of the Council's investment in First Corporate Shipping Ltd
- Fair value estimates
- Year end provisions and accruals
- Credit loss and impairment allowances
- PFI liabilities

Page 37

The Council's Information systems

In respect of the Council's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Council uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Council (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

How management understands the degree of estimation uncertainty related to each accounting estimate; and

How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

Planning enquiries

As part of our planning risk assessment procedures, we have made inquiries of management. As the time of drafting this plan, we have received management's responses which will be presented at Corporate Audit Committee.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.

We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your 2021/22 financial statements, consider and decide upon any objections received in relation to the 2021/22 financial statements;
- issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act).
- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act

- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Materiality

The concept of materiality

Materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the group and Council for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £16.65m (PY £15m) for the group and £16.16m (PY £13.65m) for the Council, which equates to 1.3% of your prior year gross expenditure.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.808m (PY £0.683m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

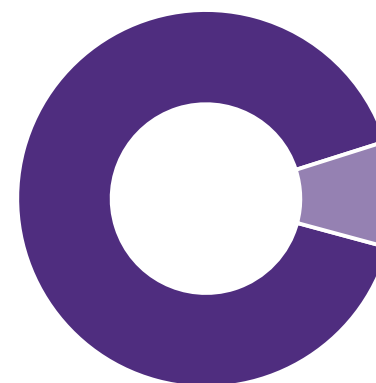
Prior year gross operating costs

£1.281bn group

(PY: £1.251bn)

£1.244bn Council

(PY: £1.138bn)



■ Prior year gross operating costs

Materiality

£16.65m

group financial statements materiality
(PY: £15m)

£16.16m

Council financial statements materiality
(PY: £13.65m)

£0.808m

Misstatements reported to the Audit Committee
(PY: £0.683m)

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the information systems relevant to financial reporting to identify and assess the risks of material misstatement. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure. Based on the level of assurance required for each IT system the assessment may focus on evaluating key risk areas ('streamlined assessment') or be more in depth ('detailed assessment').

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Agresso	Financial reporting	• Detailed assessment
Civica	Housing management	• Detailed assessment
Northgate	Revenues and benefits	• Detailed assessment
iTrent	Payroll	• Detailed assessment

Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office (NAO) issued updated guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

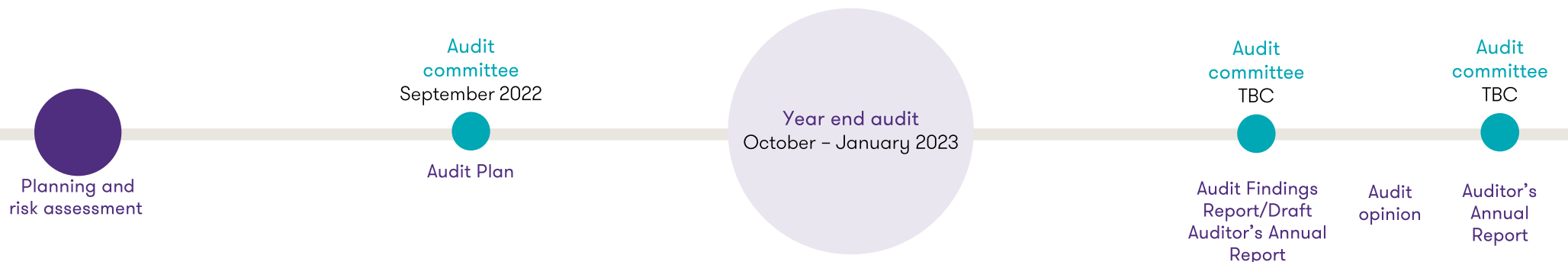
Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Page 42

We are undertaking our initial value for money risk assessment and will report any risks identified as part of that work in our value for money audit plan, which we will bring to a subsequent committee meeting.



Audit logistics and team



Page 43



Jon Roberts, Key Audit Partner

Jon leads our relationship with you and takes overall responsibility for the delivery of a high-quality audit, meeting the highest professional standards and adding value to the Council.



Beth Garner, Audit Senior Manager

Beth plans, manages and leads the delivery of the audit, is your key point of contact for your finance team and is your first point of contact for discussing any issues.



Ellie Nicholls, Audit In-charge

Ellie's role is to assist in planning, managing and delivering the audit fieldwork, ensuring the audit is delivered effectively and efficiently. Ellie supervises and co-ordinates the on-site audit team.



Chrissa Viente, Audit In-charge

Chrissa's role is to assist in planning, managing and delivering the audit fieldwork, ensuring the audit is delivered effectively and efficiently. Chrissa supervises and co-ordinates the on-site audit team.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to an audited body not meeting its obligations, we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a body not meeting their obligations, we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of items for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

Audit fees

In 2017, PSAA awarded a contract of audit for Bristol City Council to begin with effect from 2018/19. The fee agreed in the contract was £156,839. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2021/22 audit.

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed on page 26 and 27 in relation to the updated ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. Our proposed work and fee for 2021/22, as set out below, is detailed overleaf and has been agreed with the Director of Finance.

Page 44

	Actual Fee 2019/20	Actual Fee 2020/21	Proposed fee 2021/22
Bristol City Council Audit	£270,367	£321,339	£268,902
Total audit fees (excluding VAT)	£270,367	£321,339	£TBC

Assumptions

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of financial statements, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis - Council

Scale fee published by PSAA	£168,339
<i>Ongoing increases to scale fee first identified in 2019/20</i>	
Increased challenge, complexity and lower materiality	£13,750
Enhanced audit procedures for Property, Plant and Equipment including our own audit expert	£5,938
Enhanced audit procedures for Pensions	£1,375
Recurring Audit fee 2019/20	£189,402
<i>Ongoing increases to scale fee first identified in 2020/21</i>	
Additional work on Value for Money (VfM) under new NAO Code	£20,000
Additional Local risk factors	£30,000
Increased audit requirements of revised ISAs	£13,000
Recurring Audit fee 2020/21	£252,402
Additional Review for Major Local Authorities	£1,500
Infrastructure	£5,000
Remote Working*	£10,000
Total audit fees (excluding VAT)	£268,902

*The pandemic has led to considerable changes to how we all work and how we have carried out our audits over the last two years. Many local authorities are exploring new ways of working to support its officers, through use of remote and hybrid working environments. We see the positive benefits this can bring to the Council, and its workforce, both in providing more flexibility and reducing its environmental impact. Whilst there are many efficiencies to remote working, having the ability to work together with officers face to face in conducting our audit work provides many advantages to the timely progression of the audit; both in minimising inefficiencies in gathering audit evidence, and in discussing key issues with officers and resolving and concluding outstanding queries.

As part of our planning for 2021/22, we have been engaging with the Council to explore completing some elements of our work on-site. With Covid restrictions now lifted, this is the appropriate thing to do. We have been discussing this with PSAA and propose that where councils continue to have a preference to undertake audits remotely, either fully or in part, that audit fees would be uplifted to reflect the inefficiencies that this would cause. For Bristol City Council, we estimate this uplift to be in the region of £10,000.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

In this context, we disclose the following to you that in August the Council's previous Deputy S 151 Officer joined Grant Thornton's Public Sector Advisory team. The individual does not work on the council audit, or in the same department as the audit team and we have safeguarded the perceived threat to independence by ensuring the member of staff is not involved with the audit, with IT controls around the audit file and other documentation to ensure the individual cannot access them.

We also draw your attention to the fact that a previous employee of Grant Thornton is now a director at Bristol City Council. The employee joined the council in late 2019 and did not work in the Public Sector Assurance team or have any involvement in the Bristol City Council audit. We have safeguarded the perceived threat to independence by ensuring the member of staff is not involved with the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams and component audit firms providing services to the Council.

Other services

The following other services provided by Grant Thornton were identified.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

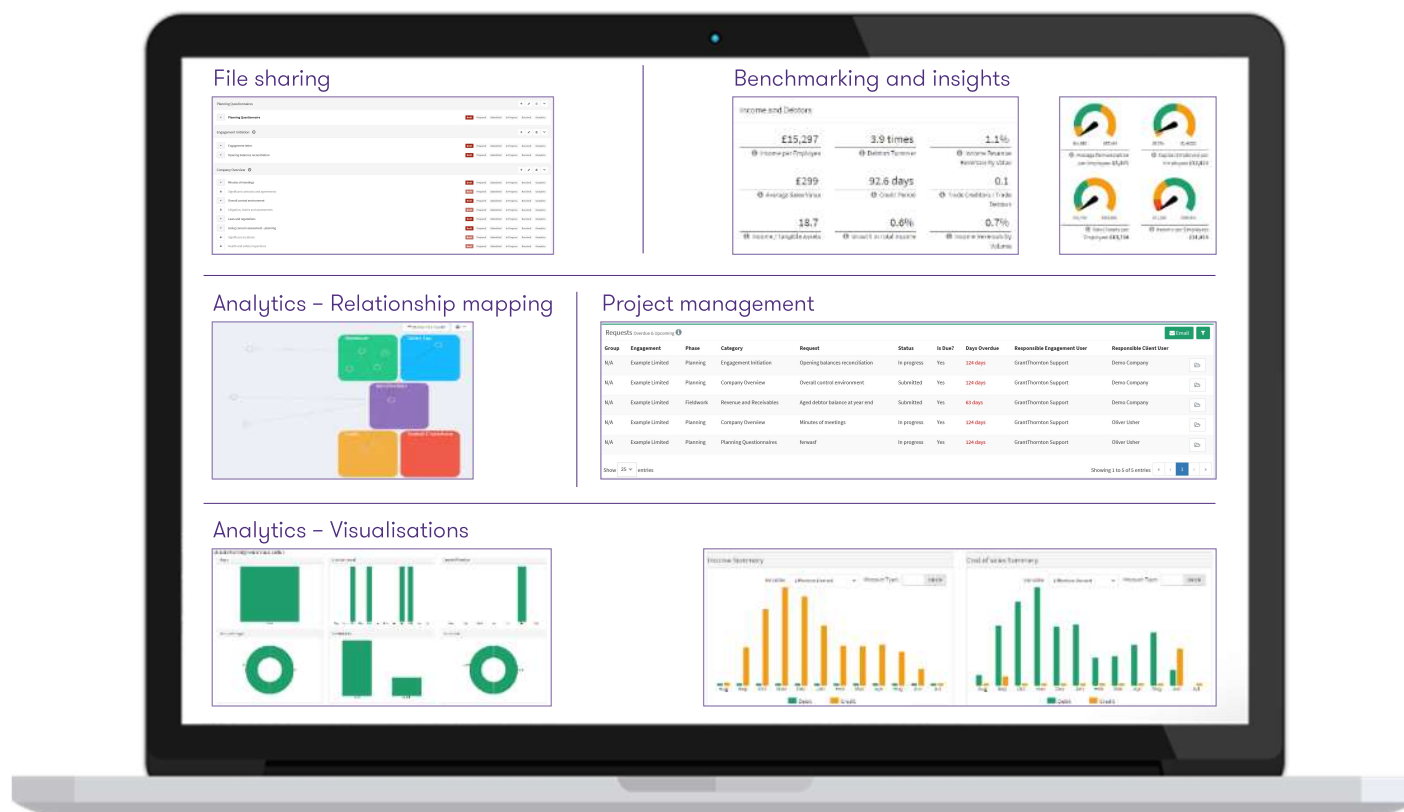
Service	Fees £	Threats	Safeguards
Audit related:			
Agreed upon procedures on the Authority's Housing Benefit Subsidy Claim 2020-21	29,900*	Self-Interest (because this is a recurring fee)	
Agreed upon procedures on the Authority's Pooling of Housing Capital Receipts return 2020-21	7,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £46,500 in comparison to the total fee for the audit of £268,902 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Agreed upon procedures on the Authority's Teacher's Pension Return 2020-21	8,000	Self-Interest (because this is a recurring fee)	
Agreed procedures on behalf of Homes England in relation to the receipt of social housing and assistance and grants to facilitate the development and provision of affordable housing	6,000	Self-Interest (because this is a recurring fee)	

* The agreed fee includes an hourly rate, therefore the value is an estimate based on prior period findings

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
Data extraction	Providing us with your financial information is made easier
File sharing	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool
Project management	Effective management and oversight of requests and responsibilities
Data analytics	Enhanced assurance from access to complete data populations



Grant Thornton's Analytics solution is supported by Inflo Software technology

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:



Data extraction

- Real-time access to data
- Easy step-by-step guides to support you upload your data



File sharing

- Task-based ISO 27001 certified file sharing space, ensuring requests for each task are easy to follow
- Ability to communicate in the tool, ensuring all team members have visibility on discussions about your audit, reducing duplication of work



Project management

- Facilitates oversight of requests
- Access to a live request list at all times



Data analytics

- Relationship mapping, allowing understanding of whole cycles to be obtained quickly
- Visualisation of transactions, allowing easy identification of trends and anomalies

How will analytics add value to your audit?

Analytics will add value to your audit in a number of ways. We see the key benefits of extensive use of data analytics within the audit process to be the following:

Improved fraud procedures using powerful anomaly detection

Being able to analyse every accounting transaction across your business enhances our fraud procedures. We can immediately identify high risk transactions, focusing our work on these to provide greater assurance to you, and other stakeholders.

Examples of anomaly detection include analysis of user activity, which may highlight inappropriate access permissions, and reviewing seldom used accounts, which could identify efficiencies through reducing unnecessary codes and therefore unnecessary internal maintenance.

Another product of this is identification of issues that are not specific to individual postings, such as training requirements being identified for members of staff with high error rates, or who are relying on use of suspense accounts.

More time for you to perform the day job

Providing all this additional value does not require additional input from you or your team. In fact, less of your time is required to prepare information for the audit and to provide supporting information to us.

Complete extracts from your general ledger will be obtained from the data provided to us and requests will therefore be reduced.

We provide transparent project management, allowing us to seamlessly collaborate with each other to complete the audit on time and around other commitments.

We will both have access to a dashboard which provides a real-time overview of audit progress, down to individual information items we need from each other. Tasks can easily be allocated across your team to ensure roles and responsibilities are well defined.

Using filters, you and your team will quickly be able to identify actions required, meaning any delays can be flagged earlier in the process. Accessible through any browser, the audit status is always available on any device providing you with the information to work flexibly around your other commitments.

Significant improvements from the Financial Reporting Council's (FRC) quality inspection

On 29 October 2021, the FRC published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here: [FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

Our file review results

The FRC reviewed nine of our audits this year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

Our results over the past three years are shown in the table below:

Grade	Number 2018/19	Number 2019/20	Number 2020/21
Good with limited improvements (Grade 1 or 2)	1	1	6
Improvements required (Grade 3)	2	5	3
Significant improvements required (Grade 4)	1	0	0
Total	4	6	9

Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Our NHS bodies in particular have been at the forefront of the public health crisis. As auditors we have had to show compassion to NHS staff deeply affected by the crisis, whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Significant improvements from the Financial Reporting Council's (FRC) quality inspection (cont.)

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- Enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- Formalising our arrangements for the consideration of complex technical issues by Partner Panels.

As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

Conclusion

Local audit plays a critical role in the way public sector audits and society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.



Audit Committee

26th September 2022



Report of: Service Director: Finance

Title: Treasury Management Annual Report 2021/22

Ward: City Wide

Officer Presenting Report: Ravi Lakhani, Head of Strategic Finance

Contact Telephone Number: 07342 086687

Recommendation

The Audit Committee note the Annual Treasury Management Report for 2021/22, as detailed in Appendix A.

Summary

The Council is required to produce an annual treasury management review of activities and the actual treasury indicators in accordance with Local Government regulations.

The significant issues in the report are:

- The Council has complied with treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.
- The 2021–2026 Treasury Strategy identified a medium term borrowing requirement of £260m to support the existing and future Capital Programme. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£237m at March 2022), noting if the financial environment changes and borrowing was deemed advantageous the Council may borrow over appropriate maturity periods.
- The Council's long term debt at 31 March 2022 was £451m with an average annual interest rate of 4.48%. Investments were £237m at the 31 March 2022 with an average annual interest rate of 0.13%.



Policy

There are no policy implications as a direct result of this report.

Consultation

1. Internal

Executive & Service Directors, and Deputy Mayor – Finance, Governance & Performance.

2. External

Link Asset Services – the Council’s external treasury management advisors

Background and Context

1. The Council’s treasury management activity is underpinned by CIPFA’s Code of Practice on Treasury Management (the Code), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also requires reports to full Council mid-year and after the year end. The 2021/22 outturn report is set out as Appendix A.
2. The Code also requires the Council to nominate one of its Committees to have responsibility for scrutiny of its treasury management strategy, policy and activity. Council has delegated that responsibility to the Audit Committee. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council’s treasury management objectives.
3. Treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

Other Options Considered

Not applicable

Risk Assessment

The principal risks associated with treasury management are:

Risk	Mitigation
Loss of investments as a result of failure of counterparties	Limiting the types of investment instruments used, setting strict lending criteria and only lending to high quality counterparties, and limiting the extent of exposure to individual counterparties
Increase in the net financing costs of the authority due to borrowing at high rates of interest / lending at low rates of interest	Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking most long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs)

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

The Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The Council is obliged to comply with these.

(Legal advice provided by Tim O’Gara - Service Director: Legal and Democratic Services)

Financial

(a) Revenues

The financing costs arising from planned borrowing are provided for in the revenue budget and medium term financial plan. Any additional operating costs arising from capital investment must be contained within the revenue budget of the

relevant department.

(b) Capital

Not Applicable

(Financial advice provided by Jon Clayton – Capital and Investments Manager)

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix A – Treasury Management Annual Report 2021/22

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Treasury Management Annual Report 2021/22

Purpose of the report:

1. Under the CIPFA Code of Practice on Treasury Management (the Code) the Section 151 Officer is required to produce an outturn report on activities in the year to account for how the Strategy, set at the start of the year has been implemented. This report meets the requirements of both the Code and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

Background

2. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management (the Code), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also requires reports to full Council mid-year and after the year end.
3. The Code also requires the Council to nominate one of its Committees to have responsibility for scrutiny of its treasury management strategy, policy and activity. Council has delegated this responsibility to the Audit Committee. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.
4. Treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
5. The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The Economy and Interest Rates for 2021/22

6. *The Bank of England use interest rates to manage inflation and this has a subsequent effect on the economy and the rates at which the Council can borrow and invest at.*
7. **UK. Economy.** Over the last two years, the coronavirus outbreak has done significant economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy experienced several false dawns through 2021/22, but with most of the

economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% (as at March 22) and is significantly exceeding this in the summer of 2022.. *(Note further information on the recent changes to inflation in 22/23 will be reported in the Treasury Management mid-year report and finance monitoring reports).*

Gilt yields fell towards the end of 2021, but despite the war in Ukraine gilt yields have increased in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

USA. There were a number of “hawkish” comments from Federal Reserve officials in March 2022 as part of the Federal Open Market Committee meeting that had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all indicate for tighter policy (CPI was estimated at 7.8% across Q1), but the impact to real disposable incomes and the possibility of a recession points to the opposite.

EU. With euro-zone inflation having jumped to 7.5% in March it indicates that the European Central Bank will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases and the market is now anticipating possibly three 25bp interest rate hikes in the calendar year followed by more in 2023.

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a “technical” recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone was expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain.

China. After the effort to restrict the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by further outbreaks of Covid-19 in large cities with official GDP numbers c4% y/y.

World growth. World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia’s recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended

supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies and an increase in inflation.

It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and will likely lead to a reduction of world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided significant fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore important that bond yields stay low while debt to GDP ratios slowly reduce under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Federal Reserve and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more

Treasury position as at 31 March 2022:

8. The table below indicates the balance of borrowing and investments at the beginning and end of the year and average borrowing cost and investment returns for each period:

	31 March 2021		31 March 2022	
	£m	Average Rate %	£m	Average Rate %
Long Term Debt (fixed rates) - PWLB ¹	331	4.63	331	4.63
Long Term Debt (fixed rates) – LOBOS ²	70	4.09	70	4.09
Long Term Debt (fixed rates) – Market	50	4.04	50	4.04
Short Term Borrowing	-	-	-	-
Total borrowing	451	4.48	451	4.48
Investments	207	0.30	237	0.13
Net Borrowing Position	244		214	

¹Public Works Loan Board

² Lender option Borrower option (LOBO)

9. The total borrowing excludes accrued interest of £5m (£5m at 31/3/21) and the outstanding finance on PFI and service contracts of £125m at 31 March 2021 (£133m at 31/3/21).

10. In addition to the Treasury investments above (£237m), the authority also has
- long term service investments costing £13m primarily relating to the holdings in Bristol Port Company (£3m) and a property fund to support Homelessness and Temporary Accommodation (£10m), and
 - long term service loans costing £28m, primarily relating to loans to wholly owned subsidiaries £24m and external organisations (£4m).
 - These investments and loans support the delivery of council functions, provide service benefits and have a positive social impact.

11. The Net debt has decreased by £30m from £244m to £214m primarily due to;

- Funding of the capital programme financed by Prudential borrowing +£43m as set out in Appendix 1 para 3.
- Minimum Revenue Provision (MRP) – (£7m)
- Net change in Reserves and provisions +£16m
- Other changes to working capital and balances (£82m)

Long Term Borrowing – Strategy and outturn

12. The 2021–2026 Treasury Strategy (approved 23rd February 2021) identified a net medium term borrowing requirement of £260m to support the existing and future Capital Programme with the debt servicing costs predominately met from revenue savings from capital investment and the economic development fund. The £260m was planned to be borrowed in the following periods, 21/22, £100m, 22/23 - £75m, 23/24 - £30m, 24/25 - £35m and 25/26 - £20m.
13. The Council’s Strategy is also to defer borrowing while it has significant levels of liquid treasury investments, £237m at March 2022 (£207m at March 2021). However, the Strategy also considers where the financial environment changes and borrowing is deemed advantageous the Council will seek to borrow over appropriate maturity periods. Deferring borrowing reduces the “net” revenue interest cost of the Authority as well as reducing the Councils exposure to counter party risk for its investments. The Council recognises that utilising investments in lieu of borrowing clearly has a finite duration and that future borrowing will be required to support capital expenditure (see 2021/22 Treasury Management Strategy approved by Council 23rd February 2021).

<https://democracy.bristol.gov.uk/documents/s57091/Appendix%204%20-%20Treasury%20Management%20Strategy%20202122.pdf>

14. Borrowing activity in year was in accordance with the Strategy approved at the beginning of the year:
 - **Borrowing** – No borrowing was undertaken during the year as the authority maintained higher levels of investments, on average circa £240m, that was higher than anticipated for a variety of reasons including the advance receipt of grants, and the time taken to progress capital schemes where the source of financing was external borrowing.
 - **Rescheduling** – No debt rescheduling activity was undertaken in 2021/22. As set out in the Treasury Mid-Year report the total life cycle cost of rescheduling loans on a discounted cash-flow basis has been reviewed with no loans providing a positive cash-flow benefit to the authority. This would in part be due to the large early repayment penalties that the authority would incur, circa £213m penalty to repay the £331m of PWLB loans early as at 31st March 2022 (the penalty at 31/03/21 was £270m).

Annual Investment Strategy and Outturn

15. Investment returns remained low during 2021/22 due to the low interest rate environment that persisted throughout the year. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the

emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessary

The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with large amounts of “cheap” credit so that banks could help “cash-starved” businesses to survive the various lockdowns and the associated negative impacts on their cashflow. The Government also supplied large amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 7% in March 2022).

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis in 2008-09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

16. Security of capital remained the Council’s main investment objective. This was maintained by following the Council’s policy for assessing institutions to which the council might lend. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).
17. Treasury Investments held by the Council - the Council maintained an average balance of £240m (£194m 2020/21) of internally managed funds. The internally managed funds received an average return of 0.13% (0.30% 2020/21). The comparable performance indicator is the Sterling Overnight Index average (SONIA) 7-day LIBID rate, which was 0.14% so approximately in line with benchmark

Compliance with Treasury Limits and Treasury Related Prudential Indicators

18. The Council can confirm that:

- All treasury related transactions were undertaken by authorised officers and within the limits and parameters approved by the Council;

- All investments were to counterparties on the approved lending list
- The Council operated within the Prudential Indicators within Appendix 1.

Performance Indicators set for 2021/22

19. One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt, and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council's performance indicators were set out in the Annual Treasury Management Strategy.
20. The following performance indicators have been set:
- Debt / Borrowing – Average rate of borrowing for the year compared to the average available.
No borrowing undertaken during the year
 - Investments – Internal returns above the 7 day LIBID rate
Average rate for the year 0.13% vs. annual average 7 day LIBID of negative 0.04%
(The Bank of England now recommend the use of the SONIA rate mentioned above). This rate was positive 0.14%)

Consultation and scrutiny input

21. The report has been discussed with the Council's external treasury management advisers and internally with Strategic & Service Directors, and Deputy Mayor – Finance, Governance & Performance.

Risk Assessment

22. The principal risks associated with treasury management are:

Risk	Mitigation
Loss of investments as a result of failure of counterparties	Limiting the types of investment instruments used, setting strict lending criteria and only lending to high quality counterparties, and limiting the extent of exposure to individual counterparties
Increase in the net financing costs of the authority due to borrowing at high rates of interest / lending at low rates of interest	Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking most long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs)

Public sector equality duties:

23. There are no proposals in this report, which require either a statement as to the relevance of public sector equality duties or an Equalities Impact Assessment.

Environmental checklist / eco impact assessment

24. There are no proposals in this report which have environmental impacts

Legal and Resource Implications

25. Legal- the Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The Council is obliged to comply with these.

Advice provided by Tim O’Gara (Service Director: Legal and Democratic Services)

Financial**(a) Revenue**

26. The financing costs arising from planned borrowing are provided for in the revenue budget and medium term financial plan.

Advice given by Jon Clayton (Capital and Investment Manager)

(b) Capital

27. There is no direct capital investment implications contained within this report.

Land

28. There are no direct implications for this report.

Personnel

29. There are no direct implications for this report.

Appendices:

Appendix 1: Treasury Management Annual Report 2021/22

Background Papers:

30. Treasury Management Strategy 2021/22

<https://democracy.bristol.gov.uk/documents/s57091/Appendix%20-%20Treasury%20Management%20Strategy%20202122.pdf>

**Annual Report on the Treasury Management Service 2021/22 (Incorporating
Outturn Prudential Indicators)**

Introduction

1. This report summarises:

- The capital activity during the year
- What resources the Council applied to pay for this activity;
- The impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The reporting of the required prudential indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- A summary of interest rate movements in the year;
- The detailed debt activity;
- The detailed investment activity;
- Local Issues

The Council's Capital Expenditure and Financing 2020/21

2. The Council undertakes capital expenditure to invest in the acquisition and enhancement of long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

3. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2020/21 Actual £m	2021/22 Original Budget £m	2021/22 P9 - Final Budget £m	2021/22 Actual £m
Non-HRA capital expenditure	127 ^{*1}	210	151	119 ^{*1}
HRA capital expenditure	39	111	53	39
Total capital expenditure	166	321	204	158
Resourced by:				
Capital receipts	35	86		17
Capital grants	74	106		65
HRA Self Financing	22	40		29
Prudential borrowing	30	77		43
Revenue	4	12		3
Service Concession Contract – Waste Vehicles ^{*1}	1	-		1
Total Resources	166	321		158

^{*1} – Technical accounting adjustment required for Waste Service Concession Contract in accordance with International Financial Reporting Standards.

The Council's Overall Borrowing Need

- The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. It represents 2021/22 and prior years' net capital expenditure that has not yet been paid for by revenue or other resources.
- Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.
- Reducing the CFR – Whilst under treasury management arrangements actual debt can be borrowed or repaid at any time within the confines of the annual treasury strategy, the Council is required to make an annual revenue charge to reduce the CFR – effectively a repayment of the Non-Housing Revenue Account (HRA) borrowing need. There is no statutory requirement to reduce the HRA CFR.
- This statutory revenue charge is called the Minimum Revenue Provision - MRP. The total CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

8. The Council's 2021/22 MRP Policy (as required by CLG Guidance) was approved on the 25th February 2021.
9. The Council's CFR for the year is shown below, and represents a key prudential indicator. Accounting rule changes in previous years has meant that PFI schemes are now included on the balance sheet, which increases the Council's borrowing need, the CFR. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR	General Fund 31 March 2021 Actual £m	General Fund 31 March 2022 Actual £m	HRA 31 March 2021 Actual £m	HRA 31 March 2022 Actual £m	Total CFR 31 March 2022 Actual £m
Opening balance	625	641	245	245	886
Add unfinanced capital expenditure (as above)	30	43	-	-	43
Less MRP/VRP	(5)	(5)	-	-	(5)
Less application of Capital Resources	(1)	(2)			(2)
PFI, Service Concession and finance lease adjustments	(8)	(8)	-	-	(8)
Closing balance	641	669	245	245	914

Treasury Position at 31 March 2022

10. Whilst the Council's gauge of its underlying need to borrow is the CFR, Finance can manage the Council's actual borrowing position by either:
- Borrowing to the CFR; or
 - Choosing to utilise some temporary internal cash flow funds in lieu of borrowing or
 - Borrowing for future increases in the CFR (borrowing in advance of need).

11. The figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.

	31 March 2021		31 March 2022	
	Principal £m	Average Rate %²	Principal £m	Average Rate %²
Fixed Interest Rate Debt	331	4.63	331	4.63
Variable Interest Rate Debt	-	-	-	-
Market Debt – LOBO ¹	70	4.09	70	4.09
Market Debt	50	4.04	50	4.04
PFI / Service Contracts	133	-	125	-
Total Debt	584	4.48	576	4.48
Debt administered of behalf of Unitary Authorities (Ex Avon Debt)	(39)	-	(38)	-
Revised Debt	545	4.48	538	4.48
Capital Financing Requirement	886		914	
Over/(Under) borrowing	(341)		(376)	
Investment position				
Investments (Fixed & Call)	207	0.30	237	0.13
Net borrowing position (excl leasing arrangements)	244	-	214	-

1 Lender option Borrower option (LOBO) , 2 reflect the average rate for the year taking account of new loans and repayments.

12. The fixed Interest rate debt is apportioned between the General Fund and HRA as set out in the table below.

Fixed Interest Rate Debt	31 March 2021		31 March 2022	
	£m		£m	
	Principal £m	Average Rate%	Principal £m	Average Rate%
General Fund	211	4.26	211	4.26
HRA	245	4.68	240	4.68
Total	456	4.48	451	4.48

13. The maturity structure of the debt portfolio (excluding accrued interest) was as follows:

	Approved Min Limit%	Approved Max Limit%	31 March 2021		31 March 2022	
			Actual £m	%	Actual £m	%
Under 12 Months	0	20	-	-	5	1
1 to 2 years	0	20	5	1	-	-
2 to 5 years	0	40	20	4	32	7
5 to 10 years	0	40	34	8	22	5
10 years and over	25	100	392	87	392	87
Total			451	100	451	100

14. The Council hold £70m of LOBOS with maturities averaging 39 years. Inherent within these loan instruments are options (averaging an option every 3.5 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options was currently low for the short to medium term based on the interest rates as at the 31st March 2022. Therefore, the maturity of these loans in the above table is based on their maturity date, 10 years and over.

However, with the current rising interest environment it is anticipated that there may be opportunities to refinance these loans over the short to medium term.

15. The Council will continually review these loans in accordance with economic forecasts and will update the maturity structure of the debt portfolio accordingly and assess the future re-financing risks and opportunities exposed to the authority and report any changes within future monitoring reports.
16. The authority's borrowing strategy is to delay borrowing and use its existing resources to support the Capital Programme to reduce its exposure to counterparty risk and the net interest cost of the authority (cost of carry). The authority, as planned, did not undertake further borrowing while the authority maintained higher levels of investments than originally anticipated. This was due to a variety of reasons including the receipt of grants in advance and the time taken to progress capital schemes where the source of financing was external borrowing.
17. If it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than expected, perhaps arising from an acceleration in bank rate, an increase in world economic activity or a sudden increase in inflation risks, then further borrowing would have been considered. Most likely, further fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be over the short to medium term.
18. Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2021/22 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. This change in interest rate forecasts is reflected in the table below (para 24)

Prudential Indicators and Compliance Issues

19. Some of the prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:
20. **Gross Borrowing and the CFR** – In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement over the medium term. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2021 Actual £m	31 March 2022 Actual £m
Gross borrowing position	451	451
CFR (excluding PFI)	753	789

21. **The Authorised Limit** - The Authorised Limit is the “Affordable Borrowing Limit” required by Section 3 of the Local Government Act 2003. Once agreed the authorised limit cannot be breached. The Council does not have the power to borrow above this level. The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its Authorised Limit.
22. **The Operational Boundary** – The Operational Boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.
23. **Actual financing costs as a proportion of net revenue stream** - This indicator identifies the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2021/22 £m
Authorised Limit	1,000
Operational Boundary	693
Average gross borrowing position (including PFI)	580
Financing costs as a proportion of net revenue stream:	
General Fund	6.60%
HRA	9.00%

Borrowing Rates in 2021/22

24. Gilt yields fell sharply from the spring of 2021 through to September and then picked back up before falling again through December. However, by the turn of the calendar year markets became focussed inflation, following the opening of economies post the pandemic, and rising commodity and food prices resulting from the Russian invasion of Ukraine.

At the close of the day on 31 March 2022, all gilt yields from 1 to 5 years were between 1.11% – 1.45% while the 10-year and 25-year yields were at 1.63% and 1.84%.

The margin over gilt yields for the City Council to borrow from the Public Works Loan Board (PWLb) is the is a gilt plus 80 basis points.

At the end of March rates were forecast to rise in short dated gilt yields and PWLB rates over the next three years as Bank Rate was forecast to rise from 0.75% in March 2022 to 1.25% during the next financial year. Medium and long dated yields were also forecast to rise

modestly over the short to medium term but recognised concerns around the impact from Quantitative Tightening when Bank Rate hits 1% and inflation post the pandemic.

Forecast Interest rates as at 7th February 2022

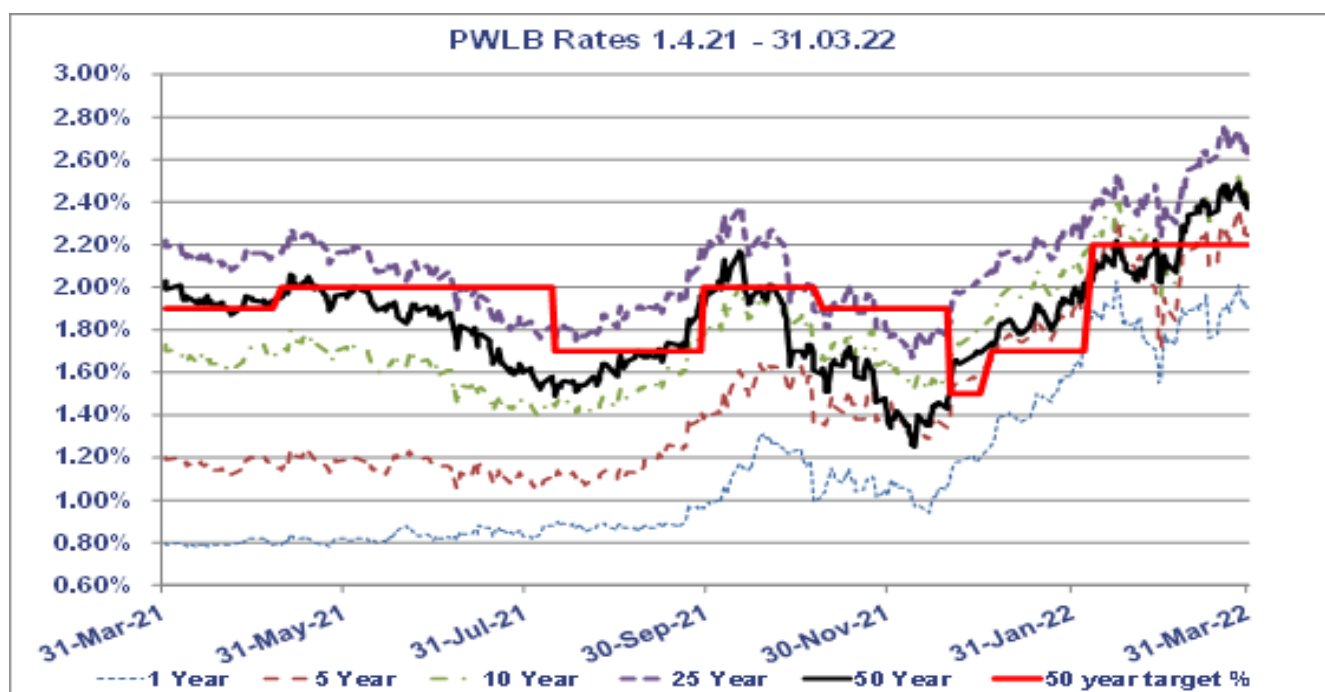
Period	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 Year	25 year	50 year
Mar 2022	0.75	2.20	2.30	2.40	2.20
Mar 2023	1.25	2.30	2.40	2.60	2.40
Mar 2024	1.25	2.30	2.40	2.60	2.40
Mar 2025	1.25	2.30	2.40	2.60	2.40

The latest forecast indicates that rates will rise faster and higher than originally forecast, as detailed in the table below, with further details to be included in the Treasury Management mid-year report.

Forecast Interest rates as at 15th September 2022

Period	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 Year	25 year	50 year
Oct 2022	2.25	2.80	3.00	3.40	3.10
Mar 2023	2.75	3.10	3.30	3.50	3.20
Mar 2024	2.50	2.90	3.10	3.40	3.10
Mar 2025	2.25	2.80	2.90	3.20	2.90

The impact on PWLB rates during the financial year ending the 31st March 2022 is highlighted in the graph below.



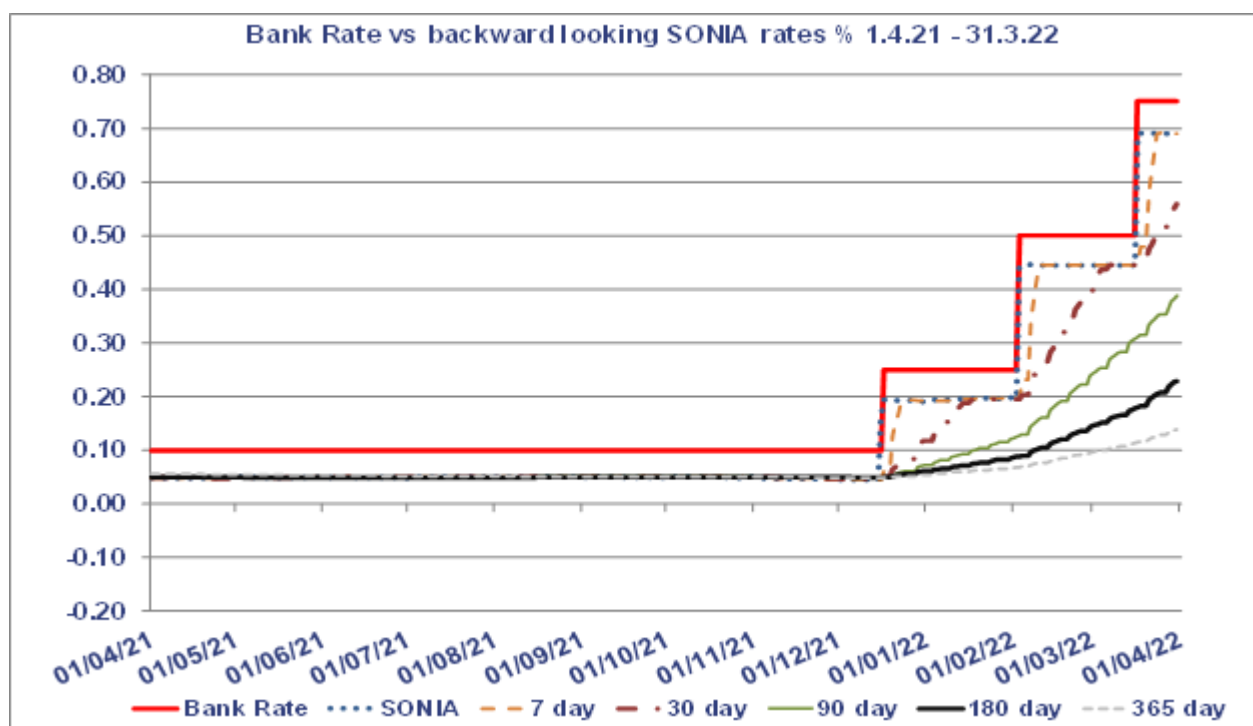
25. **Summary of Debt Transactions** – The authority did not have any loans scheduled to be repaid during year and to avoid increased counterparty risk along with low investment returns no borrowing was undertaken during the year. (So internal borrowing was used utilising the Council's cash balances)

26. The average rate of interest for the debt portfolio is 4.48%.

Investment Rates in 2021/22

27. Investment returns remained close to zero during 2021/22. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.10% and remain at this level until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer needed.

The impact on investment rates is highlighted in the graph below.



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	0.75	0.69	0.69	0.56	0.39	0.23	0.14
High Date	17/03/2022	18/03/2022	25/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Low	0.10	0.05	0.05	0.05	0.05	0.05	0.05
Low Date	01/04/2021	15/12/2021	16/12/2021	16/12/2021	16/12/2021	07/06/2021	13/12/2021
Average	0.19	0.14	0.13	0.12	0.09	0.07	0.06
Spread	0.65	0.65	0.65	0.51	0.34	0.18	0.09

28. The Council's investment policy is governed by Department for Levelling Up, Housing and Communities (DLUHC) guidance, which has been implemented in the annual investment strategy approved by the Council on 23rd February 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Local Issues

29. **Ethical and Equitable Investment Policy** – A refreshed “Ethical Equitable Investment Policy” was approved by Cabinet on the 18th January 2022. The Council approved their first policy, known as the Ethical Investment Policy on the 15th December 2011 that was subsequently updated in February 2015. It should be noted that there have been no breaches during the year.

Regulatory Framework, Risk and Performance

30. The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions have been made);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the DLUHC has issued Investment Guidance to structure and regulate the Council's investment activities.
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007 and further amendments have been made since, the most recent being February 2018. It should also be noted that this provision is currently being reviewed and consulted upon as referred in previous treasury reports.

31. The Council has complied with all of the above relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

32. The Council has ensured that the principles of security, liquidity and yield (in that order) have been adhered to within the treasury operation. This implies that the safeguarding of the principal investment with a suitable high quality counterparty remains the Council's highest priority followed by liquidity (i.e. ease of access to the principal amount deposited) and yield (i.e. return) on investment.

Audit Committee

26th September 2022



Report of: Director of Finance

Title: Risk Management Annual Report 2021/22

Ward: Citywide

Officer Presenting Report: TBC

Recommendation

The Audit Committee note the report and actions taken and plans for 2021/22 to improve the effectiveness of risk management across the organisation.

Summary

This report presents a summary report of risk management activities during 2021/2022. It covers the background to the Council's approach to risk management and progress being made against improving the risk management maturity of the organisation.

The significant issues in the report are:

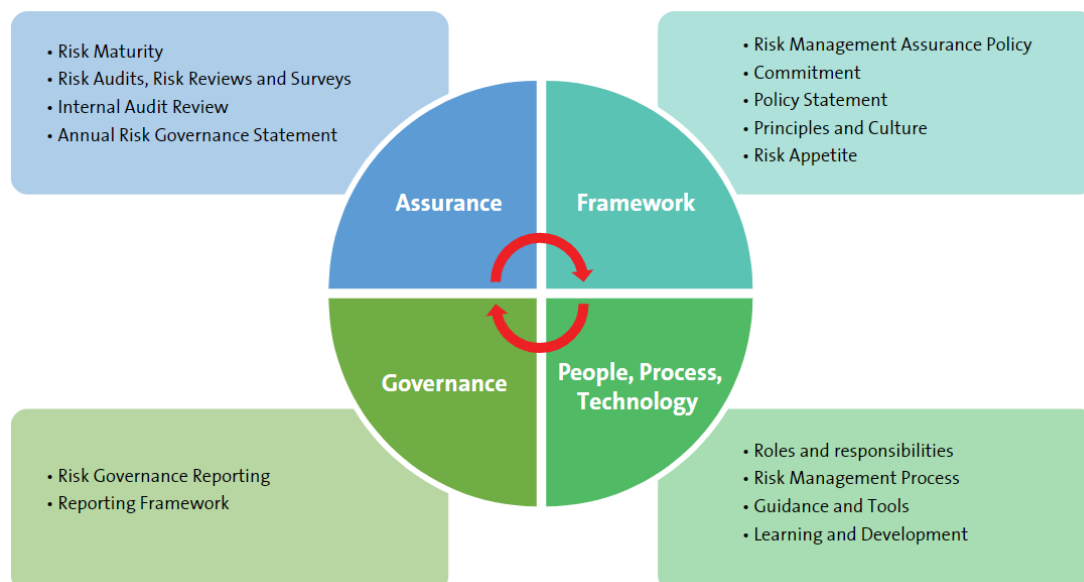
The Council's risk management assurance policy was approved in 2018 and sets out the Council's commitment to effective risk management to support delivery the aims of the organisation and in delivery of critical services.

Embedding and improving Risk Management practices across an organisation takes time to implement. The 2021/22 annual internal audit of risk management gave limited assurance of risk management practice across the Council whilst acknowledging improvements in this area. This report provides detail on actions taken and plans for 2022/23 to improve the effectiveness of risk management across the Council.



1. Policy

1.1. The Council's risk management assurance policy was approved in 2018 and sets out the Council's commitment to effective risk management to support delivery the aims of the organisation and in delivery of critical services. The figure below sets out the key aspects of the Risk Management Framework.



2. Consultation

Internal – Director of Finance, Cabinet member for Finance, Governance, Property and Culture

External – None

3. Context

- 3.1. Risk management is the planned and systematic identification, analysis, evaluation prioritisation and control of opportunities and risks that challenge the resources, reputation, and objectives of an organisation. It enables the Council to effectively manage strategic decision making, service planning and delivery to safeguard the well-being of its stakeholders and increases the likelihood of achieving its outcomes.
- 3.2. The Accounts and Audit Regulations 2015, specifically requires the Council to have in place effective arrangements for the management of risk. Effective risk management is an essential element of good management and a sound internal control system, and a key contributor to good governance and the Annual Governance Statement (AGS).
- 3.3. The Audit Committee has responsibility for providing independent assurance for Members over the adequacy of the risk management framework and the associated control environment. They have a critical role in establishing the environment that will allow the effective management of risk to flourish.
- 3.4. The Committee is responsible for overseeing the risk management policy, anti-fraud and anti-corruption arrangements, the effective development and operation of risk management in the

Council, progress in addressing risk-related issues reported to the committee, and to be satisfied that the Council's assurance framework properly reflects the risk environment.

- 3.5. This report summarises the risk management activity undertaken during 2021-22 and supports the Audit Committee in discharging its responsibilities.

Risk Management During 2021-22

- 3.6. During the financial year 2021-22 the Council managed 27 threat risks, three opportunity risks and 3 external/contingency risks within the corporate risk register. During the year 3 new risks were added to the risk register and 3 were de-escalated to Directorate Risk Registers.

Threat Risks	Opportunity Risks	External Risks
27 Risks: 2 New risks 2 Closing/De-escalating	3 Opportunity Risks: 1 de-escalating	3 Risks: 1 New 1 Closing/De-escalating

- 3.7. The role of Corporate Risk Management Group was reviewed in Resources EDM in February 2022 and agreement was reached to form a group over the coming quarters to review and monitor key strategic risks, identify strategic risks and ensure risk management continues to be effectively embedded throughout the organisation.
- 3.8. Activities during 2021/22 continued to develop the Council's approach to risk management moving the Council towards managing risk in a planned informed way, including:
- Quarterly reporting on key strategic risks – including risk workshops with corporate risk owners to review and update key strategic risks.
 - Update of the formal risk reporting templates to include: internal controls, actions with progress status and due date, quarterly trend and a summary of progress.
 - Implementation and rollout of a new Risk Management Database – with over 400 risks captured on the system and training was provided to all members of DMTs and wider risk owners.
 - Managed, maintained and communicated Risk Management on the Source, risk management systems, internal meetings and via Internal Manager Bulletins.
 - Risk management guidance and support available to staff and Members
 - i. Rolled out an eLearning Risk Management Introduction course to over 100 risk owners.
 - ii. Developed risk management system/process guidance documents.
 - iii. Risk management dashboards were also created within the risk management database for each DMT collating key information on significant risks such as newly identified risks, significant strategic/operational and opportunity risks, overdue actions and overdue risk updates. In addition, risk management guidance is included within these dashboards to aid the review process.

- Service risk workshops with each DMT was carried out with an external risk consultant to define and identify risks appropriately as part of the move to the newly implemented risk management database.

Risk Management Audit 2021/22

- 3.9. As part of the annual governance review process Internal Audit conduct a review of risk management processes. In the audit conducted in early 2022, internal audit has provided a 'Limited Assurance' opinion regarding progress in the embedding of risk management processes and the current adequacy and effectiveness of the Council's risk management system.
- 3.10. As part of the audit three risks were identified to consider the effectiveness of processes to define, record, mitigate and manage risk, and the extent to which risks relating to Covid-19 have been considered and managed. It was determined that the reviewed risks that the parameters of the scope of these risks were unclear. It was determined that these risks required redefining to ensure action and risk owners were clear on the identified risk. It was also found that the quality of discussions regarding risk at DMT's was inconsistent with some in the organisation lacking understanding on their responsibilities regarding risk reporting. Whilst the audit acknowledged reasonable assurance in respect of there being clear milestones and actions to address the risks identified it was determined as only limited in respect of holding those owners for account on delivery of those actions. It was also determined that our actions taken to manage key risks that have subsequently been impacted by Covid-19 had reasonable assurance.
- 3.11. Internal Audit recognised the significant progress which had been made in developing the tools and resources to improve the clarity and ease of risk management processes and to facilitate effective discussion of risk at DMT, EDM, CMB and CLB meetings. These new systems, processes, guidance and training were acknowledged as rolled out but in some areas improvements are in their infancy and required further embedding at the time of the audit.
- 3.12. The Council is continuing to provide training, support and briefings to teams to embed improvements further and improve the evidence of its operation and effectiveness, through audit trails and risk reporting.

Risk Management Annual Plan 2022-2023

- 3.13. Risk Management Annual Plan 2022-23
- 3.14. The planned activities for the forthcoming year are the continuation of the journey of embedding risk management practices in line with best practice and considering the finding of the internal audit report.
- 3.15. Key target areas include providing training for managers with responsibilities for managing risk and clear guidance and processes.
- 3.16. Work will be undertaken to ensure service planning and risk management are closer aligned to ensure actions are taken to reduce where risks exceed current risk tolerance.

3.17. In addition, when reviewing the risk management assurance framework we will review the approach to setting and agreeing risk appetite. This will be completed following a review of the council's risk culture, maturity and appetite.

3.18. Key risk management activities are outlined in the table below.

Area	Action	Deadline
Risk Management Policy and Risk Management Framework Review	Review of risk management framework including setting of risk appetite statements	March 2023
Strategic Risk Reporting	Facilitation and support of quarterly strategic risk register review. Review of process to ensure closer alignment with performance information.	On-going quarterly reporting
Annual Risk Management Report	2021/22 Annual Report to Audit Committee	September 2022
Risk Maturity, Culture and Appetite Assessment	Completion of the annual risk maturity assessment that will feed into an assessment of the Risk Management Assurance Policy	December 2022
Continue to provide risk management support and guidance to embed risk management within the organisation	Provide quarterly workshops to DMTs and Corporate risk owners to embed risk management and ensure risks appropriately defined and managed. Provide additional workshops to services/risk owners as requested.	Ongoing quarterly reporting
Service planning and Risk Management alignment	Ensure that risk management is embedded in service planning. Risk identification and review to be included as part of identifying and recording key objectives/actions.	December 2022

4. Proposal

- The Audit Committee are requested to receive and note the Risk Management annual report.

5. Other Options Considered

n/a

6. Risk Assessment

6.1. The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council.

7. Summary of Equalities Impact of the Proposed Decision

7.1. No Equality Impact anticipated from this report.

8. Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Risk Management Assurance Policy.

Audit Committee

26th September 2022



Report of: Tim O’Gara, Monitoring Officer

Title: Annual Report of Local Government and Social Care Ombudsman Decisions

Ward: Citywide

Officer Presenting Report: Ben Hewkin Head of Information Assurance

Recommendation

That the Audit committee note the report and refer to Full Council for consideration.

Summary

The report summarises findings made by the Local Government and Social Care Ombudsman (LGO) in 2021/2022 in respect of the Council.

The significant issues in the report are:

The Ombudsman made no public interest Reports.

There were 22 Upheld cases out of 34 investigations compared with 19 Upheld cases and 95 investigations in 2020-2021

Adult Social Care – 4

Corporate & Other - 1

Education & Children’s Services -2

Environmental Services – 5

Highways and Traffic – 2

Housing – 3

Planning Applications & Planning Enforcement – 5

Context

1. This report is presented to the Committee to consider for referral to Full Council in line with the duty to report to the Full Council where findings of maladministration or fault have been made by the Ombudsman, summarising the findings made.
2. The Ombudsman performance data includes lessons learnt with a view to looking at wider improvements that can be achieved. The Ombudsman has published an interactive map of council performance showing annual performance data for all councils in England, with links to published decision statements, public interest reports, annual letters and information about service improvements that have been agreed by each council. It also highlights those instances where each authority offered a suitable remedy to resolve a complaint before the matter came to the Ombudsman, and the authority's compliance with the recommendations made to remedy complaints:

<https://www.lgo.org.uk/your-councils-performance>

3. The Ombudsman has sent the Council all findings made in the year ending the 31st March 2022.
4. The requirement to report to Full Council applies to all Ombudsman complaint decisions, not just those that result in a public report.
5. The LGO has upheld 22 cases in the year to March 31st 2022 compared to 19 the previous year.
6. To put this figure in to context, the Council dealt with 6,327 Stage One complaints compared with 6,148 in 2020-2021. Giving an escalation rate to the LGO of 0.34% of the total number of cases in relation to the number of upheld cases.
7. The link above taken from the LGO website shows that the Council's upheld rate of 65% is higher than the UK authority average of 64%. Council has provided satisfactory remedies in 23% of cases compared with the national average of 12%.
8. Appendix 1 sets out a summary of the findings made by the LGO, remedies agreed by the Council and lessons learnt. In 100% of cases the LGO were satisfied the Council had successfully implemented their recommendations.
9. Appendix 2 and 3 sets out comparator information with other Authorities including by matter and decision respectively
10. The Annual letter from the LGO to the Council is at Appendix 4
11. Officers have considered the comments made.

Officers have reviewed the report and findings produced by the Ombudsman. In reference to the comments made about two cases, there isn't sufficient detail provided in the letter for us to identify which cases are being referred too. The letter itself also doesn't provide any guidance or further instruction on ways that the Council can improve. We have reviewed the LGO website and the Councils performance in responding to LGO Remedies is 100%. We will look to follow this up with the ombudsman in due course.

Officers have noted the recognition by the Ombudsman of the challenging year for all, and note the general suggestion listed for all local authorities to consider.

Officers propose that no specific actions are to be taken from this letter, but work will continue to improve our Complaints procedures. Wider training for staff within the Council is being conducted to improve the initial stage one response, which has been well received by staff. The team have also retained their ISO 10002:2018, Complaints handling in organizations certification, for the seventh year running.

In the LGO letters from the preceding two years, concern was expressed about the level of engagement with the LGO. There is no comment on these matters in this year's letter. The Council has tightened its processes around complaint handling with the LGO, including increasing the resources allocated to our Complaints Procedure.

Officers are satisfied that the concerns from previous years raised by the LGO have been appropriately addressed.

Proposal

That the Committee note the report and refer to Full Council for consideration.

Legal and Resource Implications

Legal

This report is made in compliance with the Council's duty to report Findings of maladministration or fault to Full Council

Legal advice provided by Nancy Rollason Head of Legal Service

Financial

Appendices:

- Appendix 1 – Summary of complaints upheld and lessons learnt
- Appendix 2 – Comparator data re subject matter
- Appendix 3 – Comparator data re decision
- Appendix 4 – Annual letter from the LGO

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Complaints and Enquiries Received (by Category) 2021-22

Authority Name	Adult Social Care	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environmental Services, Public Protection and Regulation	Highways and Transport	Housing	Planning and Development	Other	Total
Adur District Council	0	1	1	0	3	1	4	1	1	12
Allerdale Borough Council	0	1	4	0	4	2	1	6	2	20
Amber Valley Borough Council	0	1	1	0	3	0	1	7	0	13
Arun District Council	0	1	0	0	1	2	3	12	0	19
Ashfield District Council	0	3	1	0	8	0	1	4	0	17
Ashford Borough Council	0	4	2	0	0	3	2	4	2	17
Aylesbury Vale District Council	0	0	0	0	0	0	0	0	0	0
Babergh District Council	0	0	4	0	1	0	0	9	0	14
Barnsley Metropolitan Borough Council	7	2	4	9	3	2	1	7	0	35
Barrow-in-Furness Borough Council	0	5	0	0	0	0	0	2	0	7
Basildon Borough Council	1	4	3	0	3	0	13	4	4	32
Basingstoke & Deane Borough Council	0	2	1	0	11	0	6	5	0	25
Bassetlaw District Council	0	1	0	0	2	1	2	0	0	6
Bath and North East Somerset Council	6	4	3	3	2	5	4	6	0	33
Bedford Borough Council	9	9	2	12	3	4	2	3	0	44
Birmingham City Council	40	40	11	69	86	57	124	22	14	463
Blaby District Council	0	2	0	0	1	0	2	1	0	6
Blackburn with Darwen Council	7	7	0	6	5	0	1	4	0	30
Blackpool Borough Council	9	0	2	10	7	1	3	2	1	35
Bolsover District Council	0	0	5	0	1	1	1	2	0	10
Bolton Metropolitan Borough Council	15	5	2	16	3	7	4	13	1	66
Boston Borough Council	0	2	2	0	4	1	1	2	0	12
Bournemouth, Christchurch and Poole Council	23	3	10	20	14	5	10	18	2	105
Bracknell Forest Council	4	1	3	21	1	1	1	3	0	35
Braintree District Council	0	1	0	0	1	1	1	5	0	9
Breckland District Council	0	1	3	0	2	1	4	6	0	17
Brentwood Borough Council	0	0	0	0	4	1	7	18	0	30
Brighton & Hove City Council	16	9	7	18	10	18	16	8	1	103
Bristol City Council	11	3	6	20	20	15	24	29	3	131
Broadland District Council	0	0	1	0	1	0	4	5	0	11
Broads Authority	0	0	0	0	0	2	0	0	0	2
Bromsgrove District Council	0	4	1	0	2	0	1	10	0	18
Broxbourne Borough Council	0	4	1	0	3	0	3	3	0	14
Broxtowe Borough Council	0	2	3	0	2	0	3	3	0	13
Buckinghamshire Council	13	6	9	37	14	11	11	30	1	132
Buckinghamshire County Council	0	0	0	0	0	0	0	0	0	0
Burnley Borough Council	0	3	0	0	2	1	0	0	0	6
Bury Metropolitan Borough Council	4	9	2	24	11	10	2	4	2	68
Calderdale Metropolitan Borough Council	13	7	2	13	11	10	2	14	0	72
Cambridge City Council	0	1	2	0	7	0	5	3	1	19
Cambridgeshire County Council	22	0	2	20	1	14	0	0	1	60
Cannock Chase District Council	0	2	1	0	2	0	1	3	0	9
Canterbury City Council	0	4	0	0	9	4	10	11	1	39
Carlisle City Council	0	0	1	0	5	1	0	4	0	11
Castle Point Borough Council	0	0	1	0	0	0	4	2	1	8
Central Bedfordshire Council	5	4	6	21	4	5	2	13	2	62
Charmwood Borough Council	0	7	4	0	0	0	3	5	0	19
Chelmsford City Council	0	0	2	0	5	1	1	6	0	15
Cheltenham Borough Council	0	2	1	0	0	1	0	2	0	6
Cherwell District Council	0	2	1	0	2	0	3	8	0	16
Cheshire East Council	12	6	11	18	16	23	2	26	1	115
Cheshire West & Chester Council	13	7	4	14	9	8	2	13	0	70
Chesterfield Borough Council	0	1	0	0	3	0	4	1	1	10
Chichester District Council	0	2	0	0	3	1	0	2	1	9
Chorley Borough Council	0	0	1	0	1	0	0	3	0	5
City of Bradford Metropolitan District Council	13	32	3	43	10	12	5	15	3	136
City of London	2	1	2	0	1	4	2	0	0	12
City of Wolverhampton Council	3	2	2	8	5	2	9	4	1	36
City of York Council	10	7	3	7	12	16	6	9	1	71
Colchester Borough Council	1	2	1	0	4	1	7	4	1	21
Copeland Borough Council	0	0	0	0	2	0	0	2	0	4
Corby Borough Council	0	1	0	0	0	0	0	0	0	1
Cornwall Council	25	11	13	17	13	8	22	36	2	147
Cotswold District Council	0	1	2	0	4	0	0	7	0	14
Council of the Isles of Scilly	0	0	0	0	0	0	0	0	0	0
Coventry City Council	11	5	5	22	22	8	9	7	4	93
Craven District Council	0	1	2	0	1	0	0	12	0	16
Crawley Borough Council	0	1	1	1	2	0	1	2	1	9
Cumbria County Council	7	0	6	21	3	15	0	2	0	54
Dacorum Borough Council	0	1	1	0	3	0	4	7	1	17
Darlington Borough Council	6	4	4	4	0	3	1	3	1	26
Dartford Borough Council	0	0	0	0	6	1	3	4	0	14
Dartmoor National Park Authority	0	0	0	0	0	0	0	1	0	1
Daventry District Council	0	0	0	0	2	0	0	2	0	4
Derby City Council	9	1	4	15	3	3	4	8	0	47
Derbyshire County Council	22	0	3	40	1	18	0	1	1	86
Derbyshire Dales District Council	0	1	0	0	0	0	0	2	0	3
Devon County Council	34	0	1	53	5	44	0	3	0	140
Doncaster Metropolitan Borough Council	12	6	3	12	4	6	8	11	1	63
Dorset Council	21	7	11	38	10	18	3	13	0	121
Dover District Council	0	3	0	0	7	1	5	7	0	23
Dudley Metropolitan Borough Council	14	4	9	13	16	1	21	7	2	87
Durham County Council	20	5	3	25	14	5	2	18	2	94
East Cambridgeshire District Council	0	2	1	0	0	1	0	5	0	9
East Devon District Council	0	5	3	0	3	1	6	5	0	23

East Hampshire District Council	0	0	1	0	4	0	3	6	0	14
East Hertfordshire District Council	0	3	2	0	2	1	0	12	0	20
East Lindsey District Council	0	5	1	0	4	0	2	5	0	17
East Riding of Yorkshire Council	11	6	7	19	12	9	5	20	1	90
East Staffordshire Borough Council	0	2	0	0	3	0	0	1	0	6
East Suffolk Council	0	5	2	0	6	0	5	13	0	31
East Sussex County Council	32	0	4	38	3	6	0	1	0	84
Eastbourne Borough Council	1	8	2	0	6	0	6	2	0	25
Eastleigh Borough Council	0	4	5	0	5	0	3	5	0	22
Eden District Council	0	0	1	0	0	1	0	2	0	4
Elmbridge Borough Council	0	2	1	0	1	1	2	6	0	13
Environment Agency	0	0	0	0	9	0	0	0	0	9
Epping Forest District Council	1	6	1	0	6	2	4	8	1	29
Epsom & Ewell Borough Council	0	2	0	0	6	2	2	13	0	25
Erewash Borough Council	0	1	0	0	1	0	1	4	0	7
Essex County Council	45	0	7	73	5	46	0	2	1	179
Exeter City Council	0	0	2	0	4	0	3	4	0	13
Exmoor National Park Authority	0	0	1	0	0	0	0	0	0	1
Fareham Borough Council	0	1	2	0	2	1	1	3	0	10
Fenland District Council	0	1	0	0	2	0	0	1	1	5
Folkestone & Hythe District Council	0	1	2	0	4	1	4	6	0	18
Forest of Dean District Council	0	2	2	0	0	0	0	2	0	6
Fylde Borough Council	0	0	0	0	2	0	1	6	0	9
Gateshead Metropolitan Borough Council	8	0	2	10	2	8	11	9	4	54
Gedling Borough Council	0	5	2	0	8	0	0	5	0	20
Gloucester City Council	0	0	1	0	5	0	2	4	0	12
Gloucestershire County Council	16	0	1	41	1	8	0	1	1	69
Gosport Borough Council	0	0	2	0	2	0	1	1	0	6
Gravesham Borough Council	0	2	1	0	0	1	12	3	1	20
Great Yarmouth Borough Council	0	4	1	0	1	0	5	4	0	15
Greater London Authority	0	0	2	0	0	0	2	1	0	5
Guildford Borough Council	0	1	2	0	5	0	5	7	0	20
Halton Borough Council	1	5	1	6	3	3	1	1	2	23
Hambleton District Council	0	1	0	0	0	0	0	9	0	10
Hampshire County Council	32	0	2	81	6	20	1	2	0	144
Harborough District Council	0	0	1	0	3	0	0	2	0	6
Harlow District Council	0	4	2	0	3	0	11	1	1	22
Harrogate Borough Council	0	3	1	0	1	1	3	12	1	22
Hart District Council	0	3	0	0	0	0	0	7	0	10
Hartlepool Borough Council	5	1	3	6	1	1	1	2	0	20
Hastings Borough Council	0	1	0	0	2	1	5	3	1	13
Havant Borough Council	0	4	1	0	7	0	2	5	0	19
Herefordshire Council	4	6	3	18	7	8	3	16	0	65
Hertfordshire County Council	30	0	4	51	3	19	0	0	3	110
Hertsmere Borough Council	0	1	0	0	3	2	4	3	1	14
High Peak Borough Council	0	1	0	0	3	1	5	6	0	16
Hinckley & Bosworth Borough Council	0	1	3	0	3	0	3	1	0	11
Horsham District Council	0	2	2	0	2	1	2	7	0	16
Huntingdonshire District Council	0	3	4	0	3	0	0	5	0	15
Hyndburn Borough Council	0	2	0	0	5	0	0	2	0	9
Ipswich Borough Council	0	4	0	0	2	0	7	0	0	13
Isle of Wight Council	7	4	3	11	4	6	4	6	0	45
Kent County Council	56	0	6	125	8	23	0	2	1	221
Kettering Borough Council	0	0	0	0	0	0	0	0	0	0
King's Lynn & West Norfolk Council	0	3	1	0	1	1	1	9	1	17
Kingston Upon Hull City Council	11	3	3	28	5	3	10	1	3	67
Kirklees Metropolitan Borough Council	20	30	10	14	12	6	7	21	3	123
Knowsley Metropolitan Borough Council	5	2	0	6	4	1	2	3	1	24
Lake District National Park Authority	0	0	0	0	0	0	0	9	0	9
Lancashire County Council	43	0	7	46	6	29	0	3	1	135
Lancaster City Council	0	4	3	0	2	0	3	2	0	14
Leeds City Council	33	7	11	35	37	10	28	28	1	190
Leicester City Council	18	9	3	13	1	7	14	5	3	73
Leicestershire County Council	21	0	2	44	3	18	0	1	0	89
Lewes District Council	0	1	2	0	2	0	5	9	0	19
Lichfield District Council	0	1	1	0	1	1	0	4	1	9
Lincoln City Council	0	6	0	0	1	0	3	0	1	11
Lincolnshire County Council	29	0	3	35	5	21	0	0	0	93
Liverpool City Council	13	8	11	39	12	9	10	11	1	114
London Borough of Barking & Dagenham	7	8	6	19	18	51	20	3	3	135
London Borough of Barnet	19	36	4	25	16	13	28	21	5	167
London Borough of Bexley	6	12	1	18	14	1	13	7	0	72
London Borough of Brent	11	12	5	14	12	7	23	9	2	95
London Borough of Bromley	10	13	3	22	13	19	22	21	1	124
London Borough of Camden	8	7	3	11	11	9	35	5	6	95
London Borough of Croydon	43	39	5	27	33	25	38	11	6	227
London Borough of Ealing	19	18	5	15	18	19	33	14	9	150
London Borough of Enfield	17	12	9	14	24	19	29	13	0	137
London Borough of Hackney	10	13	7	17	10	13	42	3	6	121
London Borough of Hammersmith & Fulham	13	4	4	7	1	9	28	6	8	80
London Borough of Haringey	13	20	10	17	11	16	40	6	6	139
London Borough of Harrow	17	4	2	10	15	9	16	12	1	86
London Borough of Havering	5	5	4	9	13	14	17	5	0	72
London Borough of Hillingdon	19	10	5	13	16	9	33	22	4	131
London Borough of Hounslow	13	15	8	10	2	24	21	11	1	105
London Borough of Islington	14	9	6	4	5	12	28	7	4	89
London Borough of Lambeth	17	12	8	20	20	31	72	6	11	197
London Borough of Lewisham	15	10	5	22	11	8	32	9	4	116
London Borough of Merton	3	10	5	10	11	9	7	16	0	71
London Borough of Newham	20	20	7	27	24	47	52	5	5	207
London Borough of Redbridge	11	5	0	13	13	28	33	21	3	127
London Borough of Richmond upon Thames	8	5	2	13	7	5	1	6	1	48
London Borough of Southwark	10	14	6	15	10	19	58	12	8	152
London Borough of Sutton	7	3	6	17	6	11	9	9	2	70
London Borough of Tower Hamlets	11	13	6	14	15	27	44	7	6	143

London Borough of Waltham Forest	21	14	13	13	18	12	39	5	3	138
London Borough of Wandsworth	13	9	5	23	7	10	31	8	4	110
Luton Borough Council	13	9	5	7	10	5	9	8	3	69
Maidstone Borough Council	0	2	1	0	11	1	0	12	0	27
Maldon District Council	0	1	0	0	4	0	0	8	0	13
Malvern Hills District Council	0	1	1	0	1	0	2	3	0	8
Manchester City Council	15	19	12	31	23	15	10	5	4	134
Mansfield District Council	0	3	1	0	4	0	2	2	0	12
Medway Council	17	9	5	18	6	10	3	12	0	80
Melton Borough Council	0	0	1	0	0	1	1	3	0	6
Mendip District Council	0	1	2	0	2	0	1	16	0	22
Mid Devon District Council	0	1	2	0	1	0	1	4	0	9
Mid Suffolk District Council	0	0	1	0	3	0	0	3	0	7
Mid Sussex District Council	0	1	0	0	5	0	1	7	0	14
Middlesbrough Borough Council	5	4	4	14	8	4	1	1	0	41
Milton Keynes Council	6	4	9	16	7	5	12	17	0	76
Mole Valley District Council	0	0	0	0	2	1	1	9	0	13
New Forest District Council	0	1	1	0	1	0	1	9	0	13
New Forest National Park Authority	0	0	0	0	0	0	0	0	0	0
Newark & Sherwood District Council	0	2	0	0	0	1	1	5	1	10
Newcastle upon Tyne City Council	15	3	5	15	8	3	8	8	2	65
Newcastle-under-Lyme Borough Council	1	4	0	0	4	0	0	3	0	12
Norfolk County Council	33	0	6	46	6	15	0	2	2	110
North Devon District Council	0	1	0	0	2	0	0	5	1	9
North East Derbyshire District Council	0	2	1	0	2	0	1	4	0	10
North East Lincolnshire Council	9	1	0	8	4	1	0	1	0	24
North Hertfordshire District Council	0	0	0	0	4	0	0	6	0	10
North Kesteven District Council	0	0	1	0	2	0	0	3	0	6
North Lincolnshire Council	6	2	4	3	4	3	1	2	0	25
North Norfolk District Council	1	4	2	0	1	0	2	5	0	15
North Northamptonshire Council	6	8	0	16	5	3	8	9	0	55
North Somerset Council	6	7	1	7	13	6	1	11	1	53
North Tyneside Metropolitan Borough Council	9	5	2	7	5	4	10	4	2	48
North Warwickshire Borough Council	0	1	0	0	1	1	1	2	0	6
North West Leicestershire District Council	0	1	0	0	4	1	2	4	0	12
North York Moors National Park Authority	0	0	0	0	0	0	0	1	0	1
North Yorkshire County Council	38	0	0	20	4	10	0	2	0	74
Northampton Borough Council	0	0	0	0	1	0	0	0	0	1
Northamptonshire County Council	2	0	0	2	0	0	0	0	0	4
Northumberland County Council	11	8	7	23	14	6	6	27	1	103
Northumberland National Park Authority	0	0	0	0	0	0	0	0	0	0
Norwich City Council	0	1	1	0	5	1	13	3	0	24
Nottingham City Council	7	6	6	13	3	7	26	2	3	73
Nottinghamshire County Council	30	0	3	33	3	12	0	0	1	82
Nuneaton & Bedworth Borough Council	0	1	5	1	12	0	3	5	0	27
Oadby & Wigston Borough Council	0	2	0	0	0	0	0	1	0	3
Oldham Metropolitan Borough Council	8	10	3	7	7	6	2	11	1	55
Oxford City Council	0	4	2	0	5	1	5	1	2	20
Oxfordshire County Council	14	0	2	37	1	8	0	1	1	64
Peak District National Park Authority	0	0	0	0	1	0	0	3	0	4
Pendle Borough Council	0	4	2	0	4	1	0	3	0	14
Peterborough City Council	4	0	4	9	4	1	7	7	0	36
Plymouth City Council	15	3	5	19	21	15	1	7	1	87
Portsmouth City Council	5	2	2	12	5	1	4	5	2	38
Preston City Council	0	3	1	0	2	0	0	3	0	9
Reading Borough Council	11	2	5	22	6	5	4	1	1	57
Redcar & Cleveland Council	4	3	2	10	3	1	0	6	1	30
Redditch Borough Council	0	1	0	0	1	0	10	0	0	12
Reigate & Banstead Borough Council	1	1	2	0	2	2	2	3	0	13
Ribble Valley Borough Council	0	2	0	0	0	0	0	5	0	7
Richmondshire District Council	0	3	1	0	1	1	0	2	0	8
Rochdale Metropolitan Borough Council	8	3	2	6	4	0	2	5	0	30
Rochford District Council	0	1	0	0	1	0	0	3	0	5
Rossendale Borough Council	0	5	2	0	2	1	0	2	1	13
Rother District Council	0	1	0	0	1	0	1	14	0	17
Rotherham Metropolitan Borough Council	7	0	6	16	2	2	6	5	1	45
Royal Borough of Greenwich	6	5	8	32	11	12	30	9	1	114
Royal Borough of Kensington & Chelsea	3	6	2	5	12	4	30	4	1	67
Royal Borough of Kingston upon Thames	3	3	4	1	6	6	9	6	2	40
Royal Borough of Windsor and Maidenhead Council	5	5	5	13	6	3	5	9	1	52
Rugby Borough Council	0	4	1	0	3	0	5	1	1	15
Runnymede Borough Council	0	1	0	0	1	0	6	0	0	8
Rushcliffe Borough Council	0	2	0	0	1	0	0	7	0	10
Rushmoor Borough Council	0	1	0	0	0	0	1	2	0	4
Rutland County Council	1	0	1	1	1	2	0	2	0	8
Ryedale District Council	0	0	3	0	3	0	0	1	0	7
Salford City Council	7	15	2	15	8	4	5	7	0	63
Sandwell Metropolitan Borough Council	14	16	6	17	9	4	16	7	3	92
Scarborough Borough Council	0	1	4	0	7	0	0	7	0	19
Sedgemoor District Council	0	0	1	0	0	0	3	5	0	9
Sefton Metropolitan Borough Council	13	3	3	15	4	3	4	10	0	55
Selby District Council	0	1	3	0	1	0	1	10	1	17
Sevenoaks District Council	0	3	0	0	3	1	3	13	1	24
Sheffield City Council	20	15	3	18	11	8	27	10	2	114
Shropshire Council	14	6	10	11	3	12	1	20	0	77
Slough Borough Council	4	9	2	8	3	3	15	5	1	50
Solihull Metropolitan Borough Council	7	3	3	17	4	2	4	12	0	52
Somerset County Council	17	0	2	37	2	10	0	2	0	70
Somerset West and Taunton Council	0	2	2	0	5	0	6	10	1	26
South Cambridgeshire District Council	0	1	1	0	3	0	1	8	0	14
South Derbyshire District Council	0	0	1	0	4	0	0	2	0	7
South Downs National Park Authority	0	0	0	0	0	0	0	0	0	0
South Gloucestershire Council	12	6	2	12	4	8	3	14	0	61
South Hams District Council	0	0	3	0	12	1	0	10	1	27
South Holland District Council	0	0	1	0	1	0	2	4	2	10

South Kesteven District Council	0	1	2	0	2	1	1	8	0	15
South Lakeland District Council	0	0	1	0	3	2	0	10	0	16
South Norfolk District Council	0	1	0	1	3	0	4	5	0	14
South Northamptonshire District Council	0	0	0	0	0	0	0	0	0	0
South Oxfordshire District Council	0	5	3	0	1	0	1	5	0	15
South Ribble Borough Council	0	0	3	0	1	0	0	1	0	5
South Somerset District Council	0	6	4	0	6	0	0	9	0	25
South Staffordshire District Council	0	0	0	0	0	0	1	7	0	8
South Tyneside Metropolitan Borough Council	8	1	6	9	10	2	7	5	0	48
Southampton City Council	9	6	1	16	7	4	8	2	2	55
Southend-on-Sea City Council	2	1	10	13	2	8	3	6	0	45
Spelthorne Borough Council	0	0	3	0	1	1	5	4	0	14
St Albans City Council	0	2	1	0	6	0	7	4	0	20
St Helens Metropolitan Borough Council	11	2	5	12	2	2	1	6	0	41
Stafford Borough Council	0	2	2	0	2	0	0	6	0	12
Staffordshire County Council	35	0	2	48	3	15	0	0	1	104
Staffordshire Moorlands District Council	0	2	3	0	0	0	0	4	0	9
Stevenage Borough Council	0	0	0	0	2	0	4	1	1	8
Stockport Metropolitan Borough Council	20	7	3	25	11	10	3	15	3	97
Stockton-on-Tees Borough Council	11	4	0	11	2	1	1	4	0	34
Stoke-on-Trent City Council	12	11	7	24	6	2	7	6	1	76
Stratford-on-Avon District Council	0	1	2	0	2	2	1	8	0	16
Stroud District Council	0	1	3	0	1	0	1	8	0	14
Suffolk County Council	34	0	0	93	6	14	0	1	0	148
Sunderland City Council	10	3	2	9	10	3	0	3	0	40
Surrey County Council	34	0	7	87	7	25	1	2	0	163
Surrey Heath Borough Council	1	1	1	0	2	0	2	7	1	15
Swale Borough Council	0	4	0	0	4	2	1	3	0	14
Swindon Borough Council	9	9	4	11	4	11	4	2	2	56
Tameside Metropolitan Borough Council	10	10	2	22	17	3	2	7	1	74
Tamworth Borough Council	0	1	1	0	4	0	0	2	0	8
Tandridge District Council	0	3	0	0	0	1	2	6	0	12
Teignbridge District Council	0	2	1	0	1	0	1	8	0	13
Telford & Wrekin Council	8	3	2	7	2	6	2	3	2	35
Tendring District Council	0	3	1	0	5	3	6	10	0	28
Test Valley Borough Council	0	0	1	0	1	0	4	3	0	9
Tewkesbury Borough Council	0	2	0	0	1	0	1	2	0	6
Thanet District Council	0	2	1	0	17	2	10	5	0	37
Three Rivers District Council	0	3	0	0	7	3	0	3	0	16
Thurrock Council	10	9	3	6	21	5	21	5	2	82
Tonbridge and Malling Borough Council	0	2	0	0	8	1	1	7	1	20
Torbay Council	8	5	2	14	11	8	2	15	1	66
Torridge District Council	0	4	3	0	1	0	0	6	0	14
Trafford Council	19	4	1	11	21	10	3	6	0	75
Transport for London	0	0	4	0	36	265	0	0	0	305
Tunbridge Wells Borough Council	0	2	2	0	2	0	0	3	0	9
Uttlesford District Council	0	3	5	0	3	0	1	7	0	19
Vale of White Horse District Council	0	6	2	0	5	0	1	11	0	25
Wakefield City Council	9	8	6	20	15	10	3	11	2	84
Walsall Metropolitan Borough Council	6	8	1	12	2	2	2	7	1	41
Warrington Council	9	2	3	11	6	4	2	5	1	43
Warwick District Council	0	0	1	0	2	0	3	9	0	15
Warwickshire County Council	16	0	2	31	1	3	0	0	1	54
Watford Borough Council	0	1	2	0	5	0	4	3	0	15
Waverley Borough Council	0	1	4	0	0	0	3	13	0	21
Wealden District Council	0	1	0	0	2	0	2	7	0	12
Wellingborough Borough Council	0	0	0	0	0	0	0	0	0	0
Welwyn Hatfield Borough Council	0	2	2	0	8	2	7	2	4	27
West Berkshire Council	7	2	1	4	2	4	4	5	1	30
West Devon Borough Council	0	0	1	0	1	0	0	11	0	13
West Lancashire Borough Council	1	0	2	0	5	2	2	4	0	16
West Lindsey District Council	0	1	0	0	1	0	1	9	0	12
West Northamptonshire Council	17	5	3	22	13	10	7	11	0	88
West Oxfordshire District Council	0	3	1	0	0	0	2	1	0	7
West Suffolk Council	0	2	1	0	2	4	5	4	0	18
West Sussex County Council	49	0	3	37	2	31	0	5	1	128
Westminster City Council	12	13	2	8	12	8	53	2	1	111
Wigan Metropolitan Borough Council	7	5	4	16	11	2	3	11	3	62
Wiltshire Council	13	5	5	24	8	3	4	19	0	81
Winchester City Council	0	0	3	0	3	1	3	12	2	24
Wirral Metropolitan Borough Council	24	7	3	32	8	3	0	4	1	82
Woking Borough Council	0	3	2	0	1	0	2	3	0	11
Wokingham Borough Council	5	4	2	14	6	7	3	10	1	52
Worcester City Council	0	1	2	0	0	1	0	2	1	7
Worcestershire County Council	18	0	3	27	4	7	0	1	1	61
Worthing Borough Council	0	7	7	0	5	1	0	3	0	23
Wychavon District Council	0	0	0	0	1	0	3	3	0	7
Wycombe District Council	0	0	0	0	0	0	0	0	0	0
Wyre Borough Council	0	2	1	0	4	0	1	6	0	14
Wyre Forest District Council	0	0	0	0	1	0	1	2	0	4
Yorkshire Dales National Park Authority	0	0	0	0	0	0	0	1	0	1
Totals	2139	1309	892	3145	1911	1908	2063	2161	298	15826

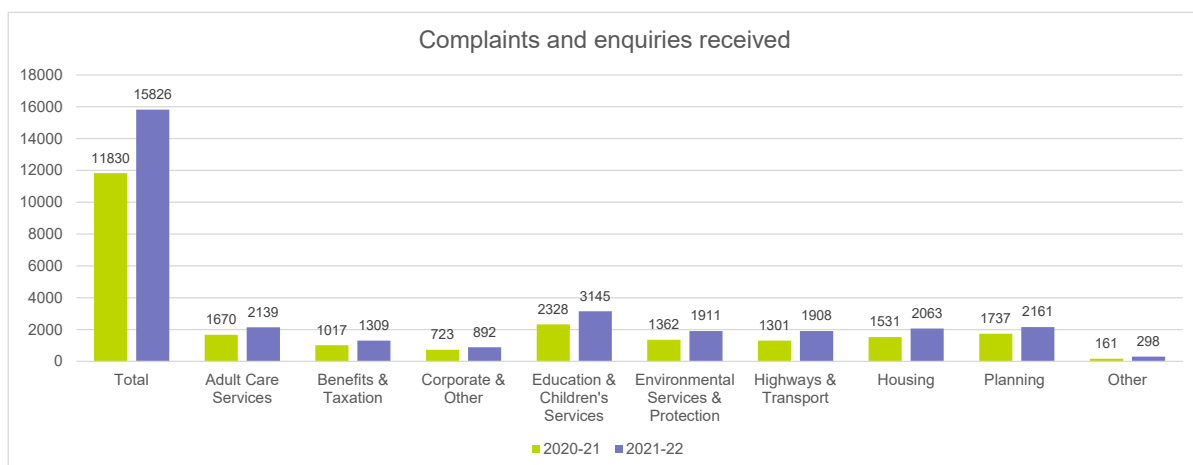
Notes

These statistics include all complaints and enquiries that were received from 01 April 2021 to 31 March 2022.

Some cases are received and decided in different business years. This means the number of complaints and enquiries received may not match the number of decisions made.

You can find comparisons with last year's data on the second tab of this workbook.

For more information on how to interpret our statistics, please visit: <https://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>



Complaints and Enquiries Decided (by Outcome) 2021-22

Authority Name	Invalid or Incomplete	Advice Given	Referred Back for Local Resolution	Closed after Initial Enquiries	Not Upheld	Upheld	Total	Uphold rate (%)	Average uphold rate (%) of similar authorities
Adur District Council	0	1	4	4	1	3	13	75%	51%
Allerdale Borough Council	3	0	6	7	1	4	21	80%	51%
Amber Valley Borough Council	1	0	2	9	7	0	19	0%	51%
Arun District Council	0	0	7	10	4	2	23	33%	51%
Ashfield District Council	1	0	4	9	2	0	16	0%	51%
Ashford Borough Council	1	2	5	6	2	3	19	60%	51%
Aylesbury Vale District Council	0	0	0	0	1	0	1	0%	51%
Babergh District Council	1	0	6	6	2	1	16	33%	51%
Barnsley Metropolitan Borough Council	0	0	8	15	4	9	36	69%	68%
Barrow-in-Furness Borough Council	1	0	1	3	1	1	7	50%	51%
Basildon Borough Council	2	10	6	11	1	2	32	67%	51%
Basingstoke & Deane Borough Council	0	0	10	14	2	2	28	50%	51%
Bassetlaw District Council	1	2	1	2	0	0	6		51%
Bath and North East Somerset Council	1	0	11	15	4	3	34	43%	64%
Bedford Borough Council	2	1	11	23	2	8	47	80%	64%
Birmingham City Council	25	39	124	145	28	100	461	78%	68%
Blaby District Council	1	0	1	5	3	0	10	0%	51%
Blackburn with Darwen Council	0	0	7	17	1	1	26	50%	64%
Blackpool Borough Council	2	1	15	11	5	4	38	44%	64%
Bolsover District Council	0	1	1	7	0	0	9		51%
Bolton Metropolitan Borough Council	1	4	19	23	8	14	69	64%	68%
Boston Borough Council	1	0	4	7	1	0	13	0%	51%
Bournemouth, Christchurch and Poole Council	6	2	27	44	12	22	113	65%	64%
Bracknell Forest Council	2	1	10	8	4	8	33	67%	64%
Braintree District Council	1	0	3	6	1	1	12	50%	51%
Breckland District Council	3	0	4	7	2	0	16	0%	51%
Brentwood Borough Council	1	1	7	7	1	3	20	75%	51%
Brighton & Hove City Council	5	4	32	31	7	21	100	75%	64%
Bristol City Council	6	10	20	52	12	22	122	65%	64%
Broadland District Council	0	0	2	8	0	2	12	100%	51%
Broads Authority	0	0	1	0	0	0	1		57%
Bromsgrove District Council	0	0	5	7	0	3	15	100%	51%
Broxbourne Borough Council	0	0	6	3	3	2	14	40%	51%
Broxtowe Borough Council	1	1	4	4	1	3	14	75%	51%
Buckinghamshire Council	3	3	38	67	10	29	150	74%	64%
Buckinghamshire County Council	0	0	0	0	0	3	3	100%	71%
Burnley Borough Council	0	0	0	3	1	3	7	75%	51%
Bury Metropolitan Borough Council	2	2	26	26	4	11	71	73%	68%
Calderdale Metropolitan Borough Council	6	1	17	29	6	11	70	65%	68%
Cambridge City Council	1	1	4	7	3	4	20	57%	51%
Cambridgeshire County Council	4	1	13	28	5	13	64	72%	71%
Cannock Chase District Council	0	1	3	5	0	0	9		51%
Canterbury City Council	1	2	14	12	6	4	39	40%	51%
Carlisle City Council	1	0	3	6	0	1	11	100%	51%
Castle Point Borough Council	1	2	3	2	0	0	8		51%
Central Bedfordshire Council	3	3	24	22	7	8	67	53%	64%
Charnwood Borough Council	0	0	2	11	2	3	18	60%	51%
Chelmsford City Council	0	0	5	9	0	0	14		51%
Cheltenham Borough Council	0	0	1	7	1	1	10	50%	51%
Cherwell District Council	1	0	4	9	1	0	15	0%	51%
Cheshire East Council	6	1	26	61	11	18	123	62%	64%
Cheshire West & Chester Council	2	2	15	36	6	17	78	74%	64%
Chesterfield Borough Council	1	3	2	3	0	1	10	100%	51%
Chichester District Council	2	0	1	7	0	0	10		51%
Chorley Borough Council	0	1	0	5	0	0	6		51%
City of Bradford Metropolitan District Council	6	4	32	53	16	30	141	65%	68%
City of London	0	3	0	7	2	2	14	50%	71%
City of Wolverhampton Council	0	4	8	16	5	8	41	62%	68%
City of York Council	2	4	14	29	3	19	71	86%	64%
Colchester Borough Council	1	3	5	10	2	1	22	33%	51%
Copeland Borough Council	0	0	1	2	2	0	5	0%	51%
Corby Borough Council	0	0	0	0	1	2	3	67%	51%
Cornwall Council	8	7	44	54	19	20	152	51%	64%
Cotswold District Council	0	0	6	6	1	2	15	67%	51%
Council of the Isles of Scilly	0	0	0	0	6	0	6	0%	64%
Coventry City Council	2	3	29	39	4	10	87	71%	68%
Craven District Council	1	0	6	7	2	0	16	0%	51%
Crawley Borough Council	1	1	4	4	0	0	10		51%
Cumbria County Council	2	0	18	20	3	12	55	80%	71%
Dacorum Borough Council	0	2	5	5	3	2	17	40%	51%
Darlington Borough Council	0	2	5	10	1	5	23	83%	64%
Dartford Borough Council	0	1	3	9	1	1	15	50%	51%

Dartmoor National Park Authority	0	0	0	0	2	0	2	0%	57%
Daventry District Council	0	0	1	2	1	2	6	67%	51%
Derby City Council	3	0	20	15	1	4	43	80%	64%
Derbyshire County Council	2	3	30	28	6	24	93	80%	71%
Derbyshire Dales District Council	0	0	1	3	2	0	6	0%	51%
Devon County Council	5	2	28	62	18	30	145	63%	71%
Doncaster Metropolitan Borough Council	4	3	11	30	6	11	65	65%	68%
Dorset Council	5	1	29	50	12	20	117	63%	64%
Dover District Council	1	1	9	10	1	1	23	50%	51%
Dudley Metropolitan Borough Council	6	9	23	27	7	14	86	67%	68%
Durham County Council	2	6	25	40	14	17	104	55%	64%
East Cambridgeshire District Council	0	0	0	6	0	2	8	100%	51%
East Devon District Council	4	0	3	13	3	1	24	25%	51%
East Hampshire District Council	0	0	3	6	2	2	13	50%	51%
East Hertfordshire District Council	1	0	3	13	2	4	23	67%	51%
East Lindsey District Council	0	0	7	7	3	3	20	50%	51%
East Riding of Yorkshire Council	3	5	26	43	10	15	102	60%	64%
East Staffordshire Borough Council	0	1	3	1	1	1	7	50%	51%
East Suffolk Council	1	0	10	22	6	2	41	25%	51%
East Sussex County Council	7	1	14	29	13	25	89	66%	71%
Eastbourne Borough Council	1	0	7	12	1	3	24	75%	51%
Eastleigh Borough Council	0	0	6	15	0	2	23	100%	51%
Eden District Council	0	0	1	4	0	0	5		51%
Elmbridge Borough Council	0	1	2	8	4	0	15	0%	51%
Environment Agency	1	1	3	4	4	0	13	0%	0%
Epping Forest District Council	2	1	6	14	2	2	27	50%	51%
Epsom & Ewell Borough Council	0	0	11	8	1	2	22	67%	51%
Erewash Borough Council	0	0	1	5	2	2	10	50%	51%
Essex County Council	10	3	50	68	14	47	192	77%	71%
Exeter City Council	0	2	1	7	2	0	12	0%	51%
Exmoor National Park Authority	0	0	0	1	0	0	1		57%
Fareham Borough Council	0	0	1	5	5	2	13	29%	51%
Fenland District Council	0	2	1	2	0	0	5		51%
Folkestone & Hythe District Council	0	1	5	10	2	2	20	50%	51%
Forest of Dean District Council	0	1	1	4	1	0	7	0%	51%
Fylde Borough Council	0	0	3	3	0	2	8	100%	51%
Gateshead Metropolitan Borough Council	5	13	12	14	6	2	52	25%	68%
Gedling Borough Council	3	0	5	8	1	2	19	67%	51%
Gloucester City Council	0	0	3	7	1	0	11	0%	51%
Gloucestershire County Council	2	2	18	25	7	16	70	70%	71%
Gosport Borough Council	1	0	2	2	0	0	5		51%
Gravesham Borough Council	0	5	8	5	0	3	21	100%	51%
Great Yarmouth Borough Council	1	0	4	8	0	0	13		51%
Greater London Authority	0	0	1	3	0	0	4		68%
Guildford Borough Council	2	4	4	9	0	2	21	100%	51%
Halton Borough Council	2	2	8	12	4	2	30	33%	64%
Hambleton District Council	0	0	1	7	2	2	12	50%	51%
Hampshire County Council	4	0	41	59	7	35	146	83%	71%
Harborough District Council	0	0	1	8	0	0	9		51%
Harlow District Council	0	5	6	7	2	5	25	71%	51%
Harrogate Borough Council	1	2	5	14	1	1	24	50%	51%
Hart District Council	0	0	6	3	1	0	10	0%	51%
Hartlepool Borough Council	0	0	5	15	4	1	25	20%	64%
Hastings Borough Council	1	1	5	5	1	3	16	75%	51%
Havant Borough Council	0	0	8	9	2	2	21	50%	51%
Herefordshire Council	4	1	9	30	9	15	68	63%	64%
Hertfordshire County Council	4	5	35	32	10	31	117	76%	71%
Hertsmere Borough Council	0	1	4	6	2	2	15	50%	51%
High Peak Borough Council	2	3	5	4	1	0	15	0%	51%
Hinckley & Bosworth Borough Council	1	1	4	2	3	1	12	25%	51%
Horsham District Council	0	0	3	11	2	2	18	50%	51%
Huntingdonshire District Council	1	1	4	7	4	1	18	20%	51%
Hyndburn Borough Council	0	0	5	2	1	0	8	0%	51%
Ipswich Borough Council	1	2	3	3	1	2	12	67%	51%
Isle of Wight Council	3	0	10	26	4	8	51	67%	64%
Kent County Council	12	8	48	77	30	65	240	68%	71%
Kettering Borough Council	0	0	0	0	0	1	1	100%	51%
King's Lynn & West Norfolk Council	1	0	8	4	4	0	17	0%	51%
Kingston Upon Hull City Council	4	10	20	22	3	15	74	83%	64%
Kirklees Metropolitan Borough Council	5	3	32	44	23	20	127	47%	68%
Knowsley Metropolitan Borough Council	1	2	8	9	1	6	27	86%	68%
Lake District National Park Authority	1	0	0	6	1	4	12	80%	57%
Lancashire County Council	3	3	30	71	11	35	153	76%	71%
Lancaster City Council	1	1	4	3	2	3	14	60%	51%
Leeds City Council	3	13	49	85	15	26	191	63%	68%
Leicester City Council	6	2	20	26	8	12	74	60%	64%
Leicestershire County Council	2	2	22	25	5	21	77	81%	71%
Lewes District Council	1	0	4	6	1	4	16	80%	51%
Lichfield District Council	1	1	4	2	0	1	9	100%	51%
Lincoln City Council	2	1	2	5	0	1	11	100%	51%
Lincolnshire County Council	2	1	20	43	9	18	93	67%	71%
Liverpool City Council	2	2	40	43	7	18	112	72%	68%
London Borough of Barking & Dagenham	3	13	48	50	3	19	136	86%	71%
London Borough of Barnet	11	11	48	58	9	21	158	70%	71%

London Borough of Bexley	0	3	19	30	10	12	74	55%	71%
London Borough of Brent	7	8	39	31	11	22	118	67%	71%
London Borough of Bromley	1	2	38	55	8	18	122	69%	71%
London Borough of Camden	4	17	27	31	8	17	104	68%	71%
London Borough of Croydon	7	9	76	84	13	41	230	76%	71%
London Borough of Ealing	11	22	48	48	15	23	167	61%	71%
London Borough of Enfield	4	7	56	40	10	27	144	73%	71%
London Borough of Hackney	6	20	36	41	6	22	131	79%	71%
London Borough of Hammersmith & Fulham	3	19	17	23	4	13	79	76%	71%
London Borough of Haringey	5	14	35	51	15	29	149	66%	71%
London Borough of Harrow	5	5	35	28	2	7	82	78%	71%
London Borough of Havering	2	5	15	36	3	14	75	82%	71%
London Borough of Hillingdon	4	6	23	72	11	18	134	62%	71%
London Borough of Hounslow	3	5	45	33	8	14	108	64%	71%
London Borough of Islington	4	12	39	26	4	11	96	73%	71%
London Borough of Lambeth	9	34	56	64	3	34	200	92%	71%
London Borough of Lewisham	5	6	46	37	19	18	131	49%	71%
London Borough of Merton	7	1	20	30	5	11	74	69%	71%
London Borough of Newham	9	13	66	76	12	31	207	72%	71%
London Borough of Redbridge	2	8	38	48	6	26	128	81%	71%
London Borough of Richmond upon Thames	3	2	6	27	6	18	62	75%	71%
London Borough of Southwark	11	16	42	42	8	25	144	76%	71%
London Borough of Sutton	1	2	19	29	5	8	64	62%	71%
London Borough of Tower Hamlets	4	15	48	43	12	19	141	61%	71%
London Borough of Waltham Forest	6	16	30	66	8	14	140	64%	71%
London Borough of Wandsworth	3	15	27	40	5	23	113	82%	71%
Luton Borough Council	6	4	22	27	5	12	76	71%	64%
Maidstone Borough Council	0	0	6	16	2	4	28	67%	51%
Maldon District Council	1	0	9	4	0	1	15	100%	51%
Malvern Hills District Council	0	1	3	2	0	1	7	100%	51%
Manchester City Council	7	7	35	68	14	33	164	70%	68%
Mansfield District Council	0	0	4	6	0	0	10		51%
Medway Council	1	2	16	43	6	7	75	54%	64%
Melton Borough Council	0	0	2	4	1	2	9	67%	51%
Mendip District Council	0	0	6	13	0	3	22	100%	51%
Mid Devon District Council	0	0	1	6	1	1	9	50%	51%
Mid Suffolk District Council	0	0	3	4	4	1	12	20%	51%
Mid Sussex District Council	0	0	3	7	1	3	14	75%	51%
Middlesbrough Borough Council	2	0	8	14	3	10	37	77%	64%
Milton Keynes Council	1	4	27	29	4	14	79	78%	64%
Mole Valley District Council	0	0	0	10	2	0	12	0%	51%
New Forest District Council	0	0	4	8	2	2	16	50%	51%
New Forest National Park Authority	0	0	0	0	0	0	0		57%
Newark & Sherwood District Council	0	2	3	7	0	0	12		51%
Newcastle upon Tyne City Council	2	3	23	28	4	4	64	50%	68%
Newcastle-under-Lyme Borough Council	0	0	3	4	0	1	8	100%	51%
Norfolk County Council	5	3	24	46	12	23	113	66%	71%
North Devon District Council	0	0	4	6	0	2	12	100%	51%
North East Derbyshire District Council	0	1	5	2	2	1	11	33%	51%
North East Lincolnshire Council	2	2	11	6	2	3	26	60%	64%
North Hertfordshire District Council	0	0	3	3	1	1	8	50%	51%
North Kesteven District Council	0	0	0	4	2	2	8	50%	51%
North Lincolnshire Council	0	0	4	18	2	7	31	78%	64%
North Norfolk District Council	0	0	3	6	1	1	11	50%	51%
North Northamptonshire Council	2	2	24	18	1	2	49	67%	64%
North Somerset Council	1	1	18	27	4	5	56	56%	64%
North Tyneside Metropolitan Borough Council	3	5	12	17	4	9	50	69%	68%
North Warwickshire Borough Council	0	0	1	3	0	0	4		51%
North West Leicestershire District Council	1	1	2	8	0	1	13	100%	51%
North York Moors National Park Authority	0	0	0	1	0	0	1		57%
North Yorkshire County Council	2	0	19	26	9	15	71	63%	71%
Northampton Borough Council	0	0	0	0	2	2	4	50%	51%
Northamptonshire County Council	0	0	0	5	3	12	20	80%	71%
Northumberland County Council	2	3	33	40	14	15	107	52%	64%
Northumberland National Park Authority	0	0	0	0	0	0	0		57%
Norwich City Council	0	4	9	10	2	2	27	50%	51%
Nottingham City Council	2	7	23	32	7	13	84	65%	64%
Nottinghamshire County Council	4	2	23	33	7	16	85	70%	71%
Nuneaton & Bedworth Borough Council	0	2	5	15	3	3	28	50%	51%
Oadby & Wigston Borough Council	0	0	2	1	0	0	3		51%
Oldham Metropolitan Borough Council	0	2	22	28	4	13	69	76%	68%
Oxford City Council	1	3	5	10	1	1	21	50%	51%
Oxfordshire County Council	1	1	16	20	6	14	58	70%	71%
Peak District National Park Authority	0	0	1	2	0	0	3		57%
Pendle Borough Council	0	0	4	10	0	3	17	100%	51%
Peterborough City Council	3	0	10	14	6	4	37	40%	64%
Plymouth City Council	2	1	28	42	4	11	88	73%	64%
Portsmouth City Council	4	2	11	17	8	4	46	33%	64%
Preston City Council	0	0	2	4	2	0	8	0%	51%
Reading Borough Council	2	3	15	18	2	10	50	83%	64%
Redcar & Cleveland Council	0	2	8	10	1	5	26	83%	64%
Redditch Borough Council	1	1	7	0	1	1	11	50%	51%
Reigate & Banstead Borough Council	0	0	3	6	1	3	13	75%	51%
Ribble Valley Borough Council	0	0	2	3	3	1	9	25%	51%

Richmondshire District Council	0	0	1	7	0	0	8		51%
Rochdale Metropolitan Borough Council	2	1	10	12	5	13	43	72%	68%
Rochford District Council	0	0	2	3	2	1	8	33%	51%
Rossendale Borough Council	0	1	5	4	0	3	13	100%	51%
Rother District Council	1	0	3	8	1	5	18	83%	51%
Rotherham Metropolitan Borough Council	3	2	17	17	6	12	57	67%	68%
Royal Borough of Greenwich	3	8	27	47	6	17	108	74%	71%
Royal Borough of Kensington & Chelsea	2	5	12	25	7	14	65	67%	71%
Royal Borough of Kingston upon Thames	2	2	10	24	3	13	54	81%	71%
Royal Borough of Windsor and Maidenhead Council	2	1	11	23	4	10	51	71%	64%
Rugby Borough Council	3	1	3	4	3	3	17	50%	51%
Runnymede Borough Council	0	1	3	4	1	0	9	0%	51%
Rushcliffe Borough Council	0	0	3	4	0	0	7		51%
Rushmoor Borough Council	1	0	0	3	0	0	4		51%
Rutland County Council	0	0	1	5	0	2	8	100%	64%
Ryedale District Council	1	0	1	5	0	0	7		51%
Salford City Council	2	0	22	32	11	10	77	48%	68%
Sandwell Metropolitan Borough Council	5	4	29	29	10	20	97	67%	68%
Scarborough Borough Council	0	0	6	10	4	3	23	43%	51%
Sedgemoor District Council	2	0	0	4	2	0	8	0%	51%
Sefton Metropolitan Borough Council	1	1	14	29	3	8	56	73%	68%
Selby District Council	0	1	3	12	2	0	18	0%	51%
Sevenoaks District Council	1	0	6	12	2	3	24	60%	51%
Sheffield City Council	5	7	23	58	5	15	113	75%	68%
Shropshire Council	3	1	25	31	11	8	79	42%	64%
Slough Borough Council	3	5	22	16	1	4	51	80%	64%
Solihull Metropolitan Borough Council	1	4	17	22	4	11	59	73%	68%
Somerset County Council	3	1	21	22	9	9	65	50%	71%
Somerset West and Taunton Council	1	3	6	11	4	6	31	60%	51%
South Cambridgeshire District Council	1	1	5	3	0	2	12	100%	51%
South Derbyshire District Council	0	0	1	5	0	0	6		51%
South Downs National Park Authority	0	0	0	1	0	0	1		57%
South Gloucestershire Council	1	1	28	23	3	8	64	73%	64%
South Hams District Council	3	0	12	8	3	2	28	40%	51%
South Holland District Council	2	0	3	4	3	1	13	25%	51%
South Kesteven District Council	0	0	6	6	0	0	12		51%
South Lakeland District Council	0	0	5	6	4	0	15	0%	51%
South Norfolk District Council	1	0	3	7	2	1	14	33%	51%
South Northamptonshire District Council	0	0	0	1	0	1	2	100%	51%
South Oxfordshire District Council	0	0	3	7	5	3	18	38%	51%
South Ribble Borough Council	0	0	1	2	2	2	7	50%	51%
South Somerset District Council	0	0	12	7	4	3	26	43%	51%
South Staffordshire District Council	0	0	1	6	0	0	7		51%
South Tyneside Metropolitan Borough Council	5	3	6	31	7	6	58	46%	68%
Southampton City Council	2	3	18	20	4	3	50	43%	64%
Southend-on-Sea City Council	3	2	9	24	1	7	46	88%	64%
Spelthorne Borough Council	1	0	8	6	0	1	16	100%	51%
St Albans City Council	2	1	7	7	0	2	19	100%	51%
St Helens Metropolitan Borough Council	1	0	17	10	2	11	41	85%	68%
Stafford Borough Council	0	0	6	5	0	2	13	100%	51%
Staffordshire County Council	6	2	27	34	15	31	115	67%	71%
Staffordshire Moorlands District Council	1	0	0	6	0	2	9	100%	51%
Stevenage Borough Council	2	3	2	1	0	2	10	100%	51%
Stockport Metropolitan Borough Council	7	6	21	42	5	9	90	64%	68%
Stockton-on-Tees Borough Council	2	1	7	14	8	5	37	38%	64%
Stoke-on-Trent City Council	6	4	23	30	2	12	77	86%	64%
Stratford-on-Avon District Council	0	0	3	7	2	3	15	60%	51%
Stroud District Council	1	0	2	8	1	3	15	75%	51%
Suffolk County Council	4	5	25	44	21	33	132	61%	71%
Sunderland City Council	1	0	13	18	3	8	43	73%	68%
Surrey County Council	5	2	35	66	10	52	170	84%	71%
Surrey Heath Borough Council	1	2	6	3	0	0	12		51%
Swale Borough Council	1	0	3	9	1	2	16	67%	51%
Swindon Borough Council	2	2	23	25	2	8	62	80%	64%
Tameside Metropolitan Borough Council	2	3	21	32	4	17	79	81%	68%
Tamworth Borough Council	0	0	5	3	1	1	10	50%	51%
Tandridge District Council	0	0	7	2	1	4	14	80%	51%
Teignbridge District Council	0	0	5	5	1	1	12	50%	51%
Telford & Wrekin Council	4	1	5	17	3	8	38	73%	64%
Tendring District Council	0	2	11	10	3	2	28	40%	51%
Test Valley Borough Council	0	0	2	6	1	0	9	0%	51%
Tewkesbury Borough Council	1	0	3	1	1	2	8	67%	51%
Thanet District Council	0	0	11	21	4	4	40	50%	51%
Three Rivers District Council	0	0	5	12	2	1	20	33%	51%
Thurrock Council	2	5	27	20	3	9	66	75%	64%
Tonbridge and Malling Borough Council	0	2	5	7	5	0	19	0%	51%
Torbay Council	3	3	6	30	9	19	70	68%	64%
Torridge District Council	0	0	5	9	3	2	19	40%	51%
Trafford Council	4	3	21	34	4	10	76	71%	68%
Transport for London	8	3	154	131	7	15	318	68%	68%
Tunbridge Wells Borough Council	0	0	3	5	0	2	10	100%	51%
Uttlesford District Council	0	2	4	9	2	2	19	50%	51%
Vale of White Horse District Council	1	1	6	17	2	1	28	33%	51%
Wakefield City Council	4	6	21	30	10	13	84	57%	68%

Walsall Metropolitan Borough Council	4	1	15	17	3	6	46	67%	68%
Warrington Council	1	1	12	20	2	9	45	82%	64%
Warwick District Council	0	1	4	8	1	1	15	50%	51%
Warwickshire County Council	3	3	14	19	5	14	58	74%	71%
Watford Borough Council	0	1	4	6	2	2	15	50%	51%
Waverley Borough Council	0	1	4	11	2	2	20	50%	51%
Wealden District Council	0	1	7	6	3	0	17	0%	51%
Wellborough Borough Council	0	0	0	0	1	1	2	50%	51%
Welwyn Hatfield Borough Council	1	7	7	8	1	1	25	50%	51%
West Berkshire Council	2	2	5	13	6	6	34	50%	64%
West Devon Borough Council	0	0	5	8	0	1	14	100%	51%
West Lancashire Borough Council	1	0	4	7	2	2	16	50%	51%
West Lindsey District Council	0	0	1	3	6	2	12	25%	51%
West Northamptonshire Council	2	2	21	34	3	8	70	73%	64%
West Oxfordshire District Council	0	0	4	2	2	1	9	33%	51%
West Suffolk Council	0	0	4	12	0	0	16		51%
West Sussex County Council	6	5	22	59	17	31	140	65%	71%
Westminster City Council	6	13	24	38	4	23	108	85%	71%
Wigan Metropolitan Borough Council	2	2	24	23	2	5	58	71%	68%
Wiltshire Council	4	1	19	34	14	21	93	60%	64%
Winchester City Council	0	2	5	15	2	1	25	33%	51%
Wirral Metropolitan Borough Council	5	3	18	29	4	11	70	73%	68%
Woking Borough Council	2	1	1	6	0	1	11	100%	51%
Wokingham Borough Council	2	2	11	23	1	6	45	86%	64%
Worcester City Council	1	0	3	3	0	0	7		51%
Worcestershire County Council	2	0	13	24	7	12	58	63%	71%
Worthing Borough Council	0	0	3	11	1	2	17	67%	51%
Wychavon District Council	1	0	1	4	1	4	11	80%	51%
Wycombe District Council	0	0	0	0	0	1	1	100%	51%
Wyre Borough Council	0	1	2	9	0	1	13	100%	51%
Wyre Forest District Council	0	0	4	2	0	1	7	100%	51%
Yorkshire Dales National Park Authority	0	0	1	0	0	0	1		57%
Totals	649	823	4448	6427	1370	2678	16395	66%	

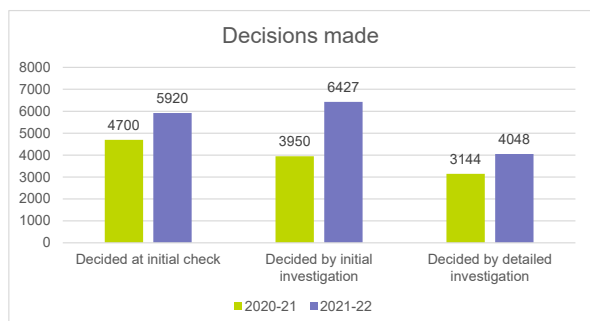
Notes

These statistics include all complaints and enquiries that were decided from 01 April 2021 to 31 March 2022.

Some cases are received and decided in different business years. This means the number of complaints and enquiries received may not match the number of decisions made.

You can find comparisons with last year's data on the second and third tabs of this workbook.

For more information on how to interpret our statistics <http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>.



Initial check

We carry out some basic checks like whether:

- the authority has had the chance to consider the complaint
- it looks like we might be the right people to help at this stage

We categorise these decisions as 'referred back for local resolution', 'advice given' or 'incomplete/invalid'

Initial investigation

We decide whether to investigate the complaint by checking if:

- the issue is something the law allows us to look into and;
- there is good reason for us to formally investigate

We categorise these decisions as 'closed after initial enquiries'

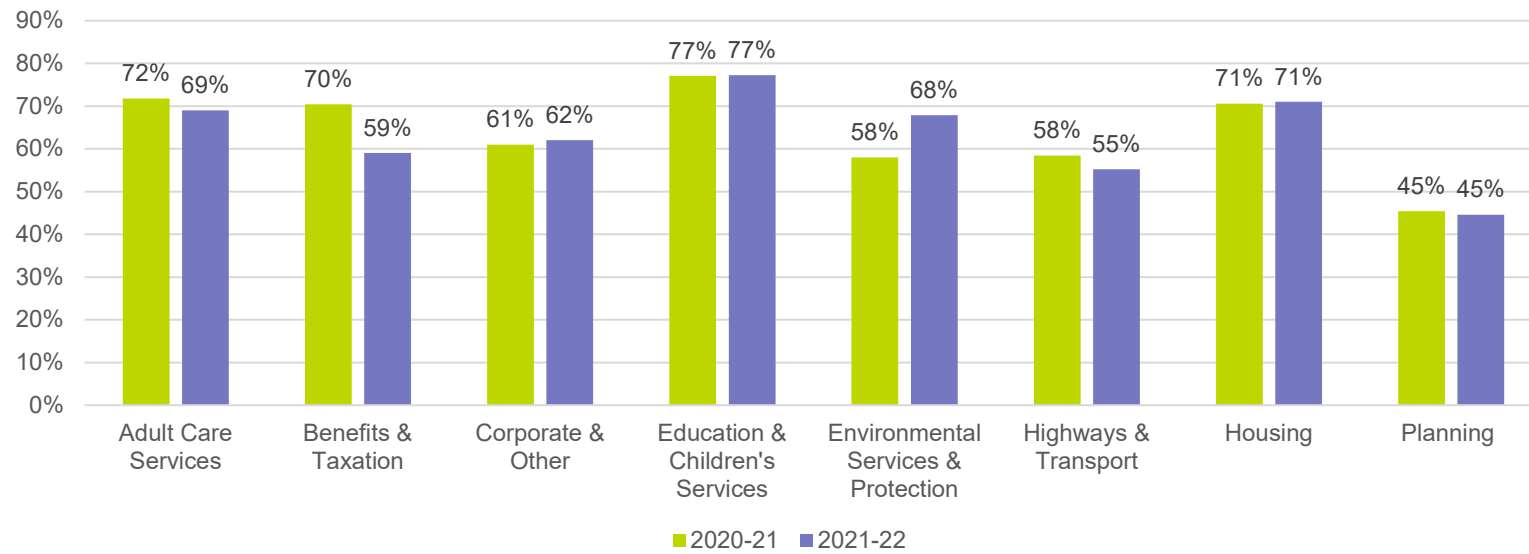
Detailed investigation

We make a decision on whether the organisation was at fault by:

- investigating what happened, and what should have happened, according to the laws and policies in place at the time
- making recommendations to put things right if necessary

We categorise these complaints as 'upheld' or 'not upheld'

Uphold rates



Local Government & Social Care OMBUDSMAN

20 July 2022

By email

Mr Jackson
Executive Director: Resources and Head of Paid Service
Bristol City Council

Dear Mr Jackson

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information

about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Your organisation's performance

We recommend ways for authorities to put things right when faults have caused injustice. Our recommendations try to put people back in the position they were before the fault, and we monitor authorities to ensure they comply with our recommendations. It is disappointing that, in two cases, your Council's response to our recommendations was not what we would expect. In one case, an apology was agreed as part of the remedy. However, the apology by the Council was brief, poorly written, and appeared unprofessional, all of which undermined its value. In a second case, while elements of the remedy were completed on time, the Council failed to reassess a person's care and support needs within the four weeks it had agreed. This further impacted the person who had complained to us.

While I acknowledge the pressures councils are under, delayed and poor-quality remedies add to the injustice already suffered by complainants. I invite the Council to consider the steps it can take to ensure good quality and timely remedies in future.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an

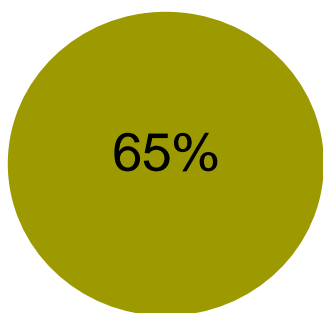
online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MK' followed by a stylized flourish.

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



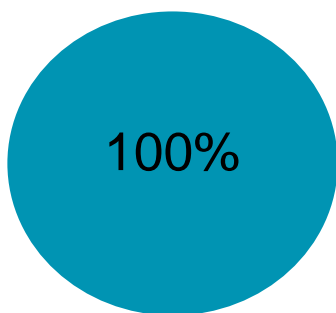
65% of complaints we investigated were upheld.

This compares to an average of **64%** in similar organisations.

22
upheld decisions

Statistics are based on a total of **34** investigations for the period between 1 April 2021 to 31 March 2022

Compliance with Ombudsman recommendations



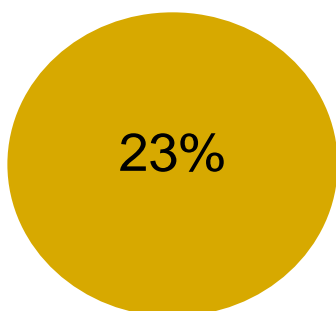
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **17** compliance outcomes for the period between 1 April 2021 to 31 March 2022

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **23%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **12%** in similar organisations.

5
satisfactory remedy decisions

Statistics are based on a total of **22** upheld decisions for the period between 1 April 2021 to 31 March 2022

Audit Committee

26th September 2022



Report of: Chief Internal Auditor

Title: Internal Audit Activity Report

Ward: Citywide

Officer Presenting Report: Chief Internal Auditor

Recommendation

The Audit Committee notes the Internal Audit Activity Report for the period 1 April 2022 up to 31 August 2022 and receives assurance on actions being taken to complete the Approved Internal Audit Plan for 2022/23.

Summary

This report seeks to provide the Committee with a high-level update on internal audit activities since the last meeting. It should be noted that consistent with the Audit Committee Work Programme, the Committee will receive the half year report in November that will provide full details on performance against the approved plan and summary of outcomes from each of the completed reviews.

The significant issues in the report are:

- The completion of the approved audit plan is progressing well and the key outputs from the period under review were finalisation of work carried forward from 2021/22 and certification of a high number of grants.
- During the period under review Internal Audit received requests from management for two additional reviews relating to Capital Project Expenditure and Homelessness. The Committee is requested to formally approve these additions.
- The Fraud team continued to prioritise whistleblowing referrals and fraud prevention activities including the implementation and use of the NFI Fraud Hub.
- Satisfactory progress is being made in the implementation, monitoring and reporting of agreed management actions.

Policy

1. Audit Committee Terms of Reference

Consultation

2. **Internal**

Corporate Leadership Board including S151 Officer, Cabinet Member for Governance, Resources and Finance.

3. **External**

Not applicable

Context

4. The role of the Internal Audit function is to provide Members and Management with independent assurance that the control, risk, and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives. The work of the Internal Audit team should be targeted towards those areas within the Council that are most at risk of impacting on the Council's ability to achieve its objectives. In addition, the team provide a Counter Fraud Service to the Council to enhance arrangements for the prevention, detection, and investigation of fraud.
5. This report provides an update on internal audit matters. The Committee will receive a comprehensive half year report in November which will provide the Committee and Management with an update on the progress in delivering the approved 2021/22 Audit Plan. This update will cover the period of 1st April to 31 August 2022, building on the information which has been provided to Committee at its previous meetings in this financial year.

Internal Audit Delivery

6. Internal Audit is making reasonable progress in the completion of the 2022/23 Audit Plan. As at the end of August 2022, audit work carried forward from the previous year has been completed and effort is now focussed on completing the approved plan. Appendix 1 provides an update on all audits that have been completed or are in progress as at 31 August 2022. At the time of reporting there were appropriate mitigating actions to address any risks associated with the delivery of the annual plan.
7. In considering this high level update, the Committee should note that consistent with the reporting cycle an Internal Audit Half Year Report will be presented in November 2022. This report will provide a comprehensive update on the completion of the approved 2022/23 Internal Audit Plan detailing the status and assurance opinion for each of the planned reviews.
8. The following paragraphs provides a summary of some of the key outcomes or activities delivered during the period under review.

Grant Certifications

9. A significant amount of audit time was spent on grant certification work where 19 grants with a total value of £31m were certified. Appendix 1 provides a list of all grants certified during the period. Whilst there were no compliance issues noted, in some cases Internal Audit received instructions very close to the reporting deadline creating resourcing challenges for the team. Internal Audit are proactively working with management to ensure that sufficient notice is given for grant audits.

Schools Audits

10. Work relating to schools' audits has been completed. Any internal control, governance or risk issues identified during the audits were discussed with schools' authorities ensuring that appropriate actions were being taken to improve the schools' control environment.

Continuous auditing and continuous monitoring

11. Consistent with the Internal Audit Strategy that has been agreed with the Audit Committee, Internal Audit has a key objective of implementing continuous assurance and monitoring methodologies in key systems. When fully operational continuous auditing enables Internal Audit to continually gather from processes data that supports auditing activities whilst continuous monitoring enables management to continually review business processes for adherence to and deviations from intended levels of performance and effectiveness.
12. Working with the Strategic Partner, satisfactory progress is being made and Purchase Cards has been identified as the first system to be reviewed under this methodology. Outcomes from this review are being analysed and will be reported to management by the end of September. We will use the learning from this first exercise in setting the scope and testing of future system. Using more automated process will hopefully improve audit efficiencies and timely reporting.

Resourcing

13. During the early part of the financial year Internal Audit faced some resourcing challenges due to sickness absence resulting in the delays in completing some audits especially those relating to schools. The resultant risk on the delivery of the approved plan was mitigated by additional support from KPMG, our internal audit strategic partner.
14. One of the Internal Audit's key strategic objectives is to build resilience within the Service by developing and implementing succession plans at all professional levels underpinned by the principle of growing our own through the apprenticeship and graduate trainee route. Consistent with this, two Level 7 Internal Audit Professional Apprentices have been appointed and joined the Council with effect from 1 September 2022. This development will help to improve the much needed additional resource at the auditor level.

Internal Audit Plan Review

15. Consistent with the rolling plan methodology, the approved Internal Audit Plan is reviewed quarterly. During the period management have requested that Capital Spending Review and

Homelessness are added to the plan due to the assurance needs that have arisen. The Committee is requested to approve these additions noting that there are no resourcing pressures arising from this.

Implementation of Agreed Management Actions

16. The Council uses the Pentana Audit Management Module as the tool for monitoring and reporting the implementation of agreed management actions. In this respect, management is responsible for implementing agreed actions whilst Internal Audit is responsible for regularly reviewing the entries by management and seeking additional evidence if required before closing the actions as completed. There is a target that 93% of agreed actions should be implemented by the due date.
17. Internal Audit established that there were 292 agreed management actions that were due for implementation by 30 June 2022. Out of this 93% of the actions were implemented or partially implemented. This performance is consistent with the 93% target and reflects the impact of the new monitoring and reporting arrangements. The regular reporting of outstanding actions at both Executive Director Meetings and Corporate Leadership Board meetings should be maintained to sustain this good performance. It is hoped that automation of the procedure for reminding actions owners when the actions are due for implementation will help improve the implementation rate.

Fraud

18. During the period under review there has been an increase in the number of both fraud and whistleblowing referrals which could be attributed to the increased awareness of fraud and whistleblowing procedures. Given the resultant resourcing challenges prioritisation is given to whistleblowing cases as well as ensuring that there is the right balance between investigations and fraud prevention work. Following on from the Fraud Annual Report that was presented to the Committee in June 2022, a half year report will be presented in November 2022 which will provide details on outcomes from key fraud activities.

Internal Audit Exception Reporting

19. Under the agreed escalation procedure, the summaries of every audit with a no or limited assurance opinion are presented to the Audit Committee for consideration. The Committee may seek additional assurances on the actions being taken to address the issues identified. Consistent with this procedure the IT Governance Review summary which is Appendix 2 of this report is being presented for consideration and the relevant senior responsible officers will be in attendance to answer any questions the Committee may have.
20. It is recognised that the Council continues to face significant risks arising from the pandemic and the cost-of-living crisis. Internal audit will continue to engage with management regularly to ensure that assurance activities align with the Council's priorities and risks.

Audit Committee Briefing

21. In previous meetings the Committee has requested private briefings on Risk Management processes, Procurement Breaches and IT risks so that the Committee can fully understand the actions being taken in addressing the known issues and obtaining assurance thereof. A meeting covering these three areas will be held on Monday 26 September prior to the Committee September meeting.

Proposal

22. The Audit Committee note the Internal Audit Activity Report.

Other Options Considered

23. Not applicable

Risk Assessment

24. The work of Internal Audit minimises the risk of failures in the Council's internal control, risk management and governance arrangements, reduces fraud and other losses and increases the potential for prevention and detection of such issues. Areas of significant risk are detailed in the report.

Summary of Equalities Impact of the Proposed Decision

No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal - Not Applicable

Financial - Not Applicable

Land - Not Applicable

Personnel - Not Applicable

Appendices:

- **Appendix 1** – Schedule of Internal Audit Work
- **Appendix 2** – IT Governance Review - Summary

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Public Sector Internal Audit Standards
Various Audit Files

Appendix 1

Internal Audit Work - Period 1st April 2022 - 31st August 2022		
Directorate	Name of Review	Status
Corporate	Annual Governance Statement 2021/22	Complete
Resources	IT Governance *	Complete
Resources	IT Transformation Programme Follow Up *	Complete
G&R	Housing Revenue Account Management *	Draft
People	Follow-up Adult Safeguarding Processes *	Draft
Corporate	Health and Safety including follow up re Manager Health and Safety Self Assessment (CHaSMs)*	Draft
Corporate	Scheme of Delegation *	Draft
G&R	Homelessness (Requested)	Draft
People	Adult Social Care Budget Management	Draft
Resources	IT Resilience Follow Up	Draft
Resources	Cyber Security Follow Up	Draft
Resources	Cloud Resilience	Draft
G&R	Flood Risk Management	Field Work
G&R	Housing Rent	Field Work
People	Placement sufficiency for Children in Care	Field Work
Resources	Core Systems Access Controls	Field Work
Resources	FM Code Self Assessment Verification	Field Work
Corporate	Capital Spend - Requested	Scoping
Corporate	Supply Chain and Third Party Risk	Scoping
Resources	Debt Management	Scoping
People	Adult Social Care Transformation - Embedded Assurance	On-going
G&R	Housing IT Transformation Programme - Embedded Assurance	On-going
Resources	Group Company Governance - Embedded Assurance	On going
Resources	Digital Transformation Programme - Embedded Assurance	On going
Resources	Covid Grants Assurance	Ongoing
Resources	Continuous Audit and Continuous Monitoring	Ongoing

* (c/f from 2021/22)

Grants and Other Certifications		
Directorate	Name of Review	Value
People	Protect & Vaccinate Grant	480,985
G&R	Hawkfield Business Park - The Bottle Yard Studios	2,706,350
G&R	Bristol City Centre and High Streets Recovery and Renewal Grant	219,627
G&R	Feasibility Study: Bristol City Council – Bedminster High Street Improvement	167,828
G&R	High Street Renewal Catalyst Fund	96,365
People	We Work For Everyone	896,280
G&R	City Centre DDP and Frome Gateway 2022/23	235,000
G&R	Western Harbour Place Shaping Vision FEAS DC 2022/23	155,000
G&R	South Bristol Enterprise Support	532,253
G&R	Youth Justice Grant	661,417
G&R	Scambuster and NTS Funding for Regional Intelligence Functions Grants	382,260
G&R	NTS Sub-Grant for NTS Funding for Regional Intelligence Functions SWERCOTS 2021/22	89,221
People	Future Bright Programme Grant	503,878
G&R	Lead Enforcement Authority Grant 2021/22	194,830
People	Contain Outbreak Management Fund grant	18,160,267
People	Local Authority Practical Support Payment Scheme Funding Grant	763,500
G&R	A4018 Corridor Improvements Grant	83,268
Resource	TTSP Grant	4,273,792
People	Adult Weight Management Services Grant	189,982
		£30,792,103

1. Audit Summary – IT Governance Review (May 2022)

1. Background and Context

- 1.1 The Council holds a large amount of information across a wide range of IT systems, hosted on three different environments, local data centres, Azure Cloud and by the third-party providers.
- 1.2 Strong and effective IT governance is crucial to ensuring that IT operations, systems and applications are managed efficiently and effectively and support the Council's objectives. To achieve this, it is essential that IT is governed by staff who understand their role, and that key system processes and controls are in line with the Council's policies and best practice.
- 1.3 It is important that the Council has robust processes and controls in place for IT governance. Critical IT functions and business processes should be well-defined; roles and responsibilities should be clearly understood with clear lines of accountability and the Council should ensure that actions are taken to address issues.

2. Scope and Objectives

- 2.1 The scope of the assignment included the following areas:
 - Leadership and Governance
 - IT governance structure, formation, and role of executive-level steering committees in setting up IT strategies and priorities
 - IT policies, standards and procedures over the accountability and ownership for IT governance across the Council.
 - IT Operational Governance
 - Oversight and governance of end-to-end processes (e.g., incident response, change management) carried out by the central IT team
 - Collaboration with other departments outside the central IT team on key initiatives, such as, IT procurement, system implementation, data migration, and system integration
 - Monitoring controls over service reliability, system availability and performance monitoring
 - Resources, systems, tools, and methods designed to manage service delivery efficiently and effectively.
 - We agreed with management to cover end-to-end processes for Incident Response and IT Change Management.

3. Audit Opinion

- 3.1 Overall, Internal audit obtained **limited assurance** that effective IT governance measures were in place.

4. Key Messages and Findings:

- 4.1 IT Strategy - While the Council had an IT Strategy, it was unable to provide evidence to confirm that ongoing IT initiatives were being assessed to confirm alignment to the IT Strategy. For example, no assessment had been undertaken on major transformation programme initiatives (such as the ITTP and DTP) to demonstrate alignment of these programmes to the IT Strategy. Going forward, the absence of a process to confirm alignment of planned/ inflight IT initiatives to the refreshed Digital Strategy could lead to the Council investing significant budget, time and resources into activities that do not support its strategic ambitions.
- 4.2 IT Service Plans - While an IT Service plan template is in place, the IT Service plan for 2022/23 was incomplete; key fields used to capture impact of key delivery, key milestones and KPI's had not been populated. The absence of a complete IT Service plan could lead to a risk that IT Service activities fail to meet the needs of internal and external service users. Furthermore, IT resources may be directed to non-critical services resulting in IT Service arrangements not supporting the ambitions of the new Digital Strategy or the Council.

- 4.3 IT Policies – Terms of Reference documents for management boards identify the review and approval of IT Policies as a responsibility of these boards. However no new/updated IT Policies were presented to the Governance boards for review and approval and IT Policy review and approval is not an agenda item for these meetings. We inspected a sample of IT Policies (Incident management and Change management) and noted these policies were not approved by the boards. In the absence of such a process, there is a risk that the Council may be using unapproved IT Policies to govern and execute key IT services.
- 4.4 IT Change Management – The Council has a decentralised approach to change management. Changes made to departmental systems are not managed by IT Services. We noted a lack of collaboration between central IT and departmental IT teams regarding change management. There is no formal process for communicating changes that may have an impact on other teams and services. There is a high risk of unforeseen incidents resulting from changes that are not communicated effectively.
- 4.5 IT Procurement - The Council has established corporate procurement rules, that are followed by IT Services for IT supplies and services. We noted a lack of clarity on various procurement options, and best available route to market for IT procurement. Due to this, there are often delays in large scale IT procurement. There is a lack of procurement support around IT contract monitoring /management. Where IT contract monitoring is not adequately supported by the Procurement team, there is a risk that the Council will be unable to achieve the level of performance and deliverable quality required from IT third party providers.
- 4.6 Incident Management – The scope of the current Incident Management Policy is limited to only IT security incidents. Without a comprehensive incident management policy, the Service desk may take longer to identify, triage, and resolve incidents.

5. Management Response

- 5 The findings of the report have been accepted by management who have agreed management actions to address them. These include:
- Review the process for each Change Board regarding the need for centralised change management;
 - Procurement training for IT team members and clearly set out procurement options for large-scale IT procurement;
 - A refreshed Digital Strategy was agreed at Cabinet in June 2022. A process for regular review will be put in place;
 - Set up a process to ensure all IT related service plans are regularly monitored and performance tracked;
 - 2023/24 Service Planning activity will be overseen by the Director Policy, Strategy and Digital;
 - IT policies will be standardised with a formal review and approval process established;
 - A new IT Incident Management Policy will be developed and regularly reviewed.

Audit Committee

26th September 2022



Report of: Chair of the Audit Committee

Title: Audit Committee Annual Report to Full Council – Draft Report

Ward: N/A

Officer Presenting Report: Chief Internal Auditor

Recommendation

The Committee Members consider and approve the Audit Committee's Draft Annual Report to Council for 2021/22.

Summary

The report provides a summary of the work of the Committee during 2021/22 and its conclusions following oversight of the assurance, governance and risk management frameworks within which the Council operates.

The significant issues in the report are:

The key issues covered in the report relate to the following:

- the Audit Committee's Terms of reference and the requirement to provide Full Council with an Annual Report.
- Key messages for Full Council from the work of the Committee in 2021/22. (Paragraphs 4.3- 4.13)
- Actions being taken by the Audit Committee to enhance its effectiveness based on the outcomes of a self-assessment workshop undertaken in September 2022. (Paragraph 5.3)



Policy

The Audit Committee's Terms of Reference are determined by Full Council. The Council has a duty to ensure adequate and effective risk management, internal control and governance arrangements and the economy, efficiency and effectiveness of its activities. The Audit Committee has a key role in assessing the extent to which this responsibility is being met and advising the Council on the adequacy and effectiveness of these arrangements.

Consultation

1. **Internal**
Audit Committee Members
2. **External**
N/A

Context

3. The Committee's Terms of Reference include a requirement to provide Full Council with an Annual Report summarising its conclusions from the work it has undertaken during the year. The Draft Annual Report to Full Council is provided at Appendix A.

Proposal

4. The Committee review the Annual Report to Full Council and approve it for submission to Full Council, subject to any amendments required identified at the Committee meeting. In addition, the Chair of the Audit Committee to present the report at Full Council on behalf of the Committee

Other Options Considered

5. None

Risk Assessment

6. The assurances provided to the Council by the Audit Committee are an important element of the Council's governance arrangements.

Public Sector Equality Duties

- 7a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
 - i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.

- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

7(b) No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal – N/A

Financial – N/A

Land – N/A

Personnel – N/A

Appendices:

Appendix A – Draft Audit Committee Report to Full Council 2021/22

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Committee papers throughout 2021/22

CIPFA Guidance on Audit Committee Effectiveness 2018



BRISTOL CITY COUNCIL

AUDIT COMMITTEE

ANNUAL REPORT 2021-22

1. Introduction:

- 1.1 It is important that the Council has an independent and effective Audit Committee that follows best practice. The Audit Committee is the primary means by which Full Council obtains assurance that governance, risk management and control systems are in place and effective. It ensures that these are regularly reviewed and reflect regularity and propriety. The Audit Committee's responsibilities are additional to and supportive of those of the Section 151 Officer.

2. Terms of Reference:

- 2.1 The Committee's approved Terms of Reference for 2021/22, which are detailed on the Bristol City Council website, can be summarised as providing independent assurance to the Council in relation to the:
- Effectiveness of the Council's governance arrangements, risk management framework and internal control environment;
 - Overseeing of the work of Internal and External Audit, while at the same time enhancing the profile, status and authority of the Internal Audit function and its independence;
 - Effectiveness of the Council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control;
 - Reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement and monitoring the Council's compliance with its Code of Corporate Governance.
- 2.2 The Committee should operate in an 'apolitical' environment. To support this, Political Party Leads do not sit on the Audit Committee and this is reflected in the Terms of Reference for the Committee.

3. Membership and Meetings of the Committee:

- 3.1 The Committee was chaired during 2021/22 by Councillor Gary Hopkins. Councillor Hopkins resignation in December 2021 saw Councillor Andrew Brown take the chair from January 2022. The Committee comprised of nine members as indicated in the table below with two independent members, Adebola Adebayo and Simon Cookson.
- 3.2 The Committee met formally on five occasions during 2021/22. All meetings were quorate and face to face in line with government requirements for all committee meetings.

Table 1- Audit Committee Attendance 2021/22:

Member	No. of meetings held	No. of Meetings Attended	Percentage of meetings attended
Gary Hopkins (Chair)	4	4	100%
Andrew Brown (Chair)	1	1	100%
Tony Dyer (Vice Chair)	5	5	100%
Farah Hussain	5	1*	20%
Marley Bennett	5	4	80%
John Geater	5	4**	80%
Zoe Goodman	5	5	100%
Katy Grant	5	4	80%
Jonathan Hucker	5	5	100%
David Wilcox	5	4	80%
Simon Cookson	5	5	100%
Adebola Adebayo	5	5	100%

*Councillor Jackson substituted at one meeting **Councillor Gollop substituted at one meeting.

- 3.3 In addition to the Committee Members, the Section 151 Officer, Chief Internal Auditor, Deputy Chief Internal Auditor, Monitoring Officer, representatives from the External Auditors (Grant Thornton) and other officers, as appropriate, attended Committee meetings.
- 3.4 A total of thirty-nine reports were considered during the year, the details of which are provided in Appendix 1. Additionally, at each meeting, the Committee's work programme was reviewed for continued relevance and progress against actions required by the Committee was monitored. Public forum was also received at most meetings.
- 3.5 The Value and Ethics Committee (a subcommittee of the Audit Committee) met four times receiving reports detailing Members Development, Members Code of Conduct Guidance, Members Declaration of Interest Register and honorary alderman nominations. This subcommittee was chaired by one of the independent members, Adebola Adebayo.

4. The Work and Activity of the Audit Committee in 2020/21:

- 4.1 The specific objectives of the Committee relate to overseeing arrangements in the following areas. Papers received by the Committee to enable them to provide that oversight are recorded below:

Area	Papers Considered to Enable Oversight
Internal Control Environment	<ul style="list-style-type: none"> Internal Audit Annual Report and regular Internal Audit Activity Reports including summary exceptions reports. Annual Report of Local Government and Social Care Ombudsman Senior Information Risk Owner (SIRO) Assurance Report Monitoring Oversight of Capital Programme Delivery Contract Management Progress Update 2022/23 Internal Audit Draft Plan 2020/21 Review of External Inspections of Council Services
Corporate Risk Management	<ul style="list-style-type: none"> 2020/21 Risk Management Annual Report Q1 and Q4 201/22 - Corporate Risk Reports Review of Specific Corporate Risk (Affordable Housing)
Regulatory Framework	<ul style="list-style-type: none"> 2020/21 Annual Governance Statement Report concerning Governance Arrangements for Bristol Energy Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations Companies Assurance Report Annual Report of Local Government and Social Care Ombudsman Decisions 2020/21 Draft Annual Governance Statement Summary of Progress to Date
Internal Audit Effectiveness	<ul style="list-style-type: none"> Internal Audit Annual Reports/Progress Internal Audit Quality Assurance Improvement Programme including Internal Audit Charter and Strategy
External Audit Effectiveness	<ul style="list-style-type: none"> External Audit progress reports 2020/21 Review of External Inspections of Council Services External Auditor Appointment Process External Audit Plan
Financial Reporting	<ul style="list-style-type: none"> 2020/21 Statement of Accounts Grant Thornton ISA 260 Report Debt Management Policy 2021/22 & 2022/23 Accounting Policies
Treasury Management	<ul style="list-style-type: none"> 2020/21 Treasury Management Annual Report

Area	Papers Considered to Enable Oversight
	<ul style="list-style-type: none"> 2021/22 Treasury Management Mid-Year Report
Anti-Fraud Arrangements	<ul style="list-style-type: none"> 2020/21 Annual Fraud Report and other Counter Fraud Updates Annual Whistleblowing Update

Key Messages from the Work of the Committee:

- 4.2 As well as this annual report to Full Council, a half year report was provided on issues identified from its work during the first half of the year. The aim was to provide Council with early sight of emerging issues. This annual report captures key messages from the work of the Committee during the full year but should be read alongside the half year report for fuller details.

Internal Control Environment:

- 4.3 The Committee received an Annual Report from the Chief Internal Auditor at the start of the municipal year in line with the requirements of the Public Sector Internal Audit Standards (PSIAS). This reported an improved position regarding the Council's internal control, risk management and governance arrangements and reflected progress made by the Council in addressing some of the long outstanding issues that had remained unresolved for a few years. It also acknowledged there are some areas that still require improvement and that the Council's improvement journey is not yet complete.
- 4.4 The Committee has monitored this situation via regular reports from Internal Audit. Officers responsible for areas where limited assurance was concluded by Internal Audit during the year were requested to attend Committee to provide further assurance on the progress being made in implementing the agreed management actions. These reports included re-assurances from officers about the improvements being made in the following areas:
- IT Transformation
 - Cyber Security
 - Information Asset Ownership
 - IT Resilience
 - Capital Programme Governance
 - Affordable Housing Grants to Registered Providers
 - Risk Management
 - Housing Rents
 - Housing Responsive Repairs
 - Managers Health and Safety Self Assessments
 - Adult Safeguarding
- 4.5 The Committee has requested closer oversight in the following areas given the information received and targeted briefings are planned in these areas for 2022/23:
- IT and Cyber Security
 - Risk Management Maturity
 - Procurement Breaches.

Risk Management:

- 4.6 The Committee has received reports from the Council's Risk and Insurance Manager detailing the corporate risks and the progress being made to embed risk management at the Council. The risk management arrangements continue to embed. An Internal Audit review identified that recent progress improvements now need time to embed to enable the council

to move further towards risk maturity as part of the Council's risk management journey.

Regulatory Framework:

- 4.7 The Annual Governance Statement is a key consideration for the Committee each year. It outlines the governance arrangements at the Council and aims to conclude on how effectively those arrangements have been operating. The Committee considers the Annual Governance Statement to ensure it is reflective of the arrangements and identifies any significant governance issues. The Committee is assured by the review process and approved the 2020/21 Annual Governance Statement as a fair reflection of the Council's governance arrangements.
- 4.8 The Statement for 2020/21 identified a number of issues that had significantly impacted the Council's governance arrangements: Covid 19, Governance Arrangements for the Council Subsidiaries (detail was included in the half year report), the Dedicated Schools Grant Deficit and the significant increase in investment in the Bristol Beacon. The Committee has tracked progress in managing these issues to ensure improvement actions were implemented with a final annual update at the March 2022 Audit Committee.

External Audit and Sign off of Financial Statements:

- 4.9 The Committee is required by its terms of reference to consider the External Auditor's report in advance of its signing off the Council's Financial Statements.
- 4.10 The Committee has approved the 2020/21 Statement of Accounts but they remain not signed off by the Council's External Auditors. The Committee is concerned by the time it takes to have the Council's statement of accounts signed off by the External Auditors and is currently working with both Officers and the External Auditors in exploring opportunities for improving the situation in this regard.
- 4.11 The process for appointment of new external auditors from 2023/24 onwards was also considered. As endorsed by Full Council on 11th January 2022, the Council will appoint its new auditors via the Public Sector Auditor Appointments option.

Counter Fraud Arrangements and Whistleblowing:

- 4.12 The Committee received regular updates on the counter-fraud work undertaken by Internal Audit and noted the robust approach taken in respect of counter-fraud arrangements. Additionally the Committee has monitored continual improvements being made to whistleblowing arrangements.

Summary:

- 4.13 The Committee's primary contribution to the Council's objectives is to ensure that Governance, Control, Risk Management and Audit systems which underpin the work of the Council are sound, reliable, robust and secure. This report provides sight of areas where that is not the case.

5. Audit Committee Effectiveness and Priorities for 2022/23

- 5.1 Following the May 2021 elections, membership of the Committee completely changed with the exception of two long standing independent audit committee members who provide audit expertise and continuity in line with best practice.

5.2 Essential and targeted training has been offered and provided to Audit Committee Members to assist them in both understanding the role of the Committee and enhancing understanding in some key areas relevant to the Committee:

- Induction and the Role of the Audit Committee
- Receiving assurance from and working with Internal Audit
- Working with the External Auditors
- Governance
- Treasury Management
- Financial Statements

5.3 A recent workshop was held to enable the new Committee to reflect on their effectiveness following the first full year of their membership. The workshop reflected on both the Committee's approach and work programme drawing on CIPFA Guidance to support effective Audit Committees. The Committee will work with officers to develop and implement improvement actions however the table below details some early thoughts from the Committee during the workshop:

Area for Development	Actions Agreed
Working with Partner Audit Committees and the governance over decisions made through partner organisations	<ul style="list-style-type: none"> • Key Partner Organisations to be identified. Meeting with Audit Committee chairs of these organisations to be held to explore assurances. • Briefing for Committee Members regarding the governance arrangements for the One City Partnership Board.
Holding risk owners to account more effectively	<ul style="list-style-type: none"> • Explore options for ensuring the right officers attend Audit Committee to respond to questions on risk. • Explore opportunity for earlier receipt of reports to enable more time for review.
Reviewing the effectiveness of performance management arrangements	<ul style="list-style-type: none"> • Joint conversations with scrutiny boards where there is commonality in work programme subject areas. (Facilitated by Members who sit on scrutiny and audit committees)
Improving public reporting	<ul style="list-style-type: none"> • Committee Members to challenge where reports presented should be clearer. • Discussion with Officers in key areas to review the frequency of reporting (Financial Statements).
Value and Ethics Committee	<ul style="list-style-type: none"> • Review how the Audit Committee and Value and Ethics Committees interact to ensure this important work programme area is effectively covered.
Committee Operations	<ul style="list-style-type: none"> • Responses to questions of the Committee not answered at the meeting to be included in the action sheet to ensure the answers are public • Escalation to Chief Internal Auditor where questions that are raised and accepted by Committee do not get a response. • Committee to more closely consider work programme to ensure they input to agenda setting

7. CONCLUSION

7.1 The Committee's primary contribution to the Council's objectives is to ensure that Governance, Control, Risk Management and Audit systems which underpin the work of the Council are sound, reliable, robust and secure. The Committee has met its terms of reference in this municipal year.

7.2 This report gives an overview of the range of work undertaken by the Committee, which has enabled it to conclude that there are some areas where the Council's system of checks and balances are not as robust as required (para 4.7 refers) and the Committee's

forward work programme will include monitoring of these to ensure improvement.

- 7.3 The new Committee has settled into its role well and recognise areas where it can improve its effectiveness going forward with the actions identified at paragraph 5.3 above.
- 7.4 The Audit Committee would like to extend its thanks and appreciation to all the officers who have contributed reports and responded to questions from committee members. Audit Committee obviously has a vital role to play and this is greatly enhanced by a high standard of input from all those who contribute.

Appendices:

Appendix 1 – Reports considered by the Audit Committee in 2021/22 including reports considered by the Values and Ethics Committee.

DRAFT

Meeting date	Papers considered
24 th June 2021	<ul style="list-style-type: none"> External Audit Progress Report 2020/21 Internal Audit Annual Report 2020/21 Annual Fraud Report Report Summarising External Inspections of Council Services. Access to Information for Audit Committee Functions
26 th July 2021	<ul style="list-style-type: none"> External Audit Progress Report – including verbal updated on Bristol Energy Report. 2020/21 Audit Committee Annual Report to Full Council 2020/21 Draft Statement of Accounts 2020/21 Draft Annual Governance Statement Corporate Risk Report – Q4 2020/21 Corporate Risk Detailed Review – Affordable Housing Internal Audit Update Report Companies Assurance Report
27 th September 2021	<ul style="list-style-type: none"> Report concerning Governance Arrangements for Bristol Energy External Auditor Appointment Process 2020/21 Treasury Management Annual Report Monitoring Oversight of Capital Delivery Internal Audit Activity Report - Including Summary Audit Reports Senior Information Risk Owner (SIRO) Assurance Report 2020/21 Risk Management Annual Report 2021/22 - Q1 - Corporate Risk Management Report Annual Report of Local Government and Social Care Ombudsman Decisions
23 rd November 2021	<ul style="list-style-type: none"> Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations External Audit Plan Audit Committee Half Year report to Full Council (draft) Debt Management Policy Treasury Management Mid-Year Report Internal Audit Half Year Update including summary audit reports Counter Fraud Half Year Update Report Internal Audit Quality Assurance Improvement Programme
8 th March 2022	<ul style="list-style-type: none"> Grant Thornton ISA 260 Report 2020/21 Statement of Accounts 2021/22 & 2022/23 Accounting Policies Internal Audit Exception Report 2020/21 Review of External Inspections of Council Services Contract Management Progress Update 2020/21 Draft Annual Governance Statement Summary of Progress to Date Annual Whistleblowing Update 2022/23 Internal Audit Draft Plan
Value and Ethics Sub-Committee Meetings	
24 th June 2021	<ul style="list-style-type: none"> Honorary Alderman Nomination
26 th July 2021	<ul style="list-style-type: none"> Code of Conduct Guidance Notes for Councillors Member Development Update
27 th September 2021	<ul style="list-style-type: none"> Honorary Alderman Nominations
23 rd November 2021	<ul style="list-style-type: none"> Members Register of Interests Report Honorary Aldermen Criteria